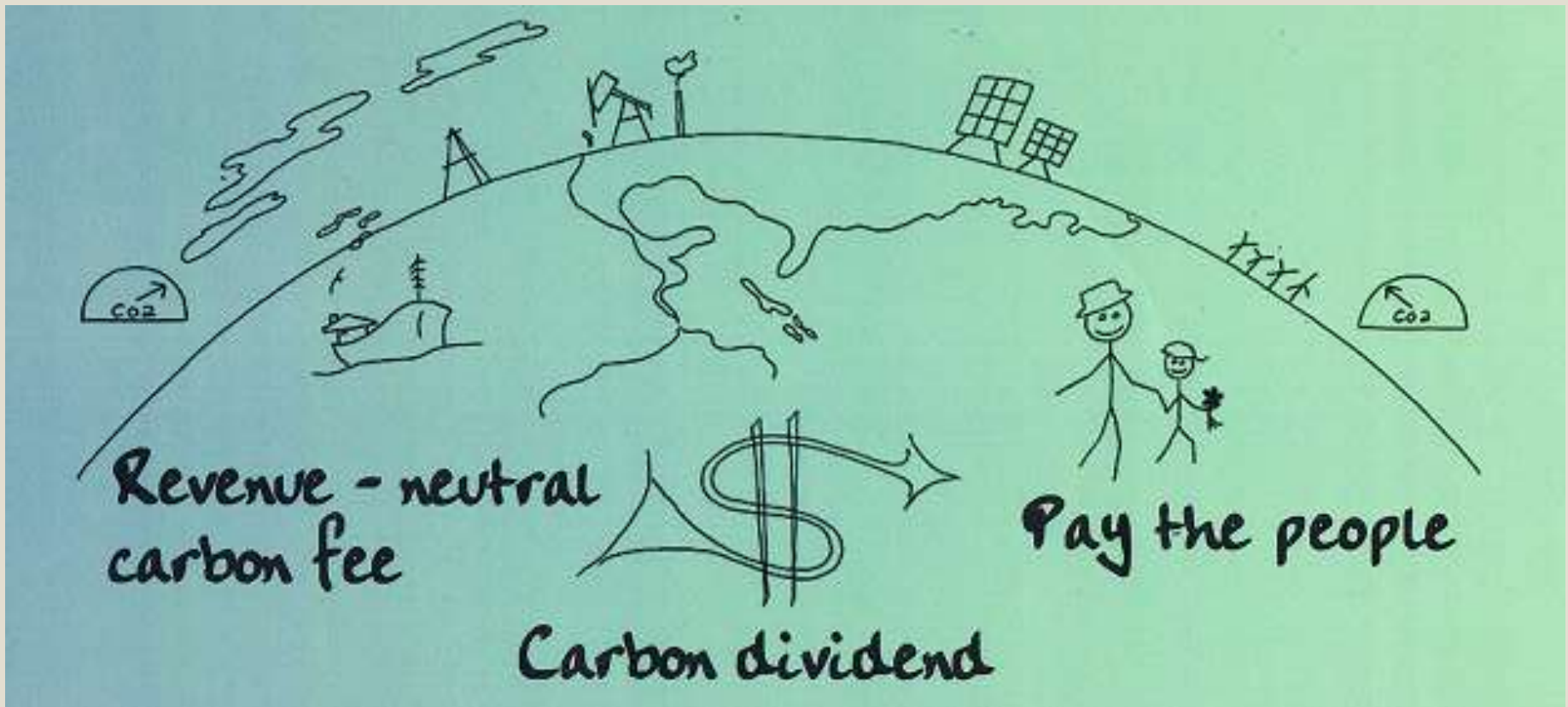


A Climate Solution for Everyone: Carbon Dividends from a Carbon Fee

**Peter Garrett
PhD Earth Scientist
Citizens Climate Lobby**

One

Carbon Fee & Dividend



What is Carbon Fee & Dividend?

- Fee puts a price on pollution, CO₂ and other GHGs;
- Annual-rising Fee doesn't increase size of government;
- Dividends are paid monthly and equally to households;
- Border Adjustment protects US industries;
- Market determines Winners and Losers.



**500
refineries**



**500-800
coal
producers**



**500 gas
processing
plants**

US Treasury Collects the Fee

- Give all businesses powerful incentives towards energy-efficiency and reduced carbon footprints to remain competitive;
- Will stimulate investment in clean energy technologies; and
- Provides a fair transition to a domestic-energy economy.

Benefits of the Dividend

How Will CFD Impact the Economy?

**Nationwide
& Regional
study of
Economic
Impacts and
Trends by:**



**Nationwide
& Regional
study of
Household
Impacts by:**



International Institute for
Applied Systems Analysis

REMI: Report Summary...in 20 yrs.

