

THE BROOKINGS INSTITUTION

5 on 45:
On Trump's climate executive order

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PITA: You're listening to 5 on 45 from the Brookings Podcast Network: analysis and commentary from Brookings experts on today's news regarding the Trump administration.

HULTMAN: My name is Nathan Hultman, and I'm a nonresident senior fellow at the Brookings Institution and the Director of the Center for Global Sustainability at the University of Maryland. Today, Donald Trump is expected to sign an executive order on the Clean Power Plan governing the electricity sector, greenhouse gas emissions, and actually addressing a wider suite of other climate policies that were implemented by the Obama administration. This action is being touted, and partially justifiably so, as being a significant action to unravel some of the Obama climate regulatory actions that happened over the past eight years, and I'm here to talk to you a bit about what we expect from the executive order and how that will affect the U.S. economy and our overall environmental goals over the next couple of years.

So the Clean Power Plan is one of several regulatory actions that were implemented under the Obama administration. The executive order today that will be signed by Trump is expected to direct the Environmental Protection Agency to essentially reconsider their regulations on the electricity sector, with an eye toward rolling back and presumably replacing, eventually, the regulation that is the Clean Power Plan. The executive order is also expected to unleash some new federal lands for coal mining, to direct the EPA to abandon some regulations on methane from the oil and gas industry, and a couple of other actions that involve our ability to estimate costs under climate change as part of our regulatory process.

So under this executive action, there are several things that can be done fairly efficiently, fairly quickly: the coal, social cost of carbon, the regulatory actions and the methane regs are those things that can be done relatively easily. The Clean Power Plan will take a substantially larger amount of effort. Basically, the EPA is under obligation by the Supreme Court to regulate CO₂ as a pollutant, so over some time the EPA will have to issue some kind of new regulation. Whether they want to or not, they will get sued if they don't. So they will have to issue something new, but they will also have to go through a regulatory process to roll back the Clean Power Plan.

The loss of the Clean Power Plan is significant. The electricity sector represents about 30% of overall U.S. greenhouse gas emissions, and therefore the Clean Power Plan was one of the key elements of Obama's climate action plan to dramatically reduce, over time, our greenhouse gas footprint while steering our economy toward more 21st century jobs in the clean energy sector. The Clean Power Plan itself was estimated, just on health benefits, to prevent something like – EPA estimated – 3,600 premature deaths, 1,700 heart attacks, 90,000 asthma attacks, and 300,000 lost work and school days every year by the time it was fully implemented in 2030. And with the loss of the Clean Power Plan, those health benefits will be lost, and those health impacts will continue to be felt. So that's one of several areas where I expect we will hear substantial opposition to both the unrolling of the Clean Power Plan but also, as the Trump administration seeks to implement something new, they will be hearing certainly from people around the country about the need for cleaner energy and energy that protects human health as well as the environment.

So what are the implications for climate policy? Well, as I said before, the electricity sector is an important piece of the overall emissions profile in the U.S. It is not the only one, there are still regulations on a number of other elements of the economy that produce emissions – notably, for example, efficiency measures in energy equipment in appliances. Those will remain on the books, those will continue to have an impact. Even automobile standards, which Trump has said he will also revisit, those will also continue to bite – maybe a little bit less strongly than we anticipated, but will continue to move forward.

The real question is how much this steers investment. It does remain the fact that Trump's time in office will be limited to four or eight years. Many companies around the world and in the U.S. know that the greenhouse gas problem will not be going away. There are roughly 70,000 jobs in the coal mining industry, and that can be compared to something like 3 million jobs supported by clean energy. So there will be some choices that the U.S. will have to make in the next couple of years about how we steer our policy, and I do expect that a substantial amount of new investment will continue to flow into these alternate and newer forms of energy. Thank you.

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