

C&T Areas of Agreement

GHGs Covered	6 IPCC: CO ₂ , CH ₄ , N ₂ O, HFC, PFC, SF ₆
Geographic Scope	MGA: IA, IL, KS, MI, MN, WI
Sectors Covered	electric, industry, commercial, residential, transportation
Point of Regulation	Emission source (power) Point of first sale (N gas) Upstream for fuels
Covered Sources	>25,000 m tons CO ₂ e
Early Action	2008
Linkages	RGGI, WCI
Schedule	MGA, 09 levels in 2011 cap

Areas of Disagreement

- Allowance Distribution
- Treatment of Offsets
- Cost Containment Mechanism
- Reduction Schedule (compliance period)

Allowance Distribution

- Free allocation based on historic emissions

VS

- Auction System

Offset Treatment

- Limiting use
 - Percent of compliance
 - Types of offsets
 - Geographic

Cost Containment

- Capping price of allowances
- Allowing banking and/or borrowing
- Increasing use of offsets
- Regulatory “off-ramp” (or implementation delay) on case-by-case basis.

Stringency & Reduction Schedule

- Targets
- Compliance periods