



# Get the Facts on Climate Change and Carbon Pricing

## Climate Change in Massachusetts

Climate change could have an enormous impact on Massachusetts. Intensifying storms could erode precious coast line and wreak havoc on aging infrastructure. Failing to address this danger could cost us billions of dollars to protect buildings and homes, and billions more to repair the damage to the environment and public health.

*Growing the clean energy sector is not only good for the environment, it is good for the Massachusetts economy.*

## The Commonwealth and the Energy Industry—The Bad and the Good

**Did you know that Massachusetts spends \$20 billion a year to import fossil fuels?**

Massachusetts does not extract fossil fuels, so the gasoline, oil and natural gas we use come from places like Texas, Pennsylvania, Saudi Arabia, and Nigeria. That means billions of dollars flow out of the Commonwealth every year to the benefit of other states and countries. What residents of Massachusetts get in return is the carbon dioxide emissions that are the leading cause of climate change.

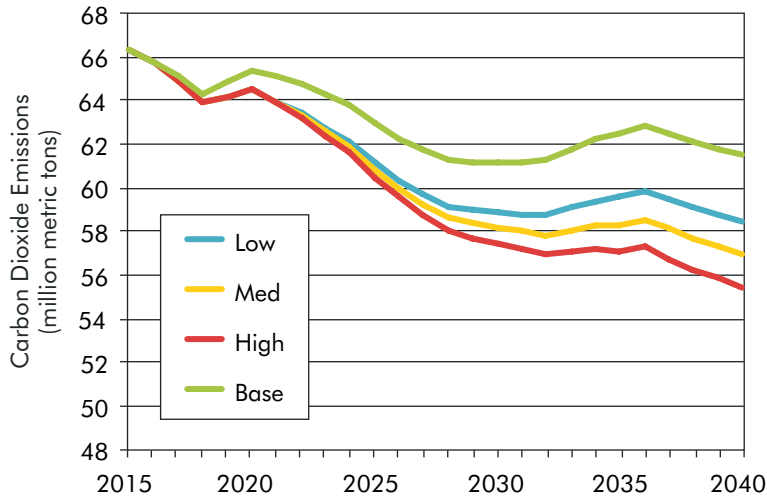
Luckily, the Commonwealth has a growing clean energy sector, including companies producing power from the sun and the wind. Last year, the Massachusetts Clean Energy Center reported 13 percent growth in clean energy jobs statewide. And because we are the nation's education capital, some of the smartest minds in the business live and work here. Growing the clean energy sector is not only good for the environment, it is good for the Massachusetts economy. The \$20 billion we spend on fuel from other places can be spent instead on home-grown Massachusetts businesses.



## Massachusetts' Commitment to Reduce Greenhouse Gases

The Commonwealth has proven its leadership in combatting climate change. In 2008, we passed the Global Warming Solutions Act, which legally mandates the state to reduce greenhouse gas emissions to 25 percent below the 1990 level by 2020, and to at least 80 percent below 1990 by 2050. **We are making progress on those mandates, but we are not on track to meet them.** Deadlines are looming: if we do not act to implement cost-effective solutions, Massachusetts eventually will have to implement more expensive regulations.

**Massachusetts Carbon dioxide emissions, million metric tons, with no CO<sub>2</sub> charge (base case) and different levels of CO<sub>2</sub> charge (low, medium, and high)**



**What is Carbon Pricing and Why Is It Part of the Solution to Climate Change?**

Carbon pricing means putting a fee on the carbon dioxide pollution emitted by fossil fuels. Doing so levels the playing field for cleaner energy sources, helping to eliminate the hidden subsidy that out-of-state fossil fuel companies currently receive. Carbon pricing also creates a smart new incentive for clean energy.

Around the world, carbon pricing systems are becoming the “new normal.” By next year, more than half of the world’s output will be produced in places that have some form of carbon pricing, including California and most of Europe. The northeast U.S. states, including Massachusetts, already have one type of carbon pricing, but only for electricity generated from fossil fuels.

In Canada, British Columbia’s carbon fee and rebate system has had dramatic positive benefits. With carbon fee and rebate, all the fee revenues are returned to households and businesses. This policy is both reducing emissions and boosting the economy in British Columbia. Fuel consumption is down by 16 percent since the province passed the policy in 2008, and their overall economy has grown more than the Canadian average, all while expanding BC’s clean tech sector by 50 percent.

**A carbon fee and rebate system can work just as well in Massachusetts, both to cut emissions and grow jobs.** A 2014 study commissioned by the Massachusetts Department of Energy Resources (DOER) found that if the state implemented this policy, it could substantially reduce our greenhouse gas emissions and lead to the creation of thousands of new jobs.

**Support Carbon Pricing at the State House**

Two current proposals at the State House would create a common sense carbon pricing system in Massachusetts, similar to the one that has worked so well in British Columbia.

One proposal would charge fossil fuel importers a fee based on the carbon content of the fuels. The fees would go into a special fund for rebates and be passed on directly to households and employers in order to minimize any increased costs in living and doing business. Each resident would receive an equal rebate from the fund, giving everyone an incentive to reduce their use of fossil fuel in order to keep more of their rebates. Since low- and moderate-income households tend to use less energy than wealthier ones, they likely would come out ahead. Businesses, nonprofit organizations, and municipalities would receive a dividend from the fund based on their share of the state’s employment.

Another developing proposal follows a similar model but would invest a small portion of the funds in the clean energy sector. In both cases, Massachusetts would be implementing a policy that encourages residents and businesses to use less fossil fuel, thus reducing carbon emissions while helping the economy.

*With a carbon fee and rebate system, low- and moderate-income residents totaling 60% of the Commonwealth’s households will come out ahead.*

**Join the Massachusetts Campaign for a Clean Energy Future and Support Common Sense Carbon Pricing**

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