

An Act Combating Climate Change

Sponsor: Senator Mike Barrett (D-Lexington) Senate Docket 1021

The threat from global warming: Climate change – also called climate disruption – is the greatest environmental threat facing the planet. It already has begun raising sea levels, causing droughts and floods to worsen, and making storms more intense.

Goal: cut climate pollution. Massachusetts state law requires that we cut greenhouse gas emissions (primarily carbon dioxide, or CO₂) to 25% below 1990 levels by 2020 and to at least 80% below 1990 by 2050. This will require a dramatic shift from fossil fuels to clean energy such as solar and wind, while greatly improving the efficiency of our energy use.

How: add a carbon pollution charge to fossil fuel prices. Most economists, from conservative to liberal, agree that the most cost-effective way to cut carbon pollution is to add a charge that raises the prices of fossil fuels such as natural gas and gasoline (electricity generation would be exempt, because it is already covered by RGGI).

Where would the revenue go? All the money would be returned to households, businesses, and institutions, so that living standards and competitiveness are protected. For the CO₂ charges paid by people, each state resident would receive an equal share of the total money collected. For charges paid by businesses and other institutions, each would get a rebate in proportion to its share of total employment in Massachusetts. Additional rebates would be provided to households in areas where it's necessary to drive substantially more than average, and to businesses that are energy-intensive and face stiff out-of-state competition.

IMPACTS

Pollution will fall – the CO₂ pollution that causes climate disruption would be cut by more than any single regulatory policy that the state operates now or is considering.

Households and businesses will be protected – modeling shows that we could give back to low- and moderate-income households at least as much money as they would pay in higher costs for fossil fuels. After getting rebates, almost all industries would face small changes in their net costs, positive in most cases, negative in some.

Employment will rise – mainly because the Act would cause Massachusetts to spend billions of dollars less on importing fossil fuels, and instead spend more on in-state businesses, several thousand more jobs would be created due to the carbon charge.

The economy will benefit – there would be little overall impact on the state economy, with small gains in important measures such as average personal income and Gross State Product.

For more information or to co-sponsor the bill:

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