Jobs

- **2 million more jobs**

Climate

- **Emit 52% less CO₂**

Fiscal

- **Household incomes raised**

Health

- **Cleaner Air Saves Lives and \$\$**

Economic

- **\$1.3 trillion additional GDP**

No economic case against

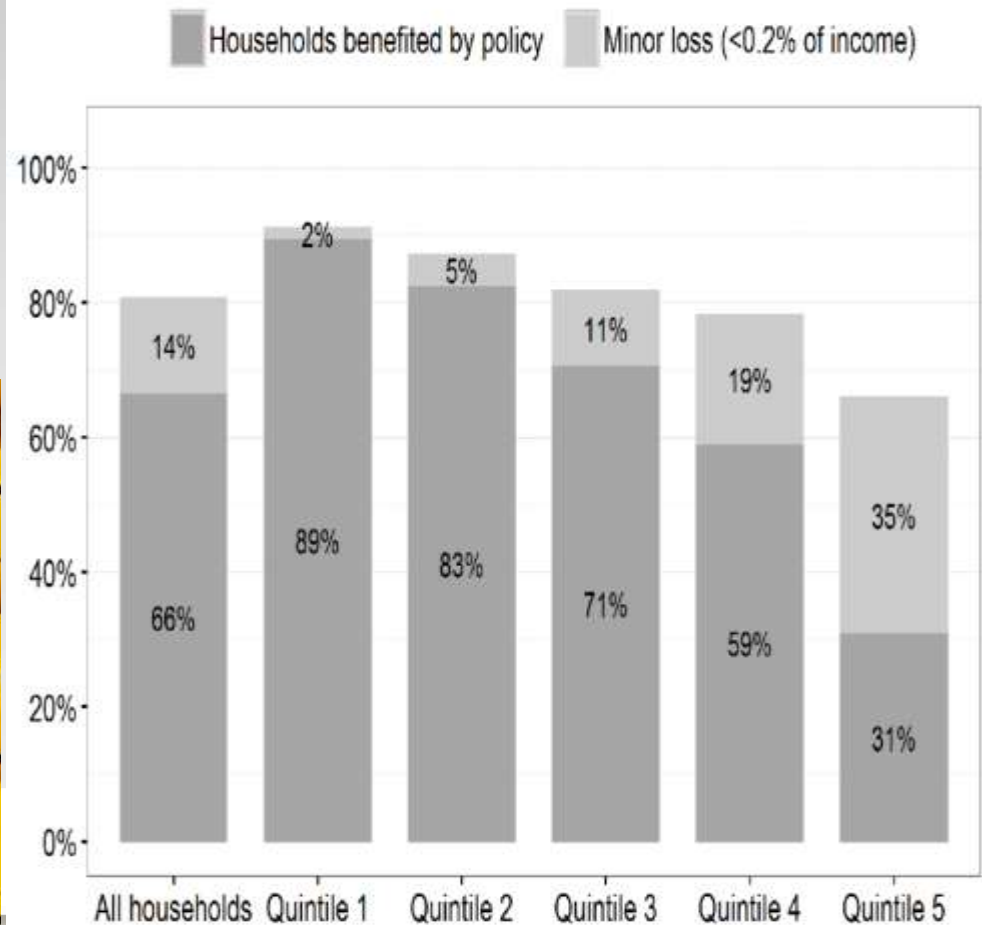
Carbon Fee & Dividend

Benefit from Fee & Dividend

The Northeast will see a net gain of \$7.1 billion in 20 years, a net increase in jobs, and growth in regional capacity.

