

FAIR - SIMPLE - MONEY IN YOUR POCKET!

How to Reduce Carbon Dioxide Pollution, Create Jobs,
Grow the Economy & Promote Clean Energy Investmen



ARKANSAS ALTERNATIVE ENERGY COMMISSION

25 August 2016

State Capitol, Little Rock, Arkansas

presented by

ARKANSAS CITIZENS CLIMATE LOBBY



FAIR

Every
power
plant pays
same
amount for
each ton
of CO₂.



SIMPLE

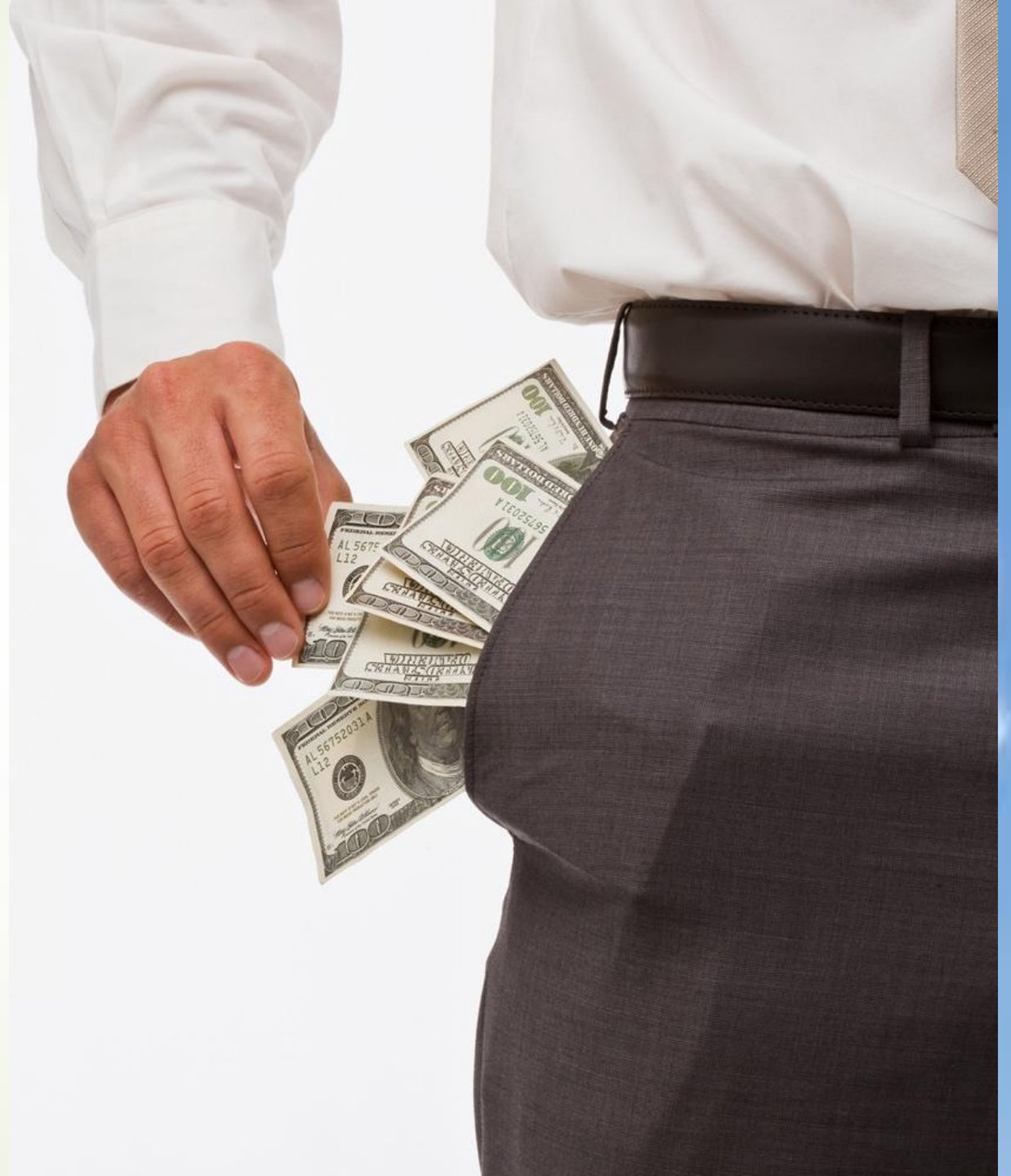
Fee rises
same
amount
each year

Goes to
**CARBON
BANK.**



MONEY IN YOUR POCKET

Each
Arkansan
gets same
amount
monthly.





The Atmospheric Carbon Dioxide “Experiment”

