



Testimony submitted to the Joint Committee on Telecommunications, Utilities and Energy
In support of S.1747: An Act combating climate change
By Launa Zimmaro, LWVMA Energy and Resource Conservation Specialist
October 27, 2015

The League of Women Voters (LWVUS) has been a strong advocate of efforts to protect natural resources since the 1960s, expanding its focus to include the relationship between greenhouse gas emissions and climate change in keeping with emerging science on this issue. In a comprehensive report¹ issued by the LWVUS Climate Change Task Force in 2009, a carefully designed carbon fee or tax is identified as a key strategy for reducing greenhouse gas emissions. LWVUS supports carbon pricing implemented through carbon fee and rebate systems that are revenue-neutral or revenue-positive, and through cap-and-trade approaches, as long as low- and middle-income households receive rebates or tax cuts to protect them from financial impacts, and protections are put in place for vulnerable businesses.

S.1747 is consistent with LWVUS positions on the environment and energy and is enthusiastically endorsed by the League of Women Voters of Massachusetts (LWVMA) as legislation that will provide incentives to producers to reduce emissions and encourage consumers to reduce energy consumption; both effects resulting in reducing global warming carbon dioxide emissions.

Massachusetts was ahead of the curve as the first state in the nation to introduce carbon pricing legislation with a bill submitted in the last legislative session. This session's bill is based on an extensive analysis by the Department of Energy Resources in 2014 detailing how implementation of a carbon pricing system would impact Massachusetts residents, businesses, emissions and the overall economy. The DOER report² offers a roadmap for how to obtain optimal outcomes on all these fronts.

Science is settled regarding climate change and carbon dioxide as a primary source of global warming. Science is also clear on the growing threat of climate change and the need to act sooner rather than later. Recent extreme weather events have all made the cost to society of a rapidly heating planet painfully clear. The carbon dioxide in the atmosphere today will continue to impact³ the climate for centuries to come, and the planet is rapidly approaching, and projected to soon exceed, the 2°C rise in global surface temperature set as the line that must be held to avoid far more serious climate disruption.

Massachusetts has established itself as a national leader on environmental matters and innovation through a variety of policy and legislative mechanisms aimed at promoting energy efficiency and the development of clean, renewable energy. Membership in the Regional Greenhouse Gas Initiative (RGGI), which provides a structure for capping and curbing emissions from the power sector, is an important part of the current approach. S.1747 is a much needed complement to RGGI, because it focuses on

¹ <http://www.lwv.org/content/cap-and-trade-versus-carbon-tax-two-approaches-curbing-greenhouse-gas-emissions>

² <http://www.mass.gov/eea/docs/doer/fuels/mass-carbon-tax-study.pdf>

³ <http://www3.epa.gov/climatechange/ghgemissions/gwps.html>

emissions from “small emitters” –motor vehicles and heating and cooling of residences and businesses with natural gas and distillate fuel oil—approximately 40 percent of total U.S. carbon dioxide emissions.⁴

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 side⁵ 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. By pricing carbon to include environmental damage, pollution and health consequences up front, it will create multiple social benefits that include:

- Reducing usage and associated global warming from carbon dioxide emissions by providing an immediate cost incentive for the public and businesses to conserve;
- Stimulating the economy through rebates for households and businesses to mitigate higher fuel costs;
- Accelerating the shift to clean, renewable energy that will keep energy dollars in Massachusetts rather than exported to other states/countries to buy fossil fuels;
- Freeing us of our dependence on dirty energy;
- Providing clear price signals to industry and a long-term incentive to reduce the use of carbon-based fuels, steadily lowering emissions over time;
- Building on the well-established and functioning administrative structure of the Department of Revenue to support implementation;
- Stimulating the economy through money returned to and available to families to meet household needs and through job creation related to all aspects of the burgeoning clean energy sector;
- Providing a model of the bold action required to address what is considered one of the gravest threats to future generations and civilization itself.

A substantial number of economists, scientists, and political leaders agree that carbon pricing is the surest and simplest immediate tool for significantly reducing carbon dioxide emissions in the near term, while supporting the transition to clean, renewable energy sources and a clean energy economy. We also have clear and strong evidence of the success of carbon pricing through the experience of other countries and of British Columbia.

Passage of S.1747 will secure Massachusetts’ position in the country and beyond as a leader on critical environmental issues. LWVMA urges you to give this bill a favorable report and work to assure its passage in the General Court.

Thank you for your consideration.

⁴ <http://www3.epa.gov/climatechange/ghgemissions/gases/co2.html>

⁵ “The most effective way to reduce carbon dioxide (CO₂) emissions is to reduce fossil fuel consumption.”: <http://www.epa.gov/climatechange/ghgemissions/gases/co2.html#Reducing>