Is Cap and Trade Really "Dead"?

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Over the past year, a major hot button issue that has enraged and divided those in the coal industry and those working for environmental protection is the cap-and-trade legislation debate. Cap-and-Trade essentially involves setting the limits at which power plants and other polluters can send emissions into the air, and at the same time creating a trading market for those plants to trade emission limits.

Proponents of cap-and-trade see the bill as an economic solution to the issue of greenhouse gas emissions and pollutants, allowing trading to properly reflect demand and to influence participants to lower their greenhouse gas emissions. The bill will also force participants to invest more in pollution control, enabling them to sell unused credits.

The coal industry basically sees the bill as nothing more than another regulation being imposed on an industry that is already prone to an extreme amount of regulation. Cap-
and-trade is a threat to the coal industry because it has the possibility to greatly lower the demand for coal, greatly affecting energy prices, especially in places where coal makes energy costs very low. Since plants must lower their pollution, they will be very cautious and may take less coal and take more costly, cleaner forms of energy. They may also invest more heavily in pollution control. Both of these costs will be passed on to the ultimate consumer, raising energy costs for all.


Senator Graham claims himself that his statements were only meant to stir debate, and they certainly have. Some are now worried that the United States is moving in a radical direction when it comes to climate change, and are moving away from the cap and trade legislation. Id. Others are not necessarily convinced that anything has changed and that cap and trade is cap and trade no matter what you call it. Id. It remains to be seen this coming year whether or not cap-and-trade or some other form of climate legislation will make it through Congress. But what do you think? Is Cap-and-trade really “dead?”

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