HOW WE GOT TO THIS POINT

Pollutant Emissions

Natural

Lightning

Volcanos

Wildfires

Forests

Cities

Area

Livestock

Fertilizer

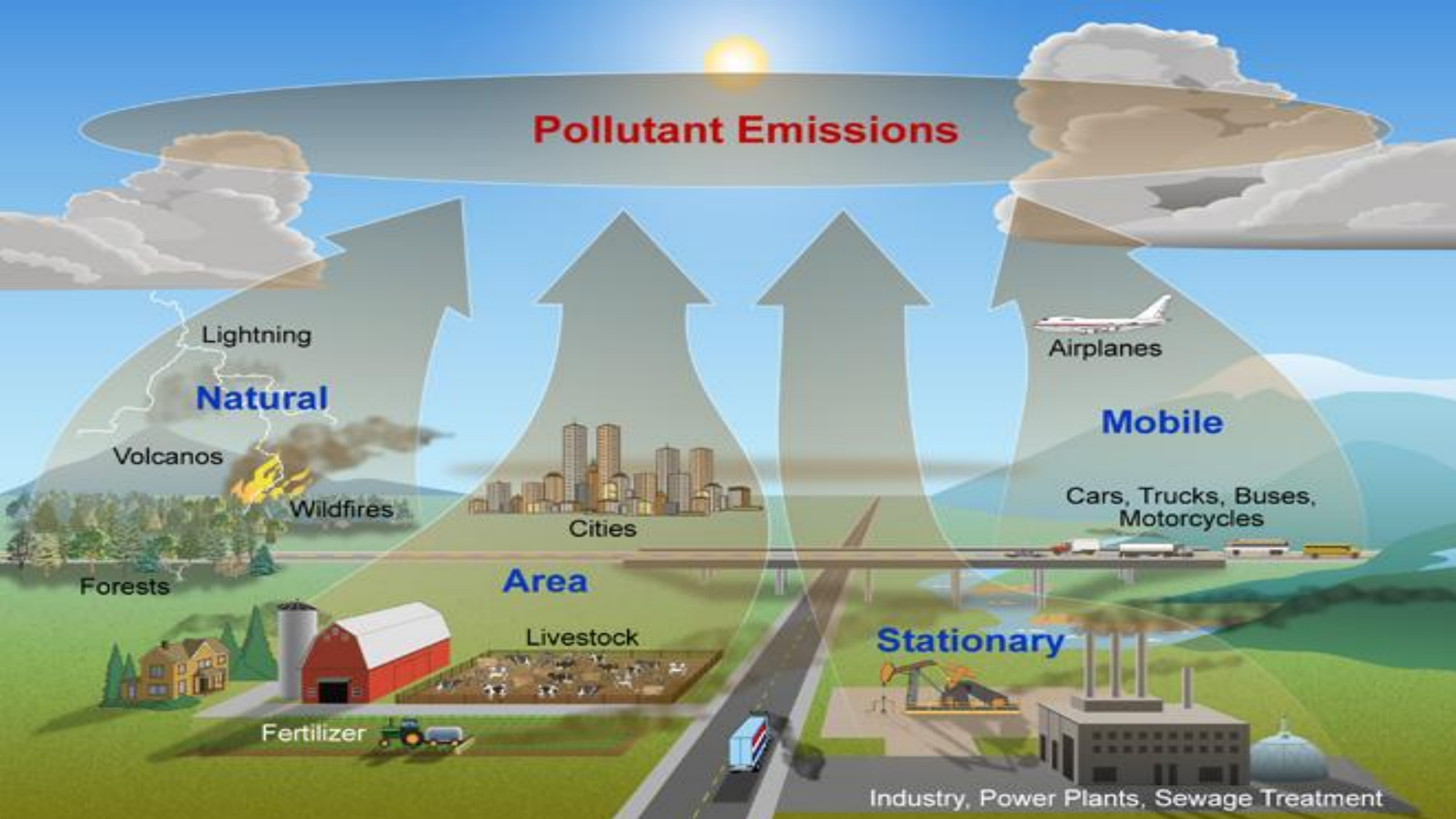
Airplanes

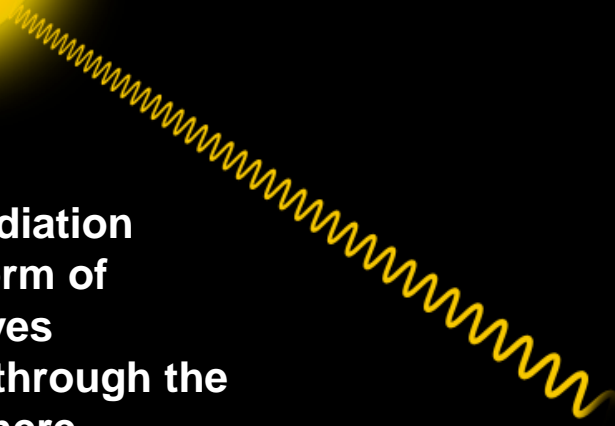
Mobile

Cars, Trucks, Buses,
Motorcycles

Stationary

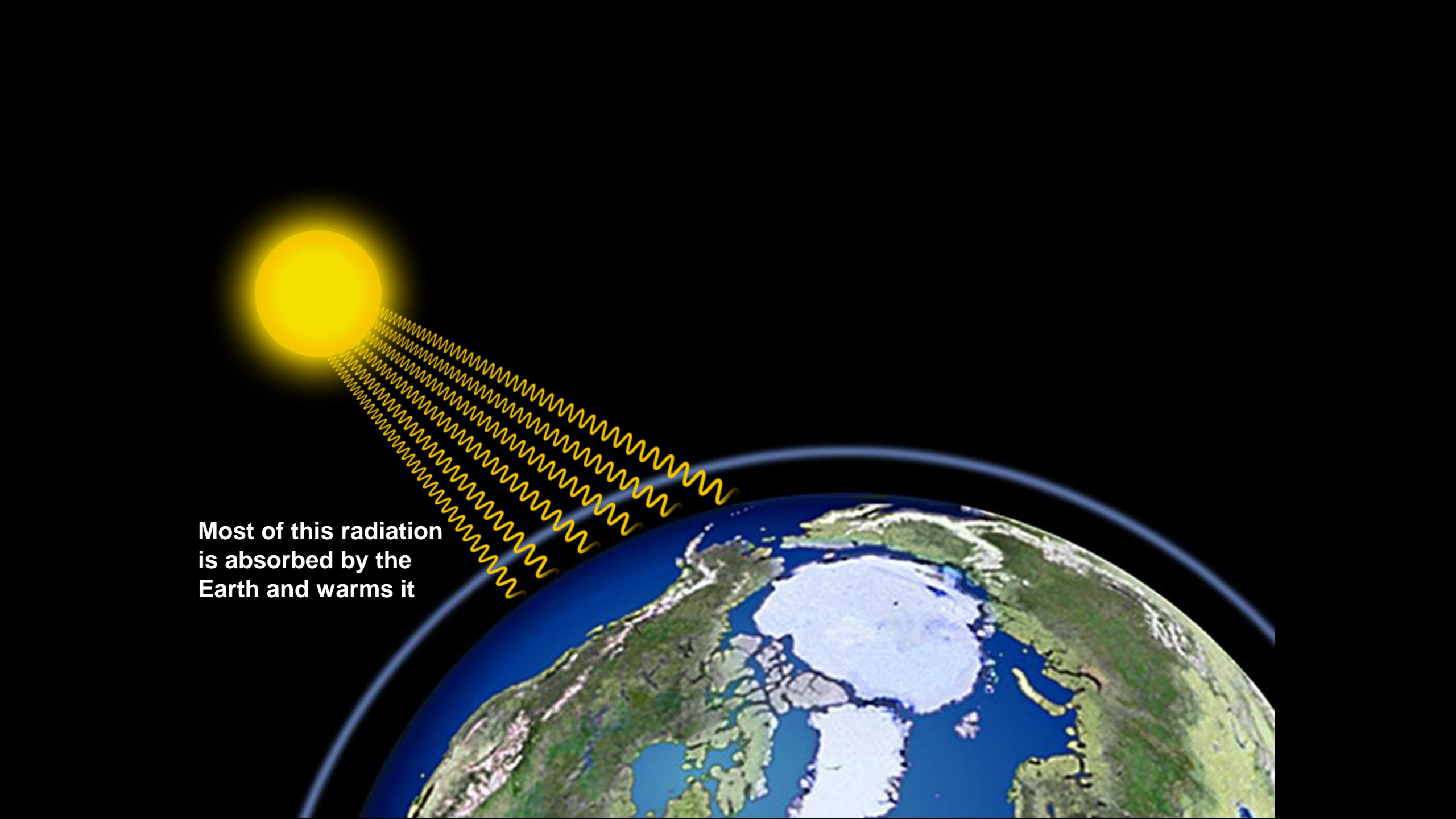
Industry, Power Plants, Sewage Treatment



