



SIERRA
CLUB

Massachusetts
Chapter

March 10, 2016

The Honorable Benjamin Downing, Senate Chair
The Honorable Thomas Golden, House Chair
Joint Committee on Telecommunications, Utility and Energy
State House
Boston, MA 02133

Dear Senator Downing, Representative Golden, and Committee Members,

We are writing to urge that the Joint Committee on Telecommunications, Utility and Energy (TUE) release a carbon-pricing bill with a favorable recommendation to its originating chamber. By putting a price on carbon, Massachusetts can continue to lead on the most pressing issue of our time -- climate change. A price on carbon is the most straightforward, elegant method we could employ to reduce greenhouse gases.

Businesses and residents of Massachusetts send \$20 billion annually to places like Saudi Arabia and Texas to import fossil fuels. We are exporting our dollars and worsening the effects of climate change. In 2008, the Commonwealth passed the Global Warming Solutions Act to reduce the state's carbon emissions. While we've made progress, we are not on track to meet our legal requirements. To help meet those, we support legislation to implement carbon pricing through a fee-and-rebate policy.

Two bills before TUE, S.1747 and S.1786, would create common-sense carbon pricing systems in Massachusetts. Both bills would put a price on the carbon content of fossil fuels. The total proceeds in S.1747 would then go into a special fund for rebates and be passed back directly to households and employers. S.1786 is similar but would invest 20 percent of the funds in the clean-energy sector and public transportation.

To minimize any increased costs in living and doing business, each resident would receive an equal rebate from the fund, thereby giving everyone an incentive to reduce their fossil-fuel use. Since low- and moderate-income households tend to use less energy, they likely would come out ahead. Businesses, nonprofit organizations, and municipalities would receive a dividend based on their share of the state's employment.

In 2008, the Canadian province, British Columbia (BC), implemented a carbon-fee-and-rebate system that has had dramatic positive benefits. This system is both reducing emissions, with fuel consumption down by 16 percent, and boosting the provincial economy. Their overall economy has grown more than the Canadian average, with BC's clean-tech sector expanding by 50 percent.

According to a 2014 study commissioned by the Massachusetts Department of Energy Resources (DOER), carbon pricing could have a similarly positive impact in the

Commonwealth and its implementation could potentially lead to thousands of new jobs in Massachusetts. The DOER study, which excluded the electricity sector because it is already covered by the regional Greenhouse Gas Initiative (RGGI), also estimates that by 2035 carbon pricing could reduce greenhouse-gas emissions in Massachusetts by as much as 10 percent compared to what they otherwise would be. This number could be much larger if such pricing results in technological shifts in our energy system, such as a major move to electric vehicles.

Carbon pricing will help the Massachusetts economy, reduce carbon emissions, and encourage households and businesses to become more energy efficient. We urge you to continue the Commonwealth's forward-thinking leadership by supporting carbon pricing.

Sincerely,

A handwritten signature in black ink that reads "Cathy Ann Buckley". The signature is written in a cursive, flowing style.

Cathy Ann Buckley
Chair