

Excerpts from Testimony in Support of Carbon Pricing, Presented to the Joint Committee on Telecommunications, Utilities, and Energy, Oct. 27, 2015¹

Economists

“Economists are essentially unanimous as to the most efficient way to reduce greenhouse gas emissions: through a price on carbon.”

Chris Knittel, Professor of Economics and Director, Center for Energy and Environmental Policy Research, MIT

“...in order to reflect catastrophic climate risks, the best estimate of the price of carbon emissions should be at least \$125 per ton of carbon dioxide, about three times the federal estimate... the right approach is to start with a low price and increase it over time – and check periodically on our progress in reducing emissions, leaving open the possibility of changing the future carbon price if needed. This is exactly the approach taken by the proposed legislation for a Massachusetts carbon fee.”

Frank Ackerman, Ph.D., Senior Economist, Synapse Energy Economics

Authors of Massachusetts Department of Energy Resources 2014 study on design of and impacts from carbon pricing

“Carbon pricing is administratively straightforward and cost-effective at reducing emissions. It has the potential to yield larger GHG cuts than any other available policy. If all the funds are rebated, it remains a fee or pollution charge, not a tax. And by rebating the funds in a progressive manner, households, businesses and other institutions can be protected from the impacts of higher energy prices.”

Marc Breslow, Ph.D., economist, co-director of Climate Xchange, and lead author of the Commonwealth’s Clean Energy and Climate Plan for 2020

Success of carbon pricing

“In 2008, the government of British Columbia announced a bold new climate policy: North America’s first revenue-neutral tax on carbon pollution. Between 2008 and 2012, the provincial economy enjoyed stronger economic performance than the Canadian average. Carbon pollution declined. The carbon tax funded tax breaks – now more than a billion dollars in tax cuts, resulting in one of Canada’s lowest corporate tax rates.”

Merran Smith, Executive Director, and Jeremy Moorhouse, Clean Energy Canada

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“In the past year, the pace of formal adoption of pricing mechanisms has quickened; 39 nations now employ pricing and over 20 provinces, regions, states, and cities... most recently France, Mexico, South Korea and Chile who have announced their own plans to implement a fee on carbon in the coming year. The longest running programs have been established in the early 1990s in Denmark, Finland, Norway and Sweden. National programs to set a price on carbon have been put in place in the last few years in Iceland, Ireland, Japan, Switzerland, and the United Kingdom.”

Sonia Hamel, climate consultant and co-author of DOER study on implementing carbon pricing in Massachusetts

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¹ Testimony was either provided in writing at the hearing or sent to the Committee later.

Business and Investment Leaders

“...the clean energy sector will grow if we put a price on carbon pollution. The cause and effect is simple. By including the costs of carbon pollution in the prices we pay at the pump, you will help level the playing field to allow more fair competition in the energy sector.

Roger Freeman, President, Solventerra

“By placing an economy-wide price on carbon pollution, this bill will create the awareness needed for businesses and residents to reduce their consumption of fossil fuels, will drive investment and innovation, accelerate the clean energy sector’s growth and have an overall positive economic effect on jobs and gross state product.”

Zaurie Zimmerman, President, Zaurie Zimmerman Associates, Inc. (design and construction management)

“Businesses like the certainty, flexibility and sound economics of carbon pricing. It’s not top-down government regulation.”

Michael Green, executive director, Climate Action Business Association

Faith leaders

“Our Diocesan Convention passed a resolution in 2013 specifically supporting the implementation of carbon pricing to discourage the use of fossil fuels...The time has come to change our fundamental relationship to carbon based fuels by pricing them to reflect the immense damage they are causing to our environment.”

The Rev. Stephen T. Ayres, Old North Church (Episcopal)

“The producers and distributors of fossil fuels should be responsible for the cost their products have in environmental damage. Carbon pricing makes producers bear responsibility for the damage their product causes to people today and to future generations.”

Rev. Reebee Kavich Girash, Eliot Church of Newton, United Church of Christ

“According to the International Monetary Fund, the failure of the market to effectively price emissions represents a \$5.3 trillion subsidy to the fossil fuel companies, including \$2,180 per American per year. Allowing fossil fuel companies to dump pollution into our atmosphere for free makes it impossible for renewable energy sources to compete on an even playing field.”

Vince Maraventano, Executive Director, Massachusetts Interfaith Power & Light

Civic organizations

“The relatively low cost of carbon-based fuels encourages their use and stymies conservation and investment in clean, renewable energy development. Carbon pricing is based on a simple and straightforward premise: when things cost more, people buy less. This bill focuses on the demand side of the carbon equation by pricing carbon to reflect its true social cost - a cost that has been borne by, but hidden from, the public.”

Launa Zimmaro, Advocacy Director and Environmental Specialist, Massachusetts League of Women Voters

Environmental organizations

“While we have made real progress in reducing the carbon pollution footprint of the electric sector in Massachusetts, we have been far less successful in the transportation and heating sectors... Carbon pricing shows the greatest promise in producing reductions in these challenging carbon emitting sectors, and in ways that mesh with the other policies on deck to address carbon emissions in the state. Simply put, we will not succeed in meeting our overall climate goals unless we tackle the transportation and heating fuel sectors.”

Cynthia Luppi, New England Regional Director, Clean Water Action

For more information: Climate Xchange, info@climate-xchange.org, www.climate-xchange.org, 781-819-3803