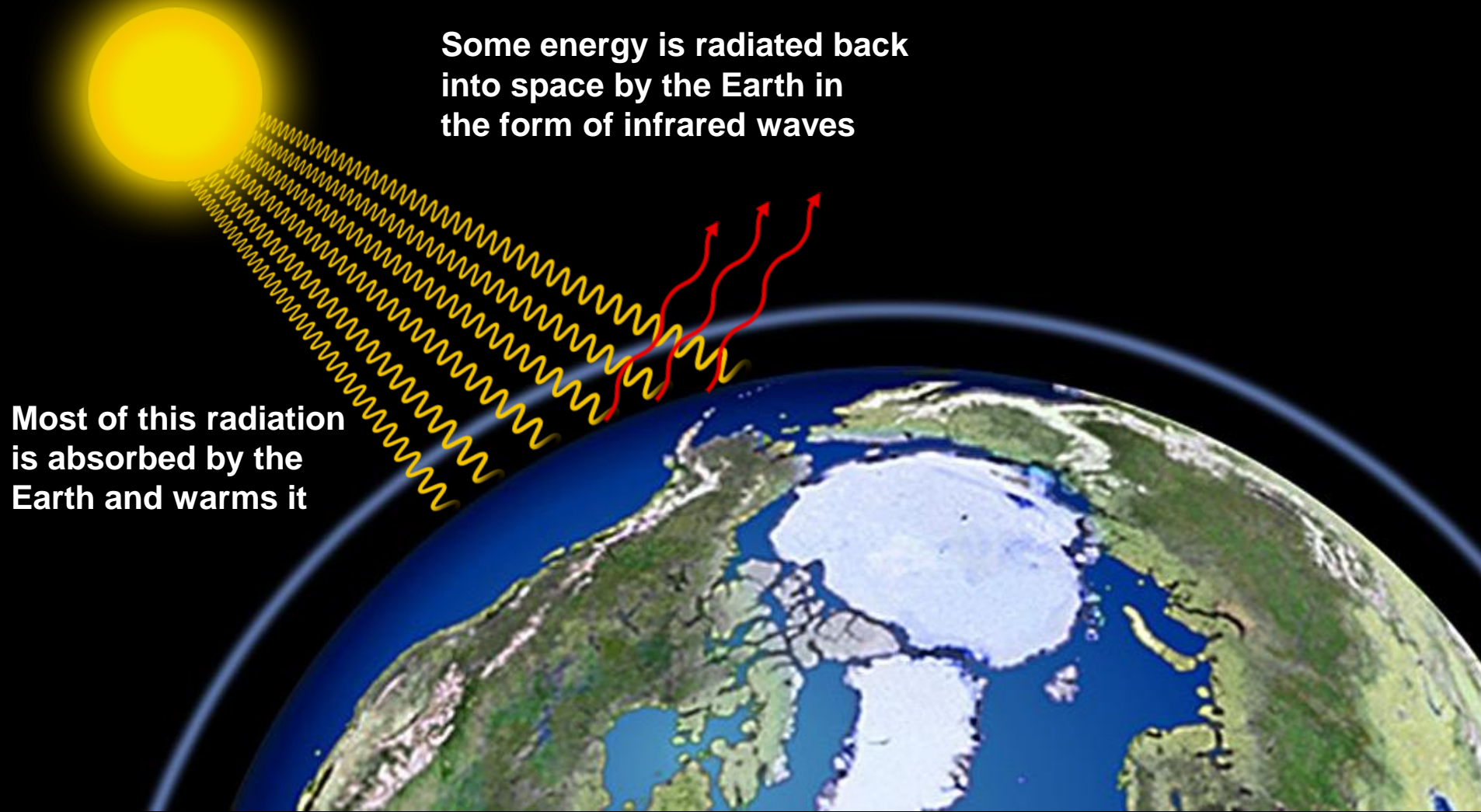


**Solar radiation
in the form of
lightwaves
passes through the
atmosphere**



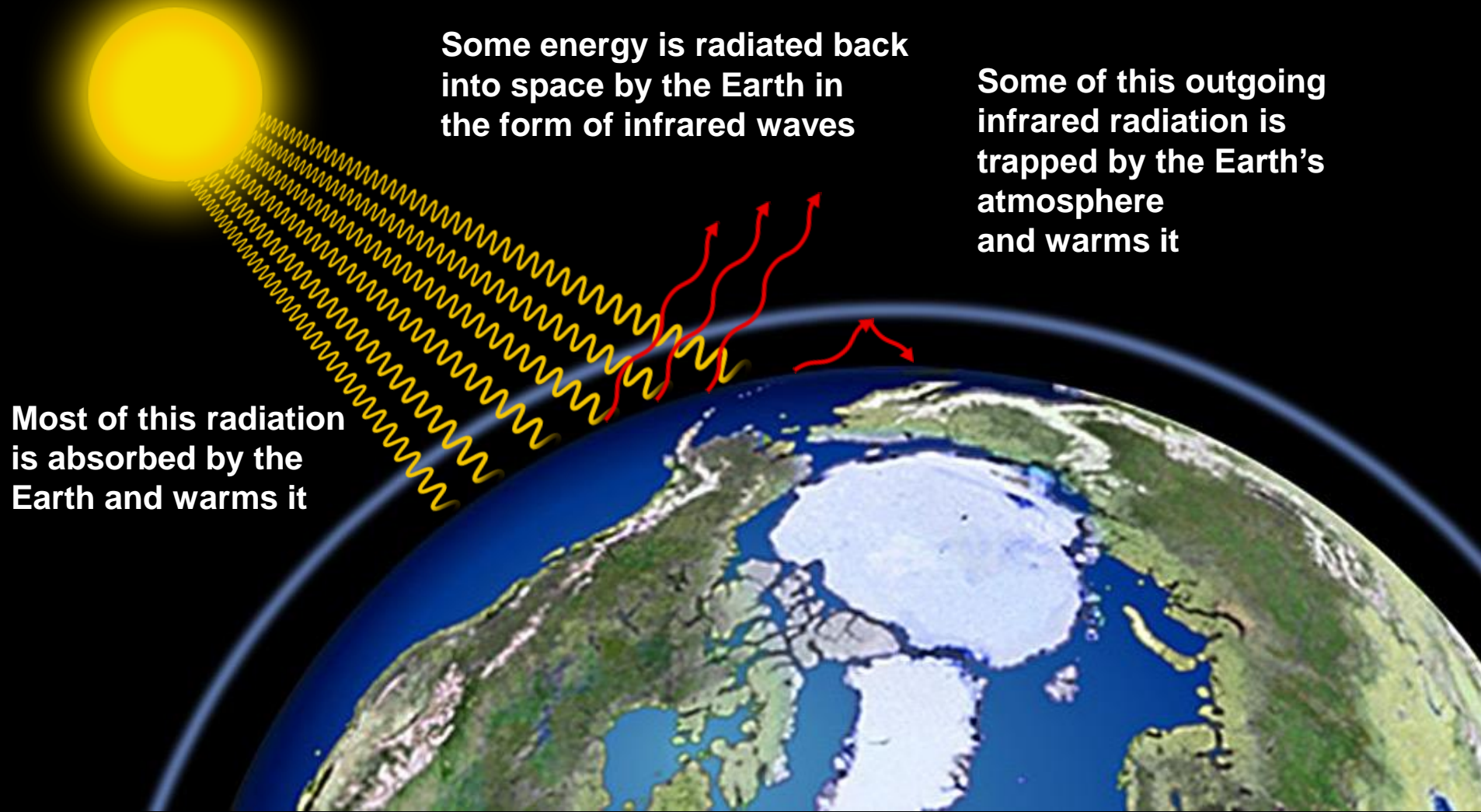
A diagram illustrating solar radiation. A bright yellow sun is positioned in the upper left corner. Several parallel, wavy yellow lines representing electromagnetic radiation extend from the sun towards the Earth. The Earth is shown as a curved horizon in the lower right, with a detailed view of the Arctic region, including the Arctic Ocean and surrounding landmasses. The background is a solid black space.

**Most of this radiation
is absorbed by the
Earth and warms it**



Some energy is radiated back into space by the Earth in the form of infrared waves

