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Contact: Marissa Stone, NM Environment Department
(505) 827-0314 or (505) 231-0475

Governor Bill Richardson Announces Regional Cap-and-Trade Program to Reduce Greenhouse Gases

Governor will appoint Green Ribbon Panel to recommend ways to implement the program in New Mexico

Santa Fe– Governor Bill Richardson today joined six Governors and four Canadian Premiers in announcing the design of a regional, market-based cap-and-trade program. The Western Climate Initiative’s (WCI) goal is to slash climate-changing greenhouse gas emissions while spurring growth in new green technologies, building a strong clean-energy economy and reducing dependence on foreign oil.

“This bold plan for achieving emissions reductions shows that states and provinces are leading the way on responsible climate policy,” said Governor Bill Richardson. “We realize, here in the West, that we cannot wait for the federal government to get off its hands, so we will have to serve as a model for the rest of the country and world.”

The cap-and-trade program will require emitters to cut their pollution by setting a limit (“cap”) on emissions and then allowing the market to identify the least-cost ways to achieve the limit. Each state and province will decide how it can best implement the cap-and-trade program.

Governor Richardson announced today he will appoint a green ribbon panel to make recommendations on how to implement the program in New Mexico. Some portions may be implemented through existing authorities, but legislation may be necessary to reduce costs and encourage trading among WCI covered entities.

Governor Richardson formed the Western Climate Initiative in February 2007 along with the Governors of Arizona, California, Oregon and Washington to develop regional strategies to address climate change. The initiative expanded to include the states of Montana and Utah and the Canadian provinces of British Columbia, Manitoba, Ontario and Quebec.

The new, multi-sector program will be the most comprehensive carbon-reduction strategy designed to date. It will cover nearly 90% of the region’s emissions, including those from electricity, industry, transportation, and residential and commercial fuel use. Together, the seven states and four provinces represent over 20 percent of the U.S. economy and 70 percent of the Canadian economy.

By including features such as allowance banking and offsets, the WCI Partners are recommending a strong and balanced cap-and-trade program that takes advantage of a wide range of economic opportunities from reducing greenhouse gas emissions.

The WCI Partners have agreed to begin reporting emissions in 2011 for emissions that occur in 2010. The first phase of the cap-and-trade program will begin on January 1, 2012, with a three-year compliance period. The second phase will begin in 2015, when the program is expanded to include transportation fuels and residential, commercial and industrial fuels not already covered in the first phase.

For more information on WCI visit www.westernclimateinitiative.org.

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