



With a carbon pollution fee, rebate & invest system, low and moderate income residents will come out ahead.

Carbon Pollution Pricing: Gains for Low and Moderate Income Households

Representative Jennifer Benson has introduced **HD2370 An Act to Promote Green Infrastructure and Reduce Carbon Emissions**. This bill will establish a carbon fee, charging fossil fuel suppliers for the pollution their products emit. The bill supports and protects low income households via:

- Rebates that insulate most low and moderate income households from projected price increases;
- Multi-million dollar investments in Fuel Assistance;
- Multi-million dollar investments in renewable energy, energy efficiency, clean transportation, and resilience, with at least 40% of funding directed to low income people and communities.

Won't carbon pollution pricing hurt low- and moderate-income families? No! The House Bill will actually benefit low- and moderate-income families and poor communities. Why?

- Unlike most fees and taxes, the revenue from the House carbon pricing bill will not go for general government spending. Most will be returned to Massachusetts residents and employers in the form of rebates. The rest will be invested in projects that protect low income people and help the state transition to a clean economy.
- Every year, all Massachusetts households will get rebates. People who use less fossil fuel energy are likely to get back more in rebates than they spend.
- Low, moderate, and middle income households will be targeted for larger rebates than people with higher incomes.
- On average, because they receive larger rebates, most low and moderate income households will get rebates equal to --or slightly larger than--any increased energy costs due to carbon pricing.
- A portion of the revenues from the carbon fee will be invested in the state's Fuel Assistance program to provide home heating assistance to low income households. The bill will provide an estimated **\$16 million** for Fuel Assistance in the first year of carbon pricing, increasing to **\$29 million** by the fifth year.



How Does Carbon Pollution Pricing Work?

When you buy gasoline or heating fuel, you are paying for drilling, refining and transporting but not for the cost of what the fuel does to our health and our environment.

Carbon pollution pricing uses a “fee” to capture those costs, which reduces demand for fossil fuels and the harmful emissions they generate.

It then “rebates” or passes on most or all of the revenues directly to residents and employers, including businesses and nonprofits. Some may be invested in clean energy and transportation.

How do poorer communities benefit?

While most of the carbon fee will be returned to households and businesses, 30% will be invested in a Green Infrastructure Fund (GIF) administered by the Massachusetts Clean Energy Center.

Cities, towns, and regional transit agencies can apply to the fund for money to create new energy efficiency, renewable energy, clean transportation, and resilience projects.

Forty percent of the Green Infrastructure Fund must be spent on projects that benefit low income (up to 60% of median income) households and communities. An estimated **\$133 million** will be targeted to low moderate income people in Year One, increasing to **\$240 million** by Year Five.

What are the Costs of Not Acting?

Low income people and communities, here and abroad, are the populations most likely to be harmed by climate change. Extreme heat, agricultural losses, and increases in allergens and insect-borne diseases are projected to hit low-income people harder than other groups.

What about people who have to drive more than average?

A carbon fee could fall harder on rural residents who do not have good access to public transportation and often must drive long distances to get to jobs, schools, medical facilities, and stores. That is why the House bill will provide an increased rebate for rural households.

How do we make this happen in Massachusetts?

Massachusetts can be a model for legislation across the nation. The **Act to Promote Green Infrastructure and Reduce Carbon Emissions** is a groundbreaking bill that will drive down greenhouse gas emissions and create a just and equitable transition to a clean energy economy.

Want to find out more?

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