Most of this radiation is absorbed by the Earth and warms it

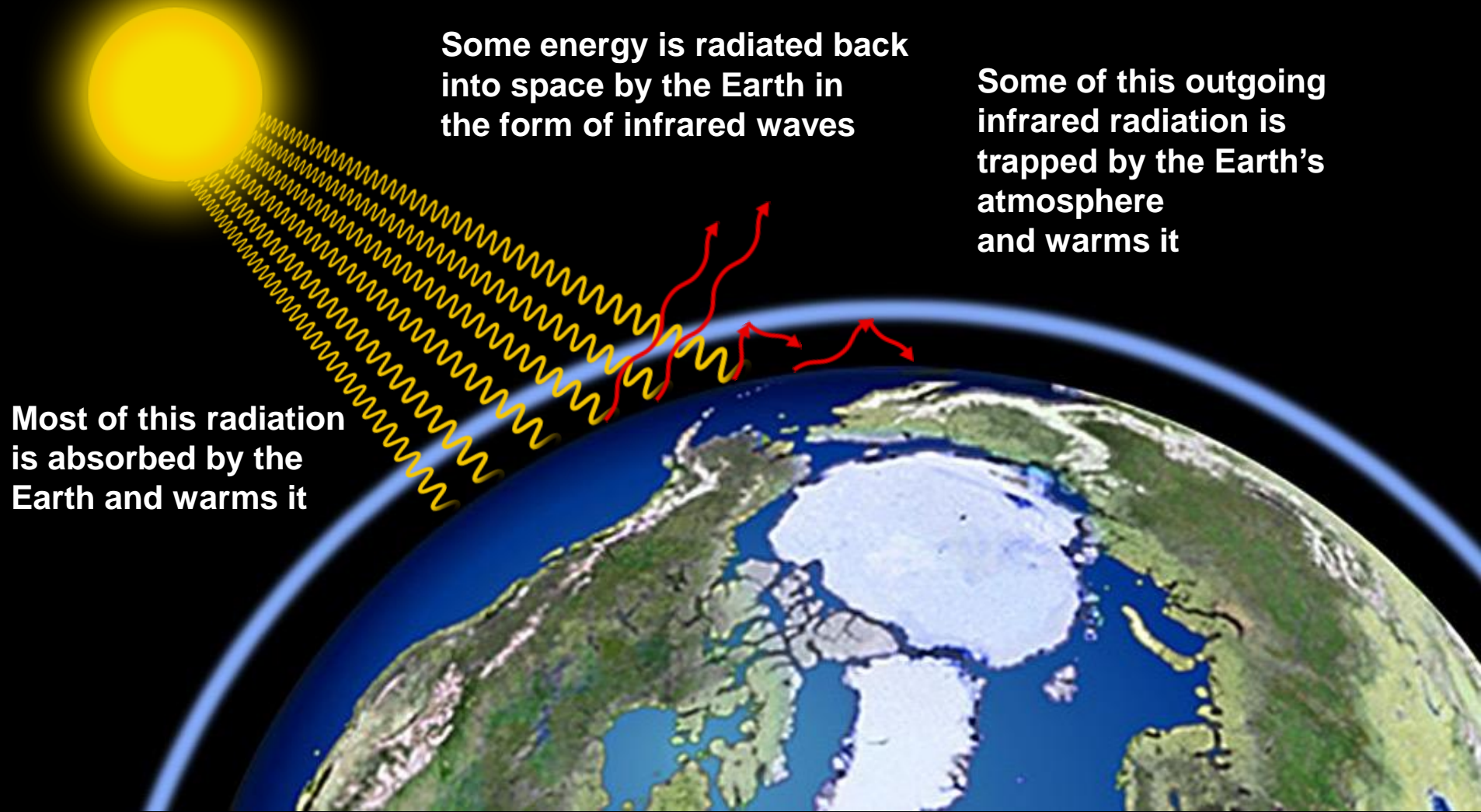


Some energy is radiated back into space by the Earth in the form of infrared waves

Some of this outgoing infrared radiation is trapped by the Earth's atmosphere and warms it

