A Citizen’s Perspective on Climate Change
and What to Do About It

Presentation to the Boulder chapter of the Colorado Renewable Energy Society
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Jim Dimmick
Outline of Talk

• The problem - Escalating Climate Change
• A good solution - Carbon Fee and Dividend (CFD)
• How would Carbon Fee and Dividend work?
• Alternative Solutions
• What Does Citizens’ Climate Lobby (CCL) Do?
• What can you do?
• Questions / Discussion
The Problem - Escalating Climate Change

- Climate Change is happening
- It is caused mostly by human behavior, particularly the burning of fossil fuels and land use change
- We can see the effects of it now
- The impacts will get worse over time
- We need to act now

Walt Kelly’s 1971 Earth Day Poster
Future change depends on our action now.
The great moral issue: Climate Injustice
What is Citizens’ Climate Lobby Carbon Fee & Dividend Proposal?
CCL’s Carbon Fee & Dividend Proposal

• A Gradually Increasing Carbon Fee

• A Revenue Neutral Dividend

• Cross Border Adjustments
A Gradually Increasing Carbon Fee

- A fee on all fossil fuels at the source (mine, well head, etc.)
- Start with $15/ton of CO\textsubscript{2} equivalent emissions*
- Increase $10/ton each year until U.S. emissions are 10% of 1990 levels

* $15/ton equates to about 15 cents/gal. of gasoline
A Revenue Neutral Dividend

• 100% of the revenues are returned to American households each month as a dividend

• Equal payments to all American households
  • one share per adult
  • 1/2 share to children < 18 (up to 2 kids)
Cross Border Adjustments

• Applies to imports & exports from countries that don’t have equivalent carbon pricing policies

• Imports from those countries are tariffed

• Exports to those countries are subsidized
How does Carbon Fee & Dividend Work?
Carbon Fee & Dividend

Oil, Gas, and Coal Fossil Fuel Companies

At extraction point

Pay $100/ton

US Treasury Department

100% refund

US Households
Carbon Fee & Dividend

Oil, Gas, and Coal Fossil Fuel Companies

At extraction point

Pay $100/ton

US Treasury Department

100% refund

Fossil fuel-based products

More Expensive

US Households

Raise prices
Carbon Fee & Dividend

Oil, Gas, and Coal Fossil Fuel Companies

At extraction point

Pay $100/ton

US Treasury Department

100% refund

US Households

Raise prices

Fossil fuel-based products

Non fossil products

More Expensive

Less Expensive
Why a revenue-neutral carbon fee?

• A market-based solution
• Doesn’t increase the size of our federal government
• Simple to administer and transparent
• Fits the philosophy of both political parties
How does CFD prompt a transition to a low-carbon economy?

• Industry leaders perceive a stable price signal indicating that fossil fuels will soon be more expensive than renewables.

• Investment shifts to clean renewable energy.

• Competition for energy efficiency drives innovation.
Carbon Fee and Dividend

In several years, clean, renewable energy becomes cheaper than carbon-based energy without any subsidies.
Carbon Fee and Dividend

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 Professor & economic advisor to George W. Bush
Carbon Fee and Dividend - Cross Border Adjustments

Price Carbon or Pay a Border Tariff

- The cross border adjustments will strongly encourage other countries to follow U.S. leadership
- Some economists believe that if the USA, China and the European Union adopt carbon pricing, then the rest of the world’s countries will have to follow
Carbon Fee and Dividend

Proven Success in Canada

- Started in 2008
- $30/ton
- Fuel use down
- GDP up
- Jobs up
- Popular

Sales of petroleum fuels subject to BC carbon tax

Source: Statistics Canada, author calculations

Citizens’ Climate Lobby
Alternatives to a Carbon Fee

• EPA Regulation
  - The Obama Clean Power Plan only covers coal power plants
  - an effective policy should cover all greenhouse gas emissions
  - EPA regulations can easily be changed by the next President
    - lack of a stable price signal inhibits investment in renewable energy

