House Democrats introduced an ambitious climate bill yesterday aimed at pleasing both environmental and business interests, even as Senate leaders acknowledged that the party faces serious challenges in trying to pass a carbon limit in the near future.

The 648-page "discussion draft," crafted by House Energy and Commerce Chairman Henry A. Waxman (Calif.) and Rep. Edward J. Markey (Mass.), chairman of the subcommittee on energy and the environment, would create the first federal requirements to boost energy efficiency and ensure that a quarter of the nation's electricity comes from renewable sources. It also would cut the nation's greenhouse gas emissions by 20 percent from 2005 levels by 2020, and by 80 percent by mid-century.

The measure also would provide incentives for industries that will be hit the hardest by a limit on emissions, including a $10 billion fund to promote carbon capture and storage technology and a provision that would reward carbon-intensive manufacturers that face global competition if they operate more efficiently than their overseas counterparts.

"I think this bill is a game-changer that takes the best of industry's and environmentalists' ideas," Markey said in an interview. "Because of that, there is a newfound sense of possibility."

The draft, however, represents the beginning of climate negotiations on the Hill, not the end: House Speaker Nancy Pelosi (D-Calif.) called it "a strong starting point." Rep. Mike Doyle (D-Pa.), a key swing vote on Markey's subcommittee, said that he welcomed some of the concessions to carbon-dependent regions such as his own district but that he has not decided whether to back the bill.

"It's come a long way. We've got a long way to go," Doyle said in an interview. "The devil's always in the details."

Moreover, many Democrats emphasized that they face a greater challenge in the Senate. "We don't have 60 votes," said Sen. Richard J. Durbin (Ill.), the majority whip in charge of counting votes.

In the current environment, Durbin said, there is little hope of passing a climate bill anytime soon, and legislative momentum among Democrats has shifted toward moving health-care reform legislation before a climate plan. "We still have a long way to go [on climate legislation], but we hope we can get to it," said Durbin, who supports the bill.

Republican leaders have made it clear that they will attack Democrats for seeking a cap-and-trade system for greenhouse gases. Yesterday, House Minority Leader John A. Boehner (Ohio) issued a statement suggesting that the bill would force American manufacturers to move overseas, saying, "The Democrats' plan to raise energy taxes in the midst of a serious recession is the wrong thing to do and the worst possible time to do it."

Many officials from industries that stand to be most affected by greenhouse gas limits, by contrast, offered...
cautious praise for the Democratic draft. The measure is deliberately silent on whether the government will auction off 100 percent of its pollution allowances right away or will distribute some for free, a question that James E. Rogers, chief executive of Duke Energy Co., said "will make or break this bill."

Deciding how to distribute pollution allowances as well as the money raised through such an auction is "going to be key to get lots of ducks to line up in a row," said David Doniger, policy director of the Natural Resources Defense Council's climate center.

Markey predicted leaders would resolve the matter by the time his panel began voting on the legislation in about a month.

Several utility representatives, however, questioned whether they could meet the bill's requirement to have 25 percent of their electricity derived from renewable energy by 2025 while also achieving a 15 percent electricity savings and a 10 percent natural gas savings by 2020.

Tom Kuhn, who represents about 70 percent of the U.S. electricity sector as president of the Edison Electric Institute, said his members worry that the two provisions are "overly ambitious and will simply raise the cost of generating electricity without producing any additional emissions reductions."

*Staff writer Paul Kane contributed to this report.*

View all comments that have been posted about this article.