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Arizona Quits Western Cap-and-Trade Program

By SINDYA N. BHANOO

Citing financial worries, the State of Arizona has backed out of a broad regional effort to limit greenhouse gas emissions in the West through a [cap-and-trade](#) system.

In an [executive order](#) issued last week, Gov. Jan Brewer, a Republican, said a cap-and-trade system — which would impose mandatory caps on emissions and allow pollution credits to be traded among companies — would cripple Arizona's economy.

Instead, the state will support initiatives to expand the use of [solar power](#), nuclear power and other renewable energy sources, said Benjamin Grumbles, the head of the state's environmental agency.

"The governor thought it was important to be clear and honest and let the W.C.I. partners know that we don't think that now is the time to implement a cap-and-trade program," Mr. Grumbles said, referring to the regional effort, the [Western Climate Initiative](#).

"Green and grow is our approach now," he said.

The governor's decision was reported Thursday by [The Arizona Republic](#).

The Western Climate Initiative is made up of seven Western states — Arizona, California, Montana, New Mexico, Oregon, Utah and Washington — and four Canadian provinces. Its regional cap-and-trade program is set to begin on a limited scale in 2012.

For now, California is the only state in the group that is poised to open a cap-and-trade marketplace by 2012, but the coalition has said it hopes the program will be in full force by 2015.

The caps would apply to 90 percent of the greenhouse gases emitted by the states and provinces. The group's goal is to achieve a 15 percent reduction from 2005 emissions levels by 2020.

In the first regional cap-and-trade effort in the United States, a coalition of 10 Northeastern and mid-Atlantic states making up the [Regional Greenhouse Gas Initiative](#) similarly aims to reduce carbon dioxide emissions by 10 percent by 2018.

Such regional efforts are viewed as a means of compensating for the halting nature of the federal government's steps toward instituting a full regulatory system for greenhouse gases.

Arizona, a founding member of the Western initiative, plans to maintain its voting status within the group,

Mr. Grumbles said.

Although it is best known for its cap-and-trade plans, the initiative also promotes renewable energy and energy efficiency, efforts the state will continue to support, Mr. Grumbles said.

Environmental groups criticized Arizona's decision to back off on the cap-and-trade element. "It's ridiculous and sad and embarrassing all in one," said [Sandra Bahr](#), director of the [Sierra Club](#)'s chapter in Phoenix. "We think that all the tools should be on the table for reducing emissions."

"Arizona is one of the parts of the country that's going to suffer the most," she said. "Hotter and drier — that's not what we need."

[Laura E. Sanchez](#), a lawyer with the National Resource Defense Council's air and energy program, also called the move a step backward. But she said it would not necessarily deal a major blow to the program.

"It's a state by state rollout — each state has to go through their process of getting their cap-and-trade proposal implemented," she said. "I don't necessarily think any one state's actions will have an effect on another state's actions."

Mr. Grumbles maintained that Arizona would continue to embrace a long-term clean energy strategy.

"The governor believes that Arizona can become the solar powerhouse of the nation," he said. "So we are absolutely committed to advancing the solar industry, as well as wind and [geothermal](#)."

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