Most of this radiation is absorbed by the Earth and warms it



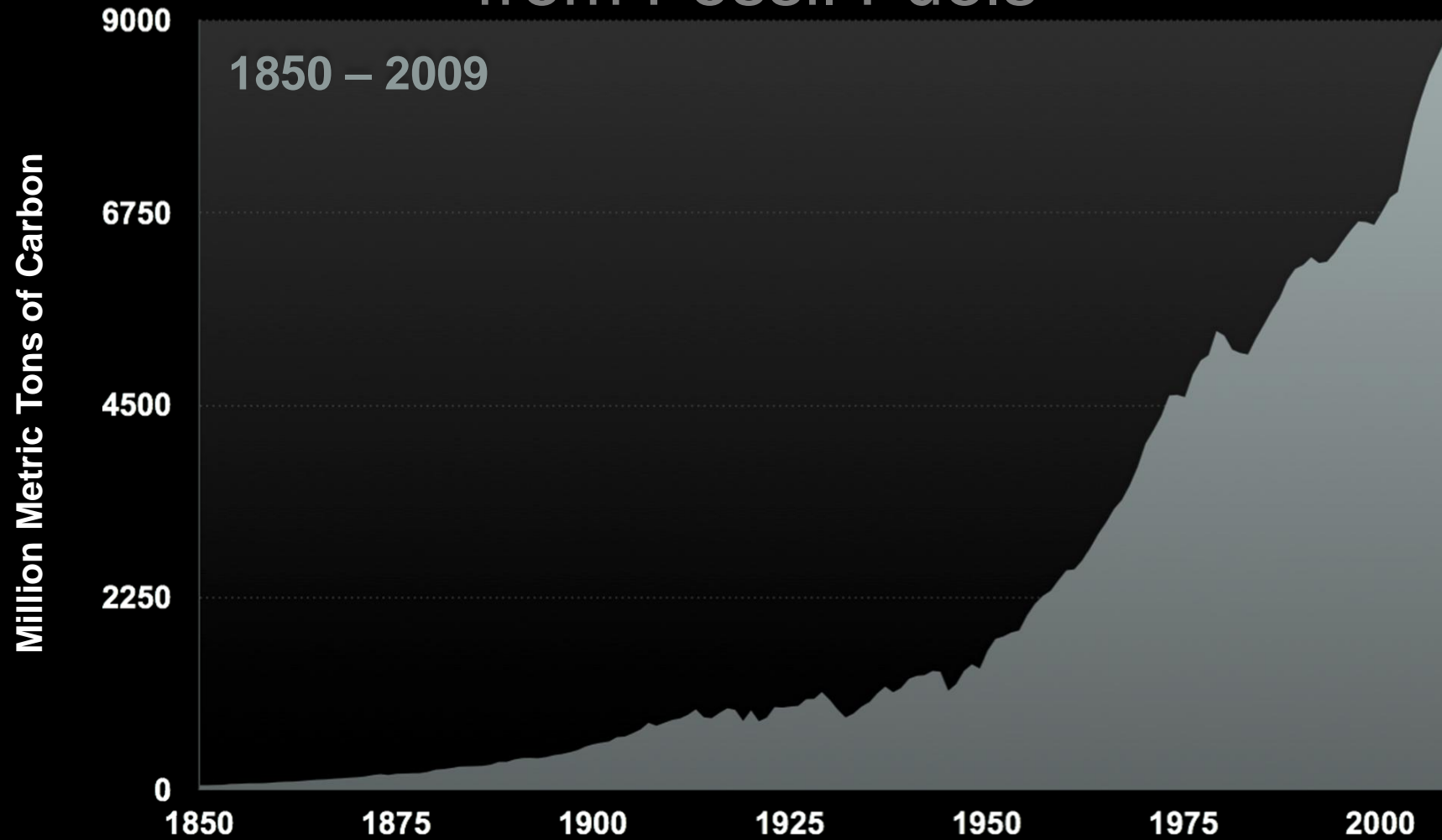


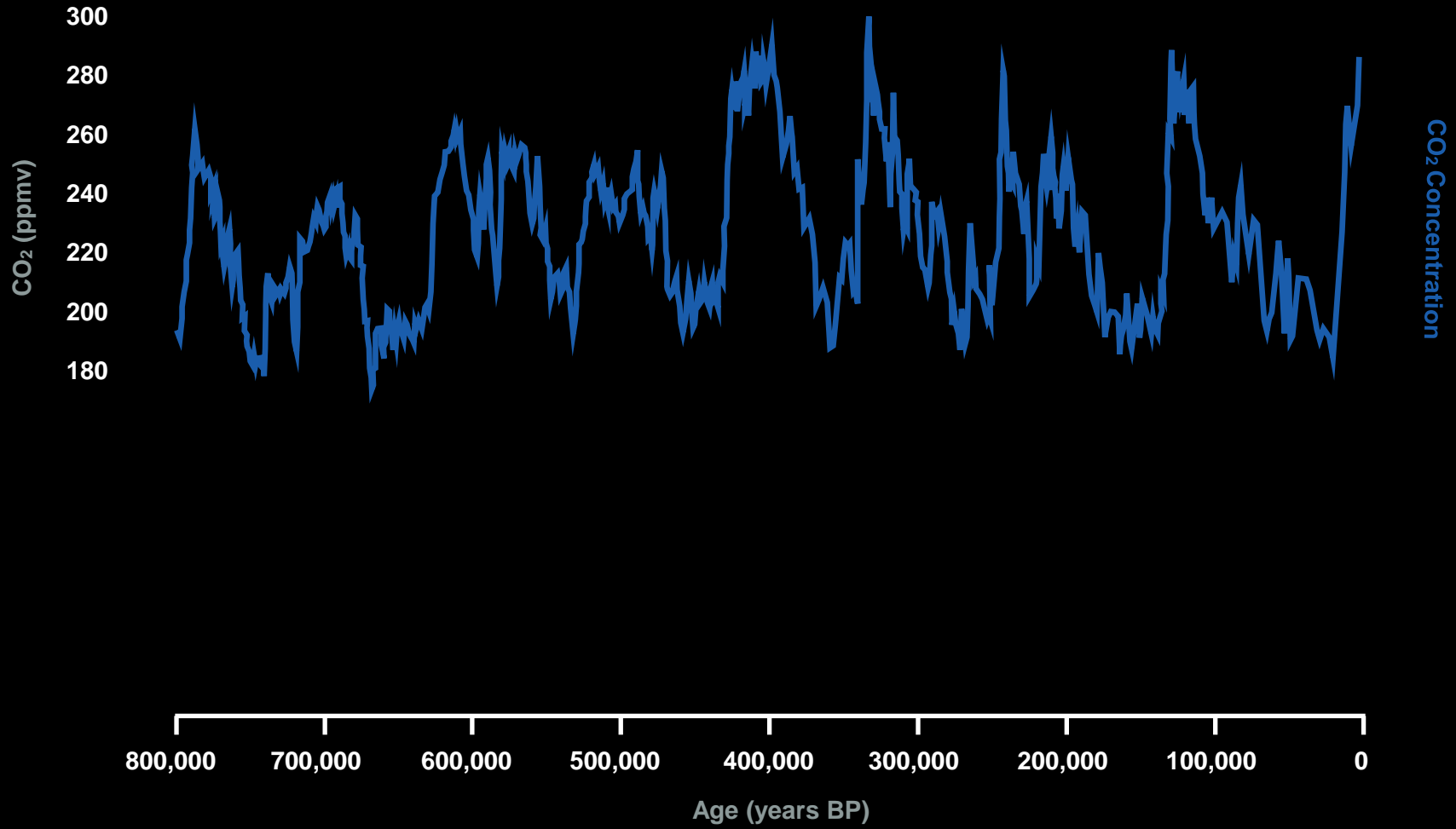