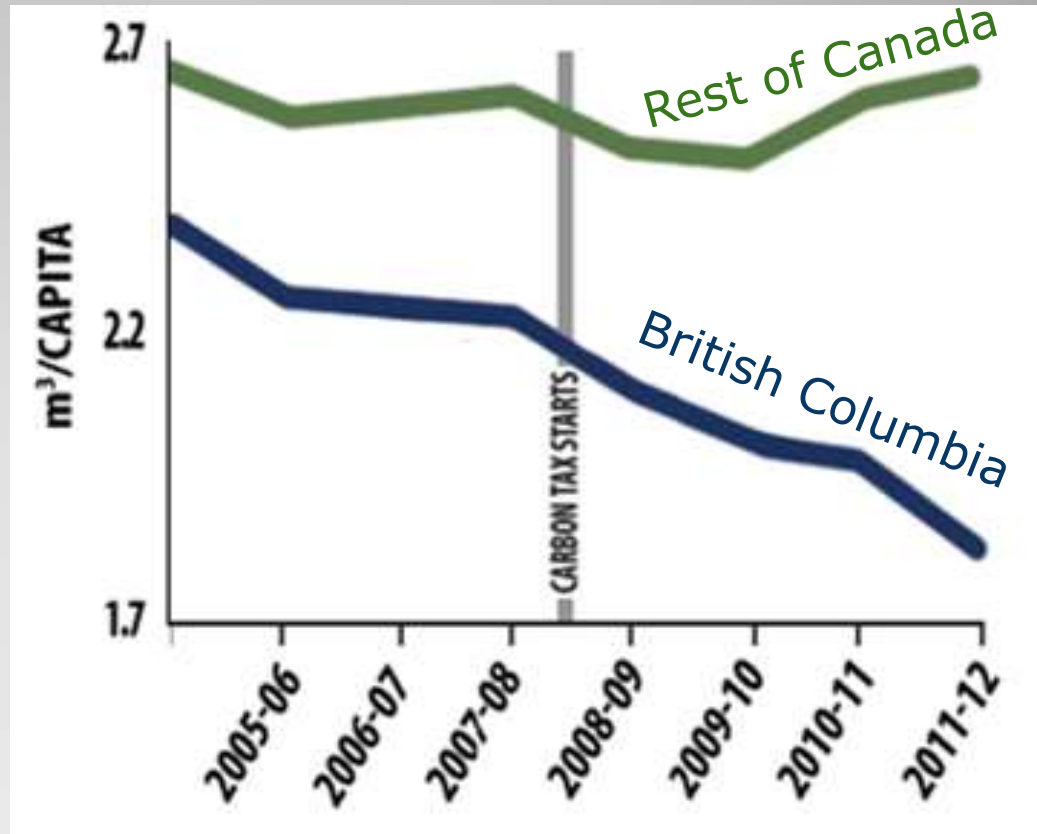


Maine - Congressional district No. 2



Proven Success in British Columbia

- Started in 2008
- \$30/ton stop
- Fuel use down
- GDP up
- Jobs up
- 60+% approval



Sales of petroleum fuels subject to BC carbon tax

Why not Cap & Trade?

- **Cap & Trade**

- Not transparent
- Offset credits cause cheating
- Traders and offset investors make \$\$
- CO2 reductions have been minor

- **Carbon Fee & Dividend**

- Easy to understand
- No offsets
- Directly benefits lower income
- Revenue neutral

Two

News from Washington D.C.

THE CONSERVATIVE CASE FOR CARBON DIVIDENDS

How a new climate strategy can strengthen our economy,
reduce regulation, help working-class Americans, shrink
government & promote national security

James A. Baker, III

Martin Feldstein

Ted Halstead

N. Gregory Mankiw

Henry M. Paulson, Jr.

George P. Shultz

Thomas Stephenson

Rob Walton

CLIMATE
LEADERSHIP
COUNCIL

**This is a
Republican
plan similar
to Carbon
Fee &
Dividend**

February 2017

Carbon Fee and Dividend vs. Carbon Tax

Economists & Conservatives Agree

"It's not a tax if the government doesn't keep the money"



George Shultz,
Secretary of
State to
Reagan

"... tax those things we would like to have less of"



Gregory Mankiw,
Harvard Prof. &
Economic
Advisor to
George W. Bush

Climate Solutions Caucus

Republican Members



Rep. Carlos Curbelo (R-FL-26) Rep. Ileana Ros-Lehtinen (R-FL-27) Rep. Ryan Costello (R-PA-06) Rep. Patrick Meehan (R-PA-07) Rep. Lee Zeldin (R-NY-01) Rep. Mark Amodei (R-NV-02)

Democratic Members



Rep. Ted Deutch (D-FL-22) Rep. Alan Lowenthal (D-CA-47) Rep. Brendan Boyle (D-PA-13) Rep. John Delaney (D-MD-06) Rep. Seth Moulton (D-MA-06) Rep. Scott Peters (D-CA-52)



Rep. Mia Love (R-UT-04) Rep. Brian Fitzpatrick (R-PA-08) Rep. Elise Stefanik (R-NY-21) Rep. Brian Mast (R-FL-18) Rep. Dave Reichert (R-WA-08) Rep. Don Bacon (R-NE-02)



Rep. Suzanne Bonamici (D-OR-01) Rep. Peter Welch (D-VT-00) Rep. Jim Himes (D-CT-04) Rep. Don Beyer (D-VA-08) Rep. Earl Blumenauer (D-OR-03) Rep. Charlie Crist (D-FL-13)