• Cap & Trade
  - Complex, not transparent
    - 2009 Waxman-Markey bill was 1427 pages
    - lots of lobbying to set the caps on each industry
  - Not resilient to booms and busts
    - European ETS did not handle 2008 recession well
Revenue Neutral Alternatives

• Reduction in corporate tax rates: 35% down to 28%
  - tends to help the whole economy by creating jobs
  - benefits mostly the corporate owners with higher profits

• Reduction in income tax rates
  - tends to give more benefits to the rich than the poor

• Monthly dividend returned equitably to all American households
  - tends to benefit the poor more than the rich
  - the bottom 60% of households will get more back in the dividend than they pay in higher energy costs
  - monthly dividend checks would be very popular, which will provide the long term stability that climate change policy requires
Is Carbon Fee & Dividend Effective in Stopping Climate Change without Damaging the Economy?
How Will CFD Impact the Economy & Climate Energy?

Nationwide study by Regional Economic Models, Inc (REMI)

- REMI is a major firm in the business of macro-economic modeling
- In business since 1980
- Clients include: Ernst & Young, MIT, UC Davis, USDA, San Francisco, Atlanta, …
How Will CFD Impact the Economy?

Millions of new jobs will be created

Regional Economic Modeling Inc
REMI: Rapid US Emission Reductions

Regional Economic Modeling Inc

CFD
REMI: Household Refunds Increase

$400 /mo. ($4800/yr.) per household in 2035
REMI: 225,000 Lives Saved

Due to avoided air pollution

Regional Economic Modeling Inc
How do you turn Carbon Fee & Dividend into a National Policy?
Citizens’ Climate Lobby

- Founded in 2007
- 17,000 members
- 267 chapters

Singular Mission
Lobby Congress to pass Carbon Fee and Dividend
CCL: Methodology

- Focus on solutions
- Instill hope
- Educate constituents
- Develop strong respectful relationships with elected officials
- Build bi-partisan political will to take action on climate change
Citizens’ Climate Lobby

Outreach
● Presentations
● Education
● Tabling

Enlist Influencers
Business/Finance ●
Faith leaders ●
Agriculture ●

Build political will

Media
● Print & TV
● Social media
● Editorial boards

Government
Liaisons ●
Paris COP21 ●
Local carbon tax ●
CCL: Progress

**CCL Published Media**
- 2010: 65
- 2011: 232
- 2012: 646
- 2013: 1670
- 2014: 2593

**CCL Lobby Meetings**
- 2010: 106
- 2011: 255
- 2012: 534
- 2013: 711
- 2014: 1086
CCL: Non-partisan Congressional Briefings
June 2015 - CCL Lobbying Day Washington D.C.

- 900 CCL Volunteers from across the United States
- On their own time and expense
- 500 Meetings with Congressional and Senatorial Offices
What we heard from Congress

• Most surprising result
  – Many Republican members are engaged, and looking for a solution they can support

• Breaking news - Sept. 2015
  – Chris Gibson (R-NY) introduced a resolution for climate action in the House with 10 Republican co-sponsors

• Breaking News - Oct. 2015
  - Senator Kelly Ayotte (R-NH) formed Senate Energy & Environment group to protect the environment and climate with 3 other Republican Senators
What Can You Do to Support CFD?

- Contact your Members of Congress supporting action on climate change and CFD
- Ask CRES to endorse CCL’s CFD Proposal
- Write Letters to the Editor and Op-Eds supporting action on climate change and CFD
- Join CCL and help the Boulder chapter to build bi-partisan political will to take action on climate change
Let your Senators & Congressmen hear from you!

- Your **concern about climate change**
- Your support for an **effective national policy to stop climate change**
- A **price on carbon** as the key element of an effective policy
- Write / email / tweet - send the message
It’s Up To Us

If governments will not act to save the climate, then people will. We are the last generation that has the capacity to act in time.

Christine Milne, Leader of the Australian Greens
Thank you!

Questions?

www.citizensclimatelobby.org