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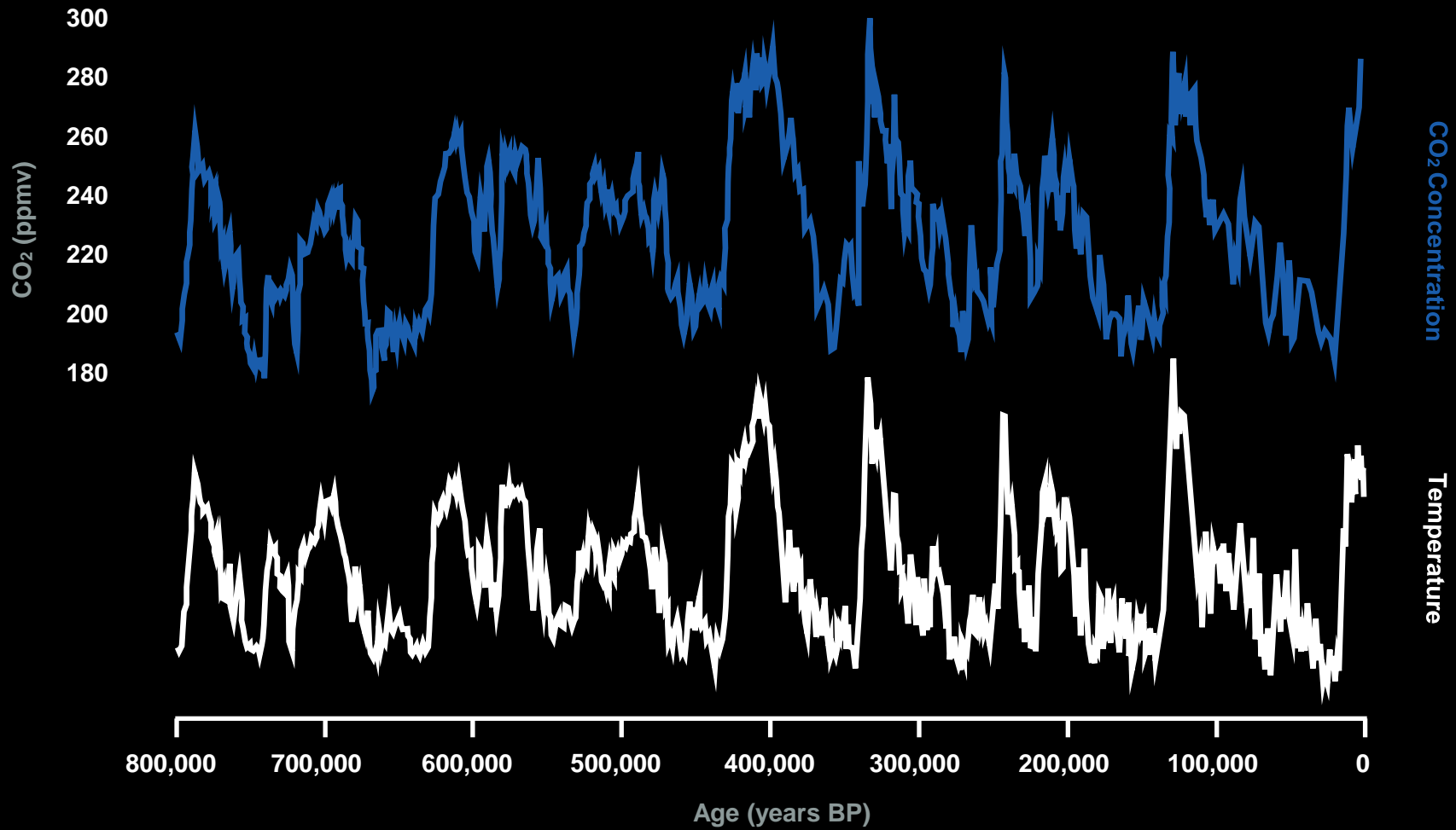
Most of this radiation is absorbed by the Earth and warms it