Republican Climate Resolution



1400 lobby meetings in 2016, each with careful notetaking

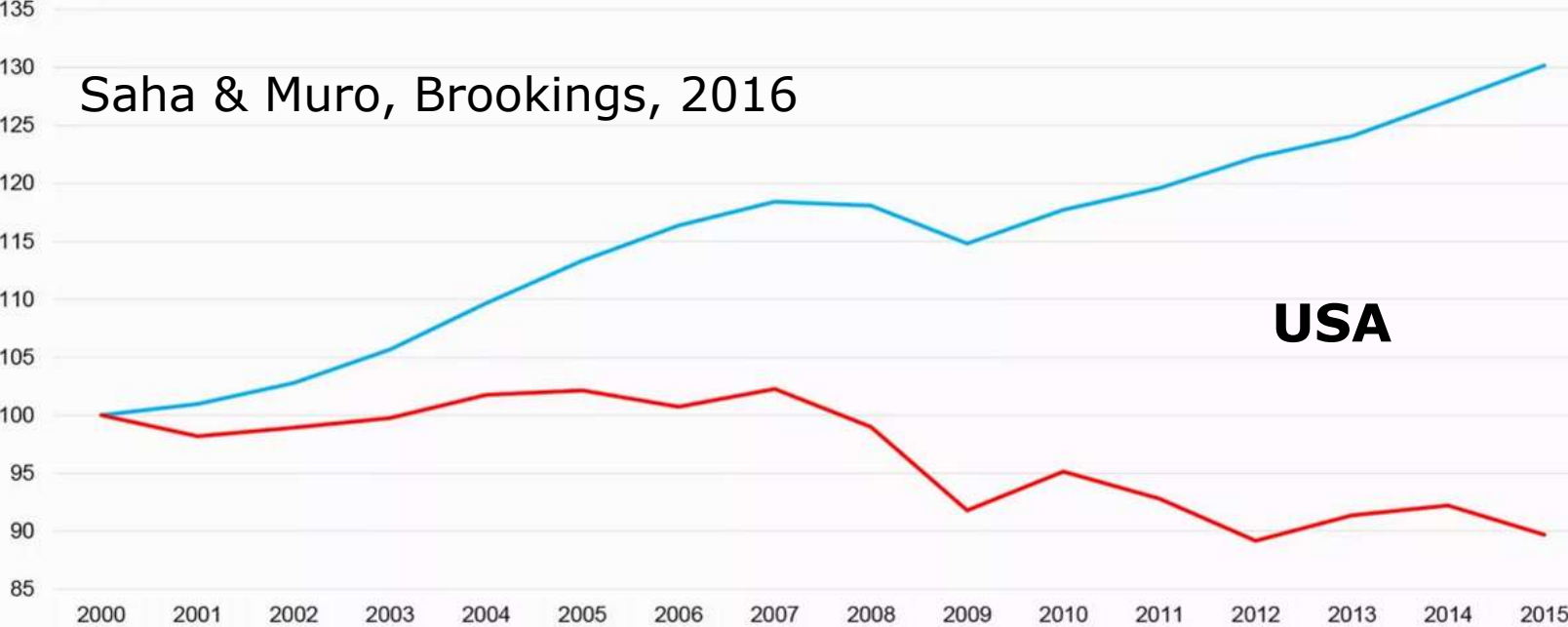
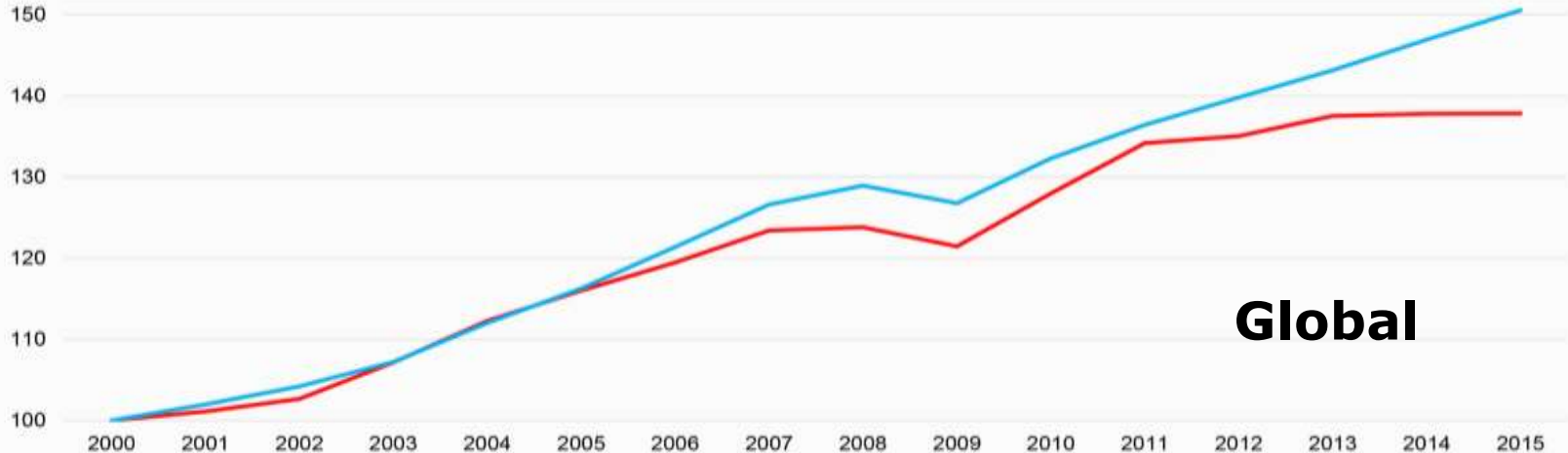
...we find that Republicans are increasingly interested in a conservative solution to climate change:

