

CITY OF BETHLEHEM

City Council Memorandum

SUBJECT: Support Resolution: Energy Innovation and Carbon Dividend Act of 2019

TO: Members of Council

FROM: J. William Reynolds, Member of Council

DATE: April 7, 2020

Attached is a proposed resolution urging the United States Congress to enact the Energy Innovation and Carbon Dividend Act of 2019. I would ask that Council consider adopting this resolution at the February 18, 2020 City Council meeting.

In October 2018, the Intergovernmental Panel on Climate Change issued a special report on the impacts of global warming of 1.5 °C above pre-industrial levels warning that global warming is likely to reach 1.5°C between 2030 and 2052 if it continues to increase at the current rate. Moreover, the United Nations climate science body stated that we have only 12 years left to make significant changes to global energy production and infrastructure in order to limit global warming to moderate levels.

In order for the world to make the necessary changes, economic incentives to control and reduce carbon emissions must be implemented as soon as possible. Presently the environmental, health, and social costs of carbon emissions are not included in prices paid for fossil fuels, but rather these externalized costs are borne directly and indirectly by all Americans and global citizens.

To begin to correct this market failure, Congress should enact the Energy Innovation and Carbon Dividend Act to assess a national carbon fee on fossil fuels based on the amount of CO₂ the fuel will emit when burned. Enactment of this law would encourage market-driven development of clean energy technologies and create market efficiencies in order to reduce carbon emissions in order to protect the environment for future generations.

Thank you for your consideration of this request.



J. William Reynolds, Member Council

CC: R. Donchez, Mayor

**Resolution urging the United States Congress to enact
the Energy Innovation and Carbon Dividend Act of 2019**

WHEREAS, an Intergovernmental Panel on Climate Change issued a special report on the impacts of global warming of 1.5 °C above pre-industrial levels in October 2018 warning that global warming is likely to reach 1.5°C between 2030 and 2052 if it continues to increase at the current rate; and

WHEREAS, the United Nations climate science body said in a monumental climate report that we have only 12 years left to make massive and unprecedented changes to global energy infrastructure to limit global warming to moderate levels; and

WHEREAS, the United States government released its Fourth Annual Climate Assessment in November 2018 reporting that the impacts of climate change are already being felt in communities across the country, and that more frequent and intense extreme weather and climate-related events, as well as changes in average climate conditions, are expected to continue to damage infrastructure, ecosystems, and social systems that provide essential benefits to communities; and

WHEREAS, conservative estimates by the world's climate scientists state that to achieve climate stabilization and avoid cataclysmic climate change, emissions of greenhouse gases (GHGs) must be brought to 80-95 percent below 1990 levels by 2050; and

WHEREAS, presently the environmental, health, and social costs of carbon emissions are not included in prices paid for fossil fuels, but rather these externalized costs are borne directly and indirectly by all Americans and global citizens; and

WHEREAS, to begin to correct this market failure, Congress can enact the Energy Innovation and Carbon Dividend Act to assess a national carbon fee on fossil fuels based on the amount of CO₂ the fuel will emit when burned and allocate the collected proceeds to all U.S. Households in equal shares in the form of a monthly dividend; and

WHEREAS, for efficient administration, the fossil fuels fee can be applied once, as far upstream in the economy as practical, or at the port of entry into the United States; and

WHEREAS, as stated in the Energy Innovation and Carbon Dividend Act of 2019, H.R. 763, a national, revenue-neutral carbon fee starting at a relatively low rate of \$15 per ton of CO₂ equivalent emissions and resulting in equal charges per ton of CO₂ equivalent emissions potential in each type of fuel or greenhouse gas should be assessed to begin to lower what are now dangerously high CO₂ emissions. The yearly increase in carbon fees including other greenhouse gases, shall be at least \$10 per ton of CO₂ equivalent each year, with the Department of Energy determining whether an increase larger than \$10 per ton per year is needed to achieve program goals; and

WHEREAS, the Energy Innovation and Carbon Dividend Act of 2019, H.R. 763, specifies that, in order to protect low and middle income citizens from the economic impact of rising prices due to the carbon fee, equal monthly per-person dividend payments shall be made to all American households (½

payment per child under 19 years old) each month from the fossil fuel fees collected. The total value of all monthly dividend payments shall represent 100 percent of the net carbon fees collected per month; and

WHEREAS, the Energy Innovation and Carbon Dividend Act of 2019, H.R. 763, encourages market-driven innovation of clean energy technologies and market efficiencies which will reduce harmful pollution and leave a healthier, more stable, and more prosperous nation for future generations; and

WHEREAS, the Energy Innovation and Carbon Dividend Act of 2019, H.R. 763, will, after 12 years, lead to an estimated decrease in America's CO2 emissions of 40 percent and an estimated increase in national employment of 2.1 million jobs; and

WHEREAS, border adjustments - carbon content-based tariffs on products imported from countries without comparable carbon pricing, and refunds to our exporters of carbon fees paid - can maintain the competitiveness of U.S. businesses in global markets; and

WHEREAS, a national carbon fee can be implemented quickly and efficiently, and will respond to the urgency of the climate crisis because the federal government already has in place mechanisms, such as the Internal Revenue Service, needed to implement and enforce the fee, and already collects fees from fossil fuel producers and importers; and

WHEREAS, A national revenue-neutral carbon fee would make the United States a leader in mitigating climate change and in the clean energy technologies of the 21st century and would provide incentive to other countries to enact similar carbon fees, reducing global CO2 emissions without the need for complex international agreements; and

WHEREAS, the Energy Innovation and Carbon Dividend Act, HR 763, which would implement a program essentially identical to that which the City of Bethlehem asked for, has been introduced to the 116th Congress.

NOW, THEREFORE, BE IT:

RESOLVED, that the City of Bethlehem, PA urges the United States Congress to enact without delay the Energy Innovation and Carbon Dividend Act of 2019, H.R. 763; and

BE IT FURTHER RESOLVED, that the Bethlehem City Council expresses gratitude to our Congressional Representative Susan Wild for having become a co-sponsor of the Energy Innovation and Carbon Dividend Act of 2019, HR763; and

BE IT FURTHER RESOLVED, that the Bethlehem City Council urges other Pennsylvania municipalities to similarly call on their federal Representatives to co-sponsor the Energy Innovation and Carbon Dividend Act of 2019, HR 763, (other than those in Congressional Districts PA03, PA04, and PA08 who are already co-sponsors) and encourage its passage by the US Congress.

Sponsored by _____

ADOPTED by Council this day of , 2020.

President of Council

ATTEST:

City Clerk