Louisiana Industry: Climate Opportunities and Policy Approaches

Rebecca Dell
8 October 2021
Louisiana has the highest portion of GHG emissions from the industrial sector.

Source: ProPublica, The Advocate
Policy interventions should span the full range of emissions reductions opportunities.

$$\text{GHG} = S \times \frac{P}{S} \times \frac{M}{P} \times \frac{\text{GHG}}{M}$$

**Product-Service Intensity**
- Precision application
- Increased product lifetimes
- Reuse
- Increased Utilization

**Material Intensity**
- Substituting low-GHG materials
- Light-weighting
- Process waste reduction
- Recycling

**Emissions Intensity**
- CCS
- Fuel switching
- Bio-energy
- Energy Efficiency
- Innovative processes
Create markets for low-GHG products
No one will make clean products if no one wants to buy them

Direct incentives
• Carbon pricing and contracts for differences
• Buy Clean – public procurement
• Incentivize both best practices and innovation

Clean Product Standards
• Apply to both public and private purchasing
• Opportunity around plastics and design-for-recycling
• Critical for *material efficiency*, especially in building codes

Private Procurement
• Mandatory reporting and disclosure
• Voluntary standards, advance market commitments, buyers’ clubs
Support innovation

Both public and private investment in heavy industry innovation is very low compared to other sectors.

Increase and realign expenditures

• Many only consider energy efficiency, not overall environmental performance and other co-benefits
• Integrate manufacturing, construction, and waste-processing

Demonstration at scale

• Many technologies are advancing in Europe and Asia, but languishing here.
• Opportunity for state and federal partnership, especially with potential new funding.
• Possibilities for LA: CCS pilot in steel, H2 hub in chemicals
Support deployment at scale

Scaling low-GHG pathways will require enabling infrastructure, technical assistance, and regulation. Climate-safe heavy industry will require different infrastructure:

• New electricity loads
• CO₂ transportation and storage
• Zero-C fuels like hydrogen

States have strong policy levers through utility regulation, land-use planning, and infrastructure funding.

Technical assistance and regulatory requirements will ensure best practices for energy efficiency and CH₄ leakage.
Protect and invest in people

None of the other approaches will work if we don’t have the right people to implement them and if people don’t see clear benefits.

• Training practitioners throughout the value chain
• Targeting underserved communities for investment
• Emphasizing quality job creation, protecting workers’ rights and safety
• Properly funding workforce transitions, where needed
• Building informational infrastructure to support markets and policies
• Investing in enforcement of the rules
Reducing industry GHG emissions is essential to meeting Louisiana’s climate goals.

Climate-safe industry is **possible** and **affordable** with the right investments and approaches.

Rebecca Dell
rebecca.dell@climateworks.org
Report: *Build Clean – Industrial Policy for Climate and Justice*
December 2020