2014 3:1

2015 6:1

2016 10:1

Decoupling of **GDP** and **CO2 Emissions** 2000-2015



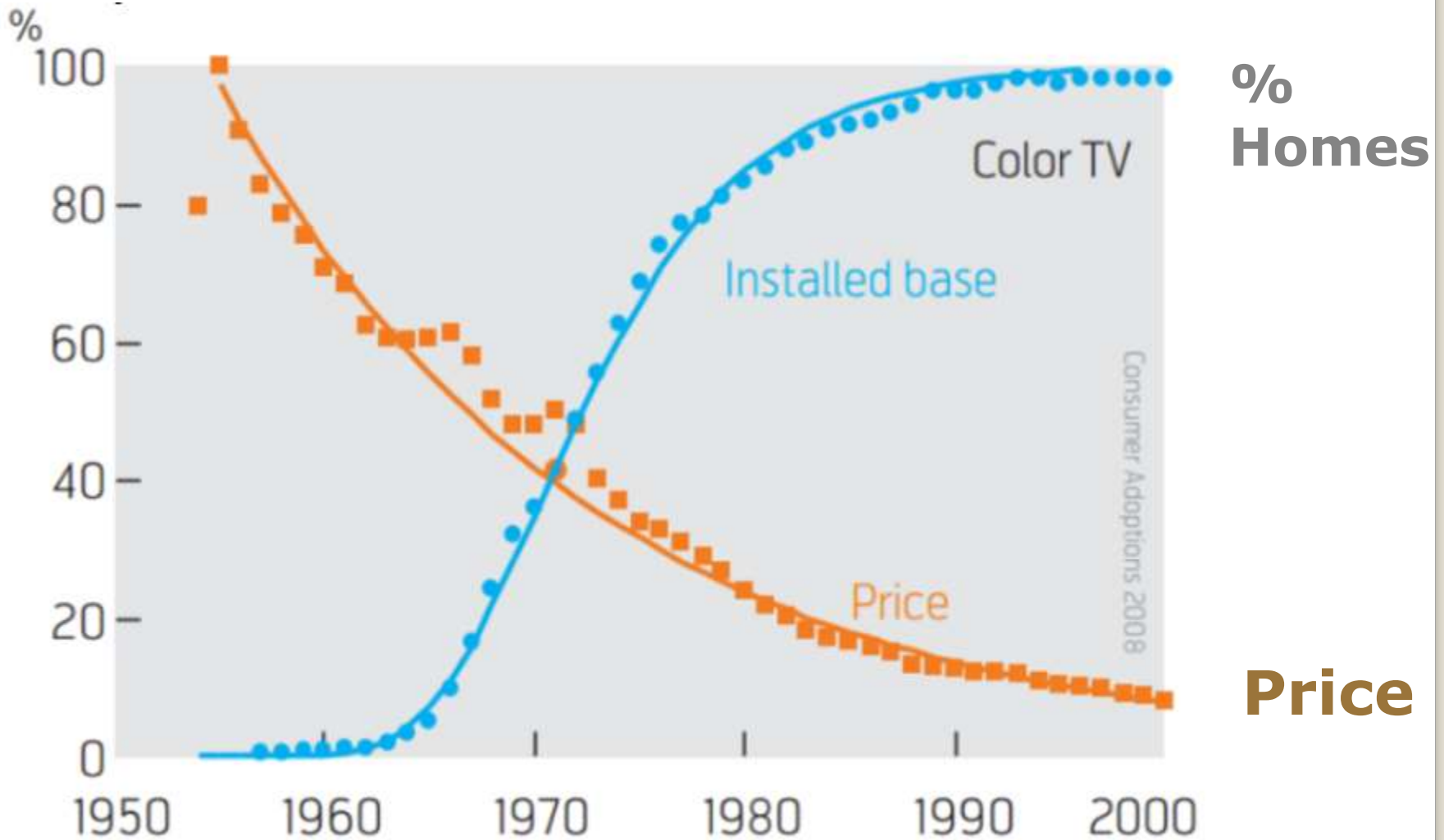
**Citizens Climate Lobby's
one firm rule:
To show genuine appreciation and
respect to all people and points of
view.**



