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Arizona Withdraws from Western Climate Initiative, Joins Regional Plan Favoring Broader Energy, Jobs Push

PHOENIX – (Nov. 16, 2011) – Arizona has formally withdrawn from the emissions trading program known as the Western Climate Initiative and joined a new initiative called North America 2050, which will spur energy innovation and create economic opportunities while reducing carbon emissions, Arizona Department of Environmental Quality Director Henry Darwin announced Wednesday.

“Arizona believes there are more effective, responsible ways to realize the environmental and health benefits the WCI program seeks to achieve while avoiding the economic costs to industries that are subject to cap and trade,” Darwin said, adding that those costs are ultimately borne by the customers and ratepayers of the affected industries.

Instead, Darwin said Arizona has taken the lead with 13 other states and four Canadian provinces in the North America 2050 collaborative, which will spur economic growth while protecting the environment.

Among the collaboration topics are exploring carbon capture and sequestration and the use of sustainably harvested biomass fuels to displace high carbon fuels, developing benchmark approaches to encourage industrial energy efficiency, and developing high quality offsets that may be used in emissions trading programs. Each of the states and provinces will participate in those areas that align with their priorities and interests.

“This new collaboration gives states and provinces the ability to lead and influence the evolving climate and energy policies in our respective countries. For Arizona, the emphasis is on finding ways to create jobs and stimulate the state economy through technological advancements in the clean energy sector,” Darwin said.

The Western Climate Initiative was composed of seven Western states and four Canadian provinces in a regional effort to reduce global carbon pollution. Governor Brewer signaled in a February 2010 executive order that Arizona would not participate in the trading program that seeks to cap carbon emissions while enabling businesses covered by the cap to trade allowances, or credits, in lieu of meeting their reduction goals.

On November 10, California and four provinces announced the formation of a non-profit organization to administer the WCI cap-and-trade program and service its technical needs. Arizona and other states formerly identified with WCI decided to clarify that they are no longer associated with the organization.

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Participating jurisdictions in North America 2050 are free to choose which policies and programs they want to be involved with based on their own priorities and vision, Darwin said. He emphasized that while some states and provinces may continue to pursue cap and trade, Arizona will not be one of them.

“I think we all share a common commitment to create a cleaner, healthier environment. We may have different ideas about how to reach the goal, but we can learn by sharing success stories and by working together on policies we can agree on.” Darwin said.

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