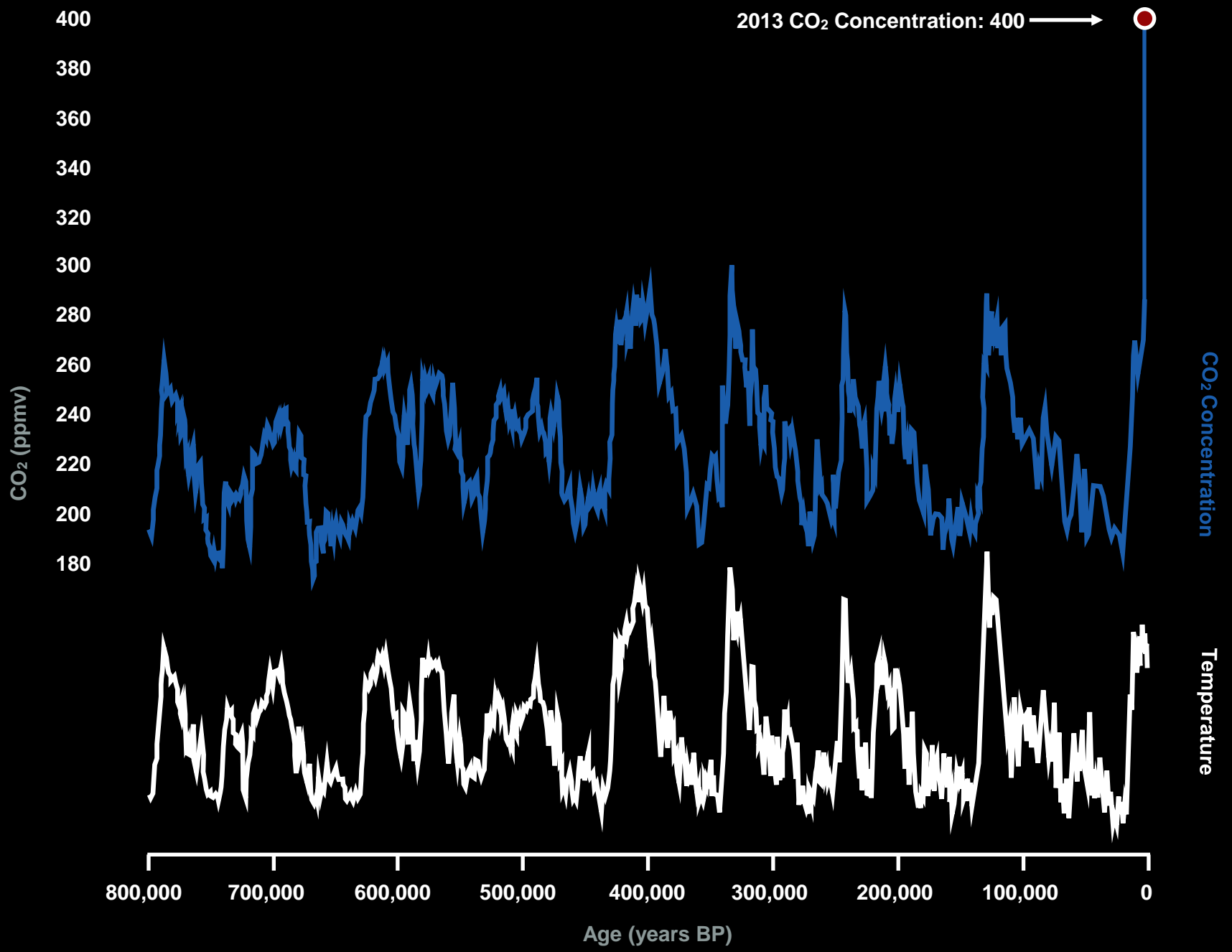
Global Carbon Emissions from Fossil Fuels