Three

Disruptive Technologies

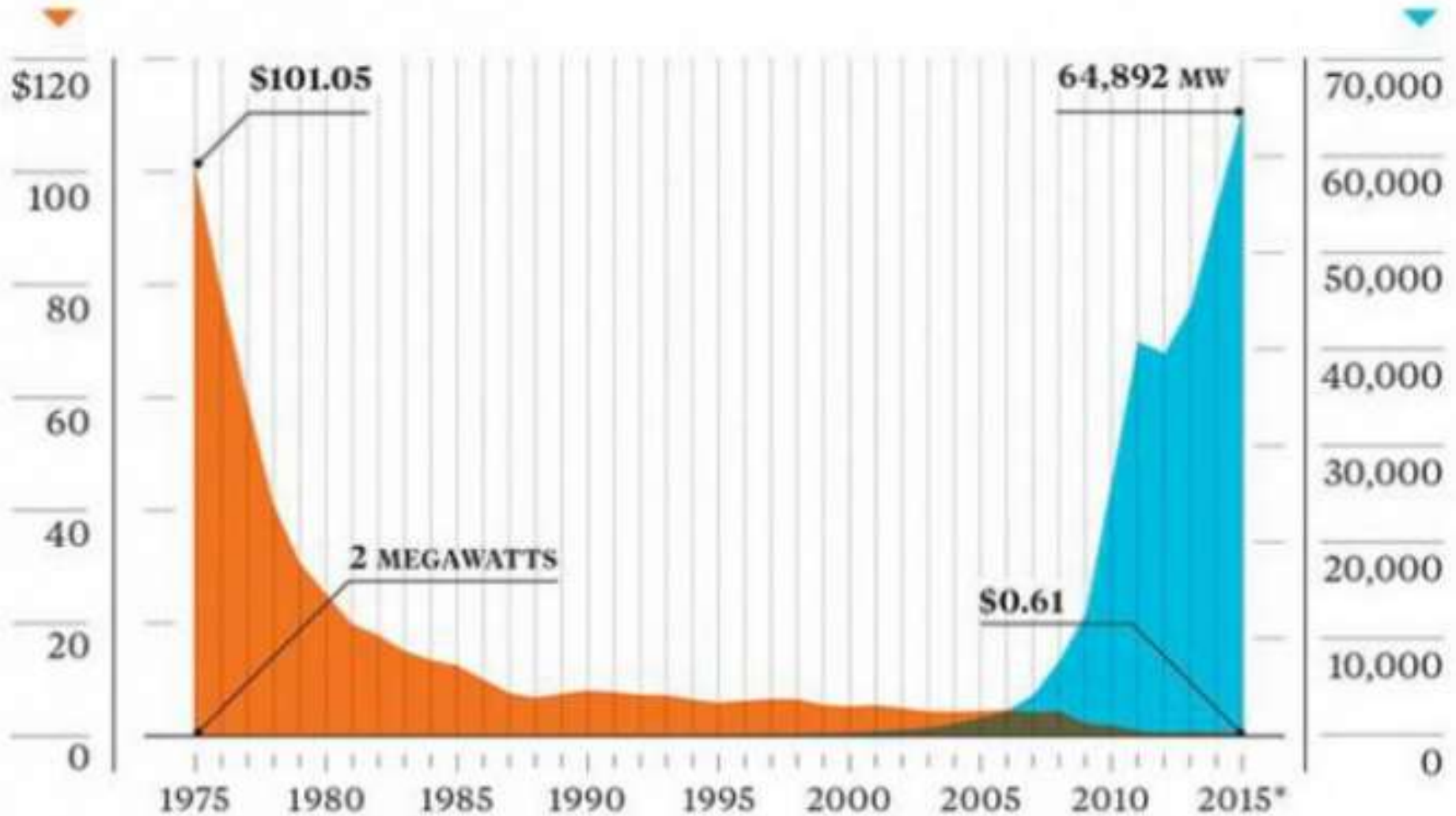
Example: Technology adoption for color TV, 1950 – 2000



