

CARBON PRICING BILL GAINS MORE FOLLOWERS IN LEGISLATURE

By Matt Murphy

STATE HOUSE NEWS SERVICE

STATE HOUSE, BOSTON, FEB. 6, 2017.....More than a third of state lawmakers have signed onto legislation that would put a price on carbon emissions as a way to reduce global warming, a sign of growing support on Beacon Hill for a policy that Gov. Charlie Baker has seemed cool to in the past.

Seventy-nine House and Senate Democrats have signed on to two similar bills that would establish a fee structure for importers of fossil fuels, according to the Campaign for a Clean Energy Future. Revenues collected, likely from the transportation and heating sectors, would go toward rebates for residents and businesses.

The level of support for the proposals is up from the 48 who co-sponsored Sen. Michael Barrett's bill during the 2015-2016 session.

"It's coming on a little faster than I expected, but then global warming is heating up a little faster than we all expected," Barrett, a Lexington Democrat and the sponsor of one of the bills, told the News Service.

Sixty-two lawmakers signed onto Barrett's bill (SD 1021), which is similar to the one he proposed last session, and Rep. Jennifer Benson rounded up 58 supporters for her proposal, which would direct rebates to low- and moderate-income households.

"Massachusetts is serious about tackling the climate crisis and we can't meet our pollution reduction mandates without creating a price incentive to reduce carbon pollution and invest in our local clean energy economy," campaign coordinator Cindy Luppi said in a statement.

The co-sponsors comprise 35 percent of the 40-member Senate, and 40 percent of the 160-member House.

Adding a price to carbon emissions, with an exemption for electricity production plants that are already covered under a multi-state cap-and-trade program, would lead to an increase in the gas tax.

But Barrett argued that the proposal does not constitute a tax increase because it would be revenue neutral. The \$350 million to \$400 million generated in the first year, according to Barrett, would not pay for general government operations, but would be redistributed in the form of rebates, with larger rebates available in areas where people drive more.

"You need to get that check in the people's hands to persuade them that the government won't hold on to the money," Barrett said. His bill calls for a fee of \$10 per metric ton of carbon dioxide, climbing to \$40 over seven years and ultimately generating between \$1.6 billion and \$2 billion annually. "The intent is not to create sticker shock, but we start small so people can used to the idea," he said.

Barrett has spoken with Energy Secretary Matthew Beaton about the idea, and though he senses a hesitancy from the administration he said he does not believe they are outright opposed to the idea.

During his first two years in office, Baker spoke more generally about his commitment to the Regional Greenhouse Gas Initiative as a mechanism for controlling emissions, without coming down firmly on either side of the carbon pricing debate. "The administration believes we can enhance those efforts by incentivizing energy efficiency through the market and by working with other states to reduce greenhouse gas emissions," he told WBUR in March 2015.

"Revenue neutral means it's not a tax and Gov. Baker can support this without violating any no-new-taxes pledge," Barrett said. "Revenue neutral gives political cover, and I think this is on

their radar, not off it. They might be looking for clear legislative interest, and if that's the case we're sending the signal."

In his speech to the Senate to kick off the session, Senate President Stanley Rosenberg called carbon pricing an "effective strategy" to "tame the carbon beast."

"We must lead on this critical issue or fail ourselves and generations yet to come," he said.

Barrett said it was the first time the topic has made it into a Senate president's "inaugural address."

"That's progress. Now let's go out and build on it," Barrett said.

The Department of Environmental Protection is in the midst of public hearings on regulatory proposals aimed at reducing greenhouse gas emissions across multiple sectors.

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