

For Senate, a Climate of Competing Interests Groups Press Agendas Before Environmental Legislation Begins to Take Shape

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Environmentalists want a tighter cap on emissions. Electric utilities want a looser one. The nuclear industry wants loan guarantees for new reactors. The AARP wants low electric bills for seniors.

Even God, apparently, wants something from the Senate's climate change bill. The National Religious Partnership for the Environment has pressed for billions to help poor people made worse off by climate change.

The body of the bill hasn't been written, and the health-care debate is still taking up most of Washington's oxygen.

But after the House climate bill proved fertile ground for Washington's lobbyist corps -- it ballooned to 1,427 pages, stuffed with compromises that benefited industries from corn to coal -- a similar effort has begun to influence the Senate, where congressional aides will spend the summer recess drafting legislation.

For now, Democratic leaders say they'd like to write a bill that sets some environmental bars higher than the House version. But the Senate's political math makes that look doubtful. In the House vote, the majority of congressional delegations in 27 states voted against the climate bill. With the House's proportional representation, the bill still passed, but pulling "yea" votes from enough of those states in the Senate could mean watering down some environmental provisions.

Some key senators seem to be treating the House's compromises as a starting place for more. "What they did, we'll keep," said Sen. Tom Harkin (D-Iowa), chairman of the Senate Agriculture Committee. But on top of that, Harkin said, "We're going to maybe do some other things that would maybe embellish what they did in the House."

In particular, Harkin said, he wants to be more generous with "carbon offset" programs that allow farmers to be paid for no-till agriculture that keeps carbon in the soil. In the House bill, those provisions were made more farmer-friendly in a last-minute compromise with Midwestern Democrats. Some environmental groups said it was already too much of a giveaway.

Senate Democratic leaders say their climate legislation will be built on the same frame as the House's. There will probably be a requirement to cut U.S. greenhouse-gas emissions by 2020. There will be a "cap and trade" system, in which factories, power

plants and other emitters can buy or sell permission slips to pollute. And there will be a requirement for utilities to increase U.S. use of power from "renewable" sources such as wind, sun and plants.

Senate leaders say it will all be assembled by Sept. 18. That's the deadline that Majority Leader Harry M. Reid (D-Nev.) has set for five committees to pass portions of the bill.

"It's a date that's doable," Reid said in a conference call with reporters last week. "We can't let that slip."

But other legislators wonder if, when the health-care debate finally ends, the Senate will have the stomach or the attention span for another complicated fight. And it remains unclear how much clout President Obama will have left to sway wavering lawmakers.

"It's very hard for Congress to do one big thing, much less do a couple of really big issues at the same time," said Sen. Byron L. Dorgan (D-N.D.), whose state produces coal as well as wind power.

Dorgan, who could be a swing vote on a climate bill, said he believes in capping carbon emissions, but not this way. He fears that cap-and-trade will create a market open to manipulation, like existing securities markets.

He remains noncommittal about his ultimate vote. "We have a whole mountain range to climb before we get there," he said.

The fight may begin on terms set by two top Democrats: Sen. Barbara Boxer (Calif.), who heads the Environment and Public Works Committee, and Sen. John F. Kerry (Mass.), chairman of the Foreign Relations Committee. They have met with Sen. Olympia Snowe (R-Maine), discussing ideas for the bill. Kerry has met with more than 20 senators, a third of them Republicans.

Boxer said she intended to model her bill after early versions of the House bill. They required a 20 percent reduction in U.S. greenhouse-gas emissions by 2020, which was lowered to 17 percent in the final version of the House bill. Boxer said it wasn't clear what number would appear in the Senate bill.

Manik Roy, a vice president at the Pew Center on Global Climate Change, said that Boxer and Kerry must avoid making their bill too aggressively green.

"If [the Environment and Public Works committee] moves a bill to the left of the House bill, in the best case, the bill will be less influential on the Senate floor than it should be," Roy wrote in an e-mail. "In the worst case, opponents of climate action will use that as an opportunity to brand the whole Senate effort as coming out of the far left." Roy's group supported the House bill.

Already, though, fossil-fuel industries have taken the final House bill as their starting point, and begun pushing for the Senate to sweeten it further. Thomas F. Farrell, chief executive of Dominion Resources -- an electric utility that burns coal -- said he wanted the Senate to lower the 17 percent goal.

"We don't think that's a realistic timetable," Farrell said. (But Kerry, concerned about the international climate summit in Copenhagen in December, said the coal states' target of 14 percent "will be very hard to pass the smell test.")

Farrell said his company also wants a "price collar" on emissions allowances. A collar, in this context, is a federal guarantee that the price of emissions allowances -- which companies like Dominion would have to buy if they wanted to produce greenhouse gases -- would not rise or fall beyond a certain dollar figure.

Different companies have different interests. For example, a new alliance of natural gas producers has pushed for the climate bill to be friendlier toward them. "We're disappointed with the House bill. There are no incentives for natural gas," said David Trice, chairman of Houston-based Newfield Exploration. He said gas-fired power plants could provide backup when the wind doesn't blow and the sun doesn't shine.

And companies that make wind turbines and solar panels want to raise the "Renewable Energy Standard" in the House bill, which set minimum requirements for renewable energy use by U.S. utilities. But these companies, whose "green" energy is at the crux of Democratic plans for a low-carbon country, already seem to have lost ground. Earlier this year, the Senate Energy and Natural Resources Committee passed an energy bill with a lower standard.

Aside from Snowe, few Republicans appear likely to be part of the Senate horse trading. The GOP has been fiercely critical of the House bill, with some legislators saying they doubt the science of climate change, and others saying the bill's costs would drive businesses overseas. Even Sen. John McCain (R-Ariz.), who co-sponsored two earlier cap-and-trade bills, has attacked the House bill.

"We want an America in which we create hundreds of thousands of 'green jobs,' but not at the expense of destroying tens of millions of red, white and blue jobs," said Sen. Lamar Alexander (R-Tenn.).