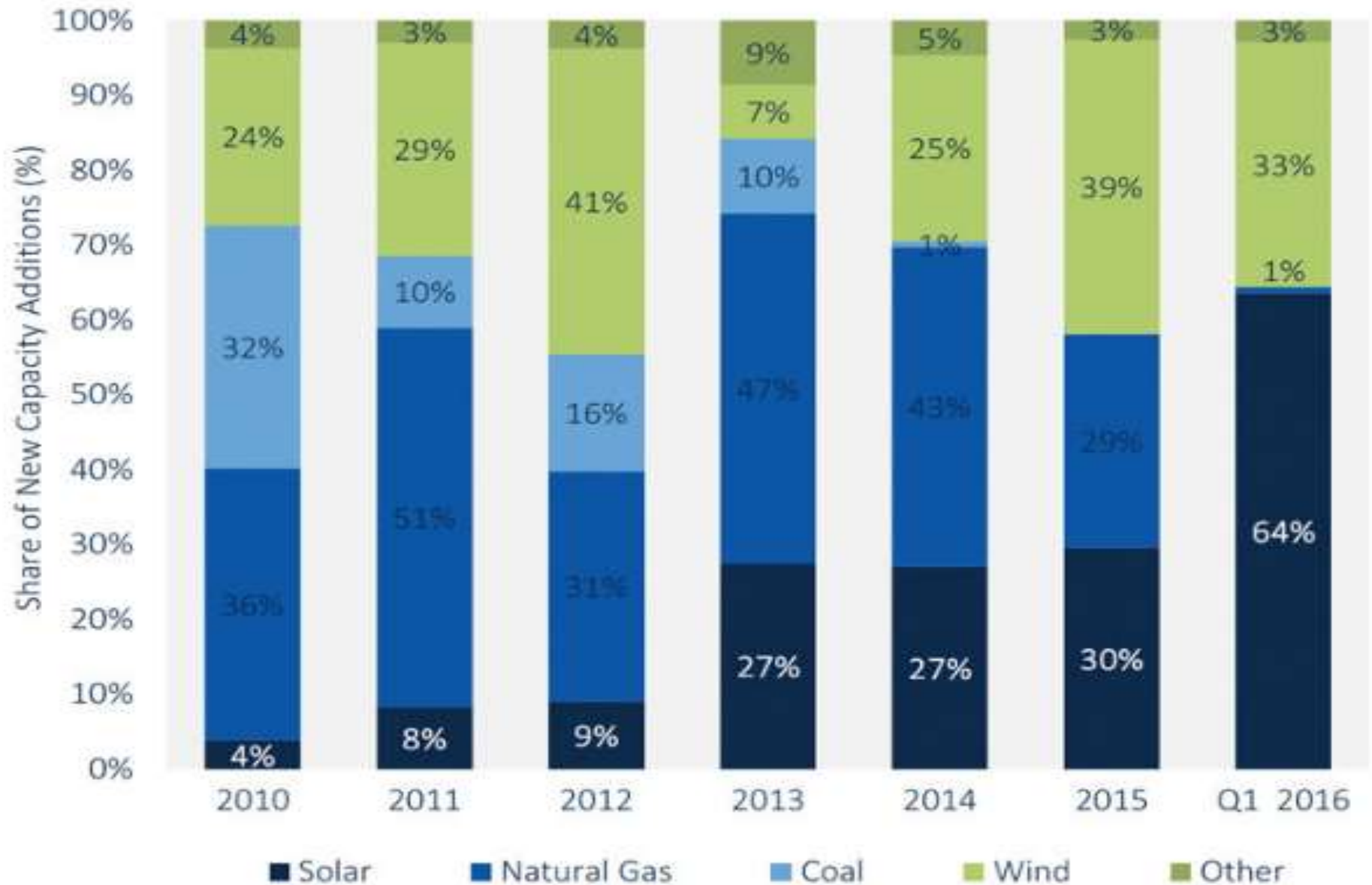
Solar: Price Down-Installations Up

Price of a solar panel per watt

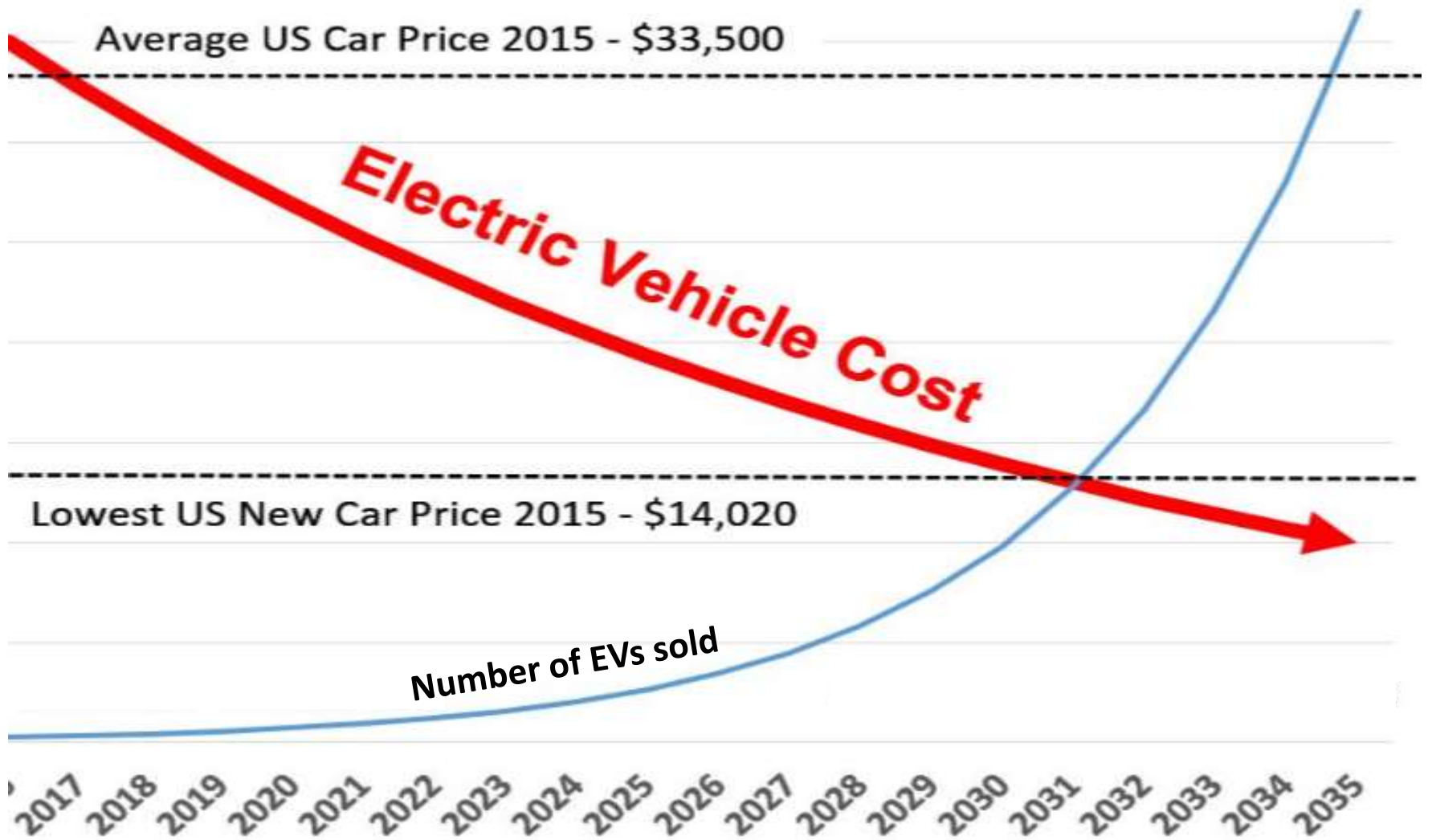
Global solar panel installations



Share of new US Electric Generating Capacity



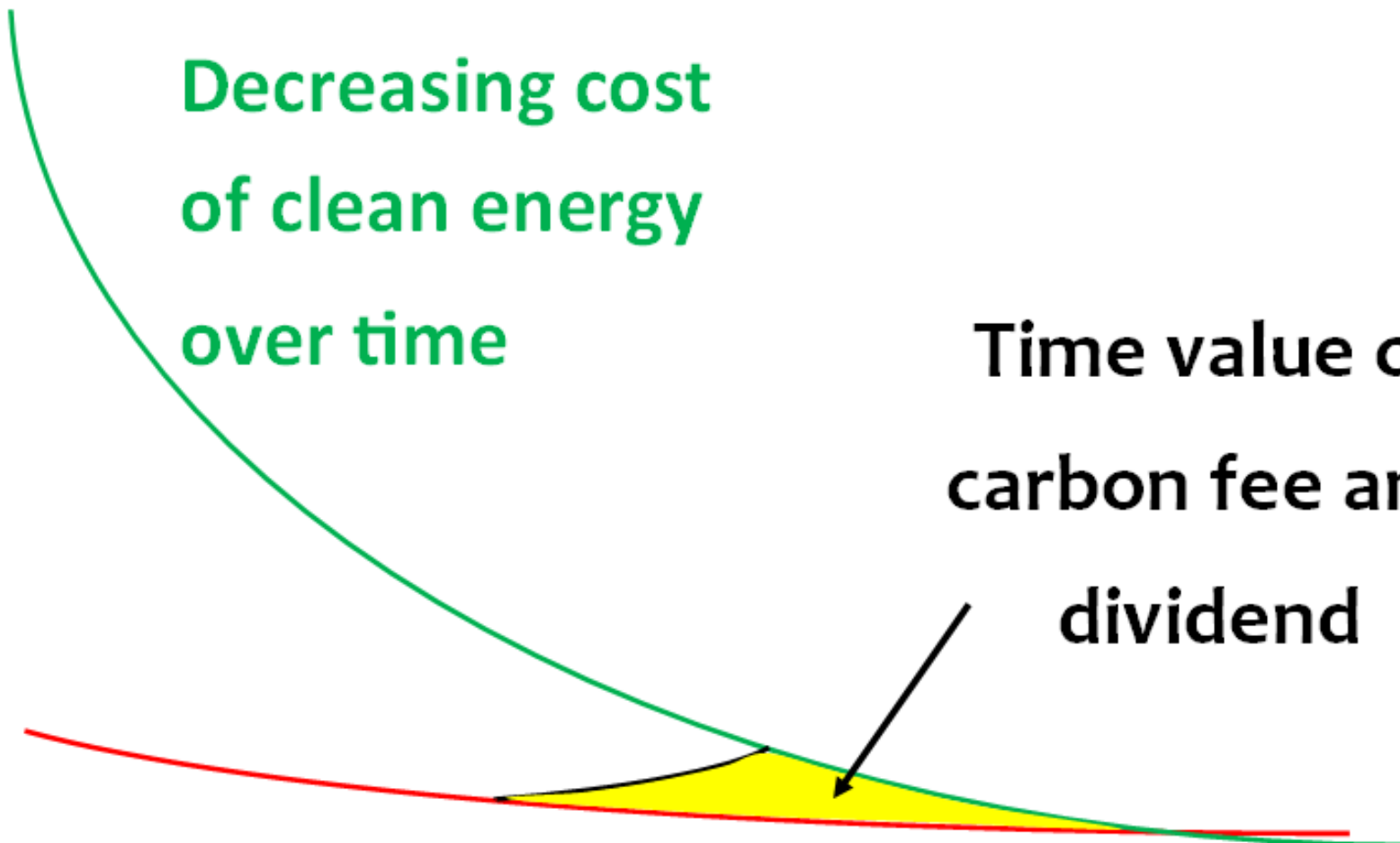
Pricing 200-mile Range Electric Vehicles



**Decreasing cost
of clean energy
over time**

**Time value of
carbon fee and
dividend**

Cost of fossil fuels over time



Quick review of Carbon Fee & Dividend:

1. **FEE.** On CO₂ emissions, upstream, \$15 increasing annually at \$10.
2. **CARBON DIVIDEND.** A monthly check to all American taxpayers, equally.
3. **BORDER ADJUSTMENT** on imports & exports to protect business.
4. **OTHER GREENHOUSE GASES**, including methane, NO_x, HFCs, PFCs...