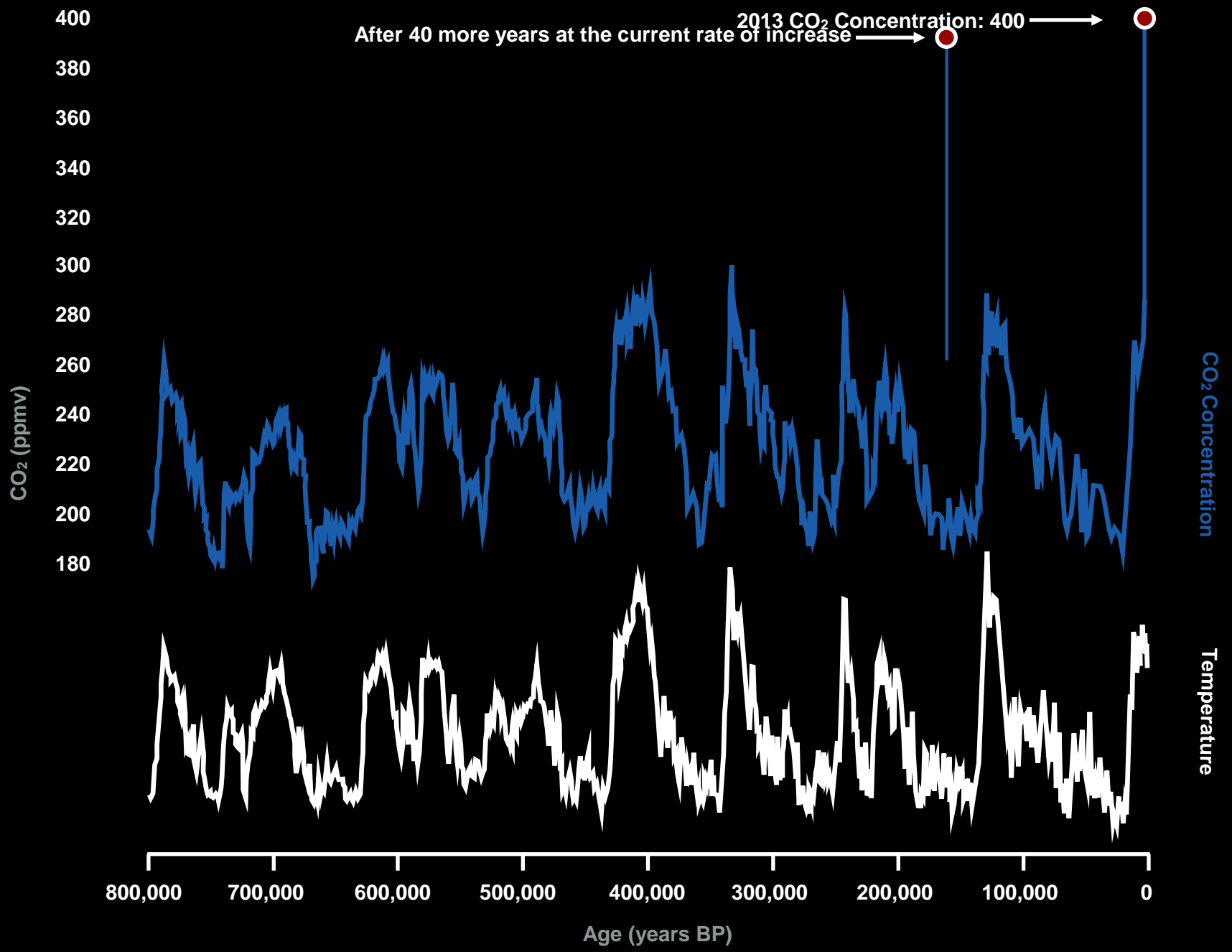




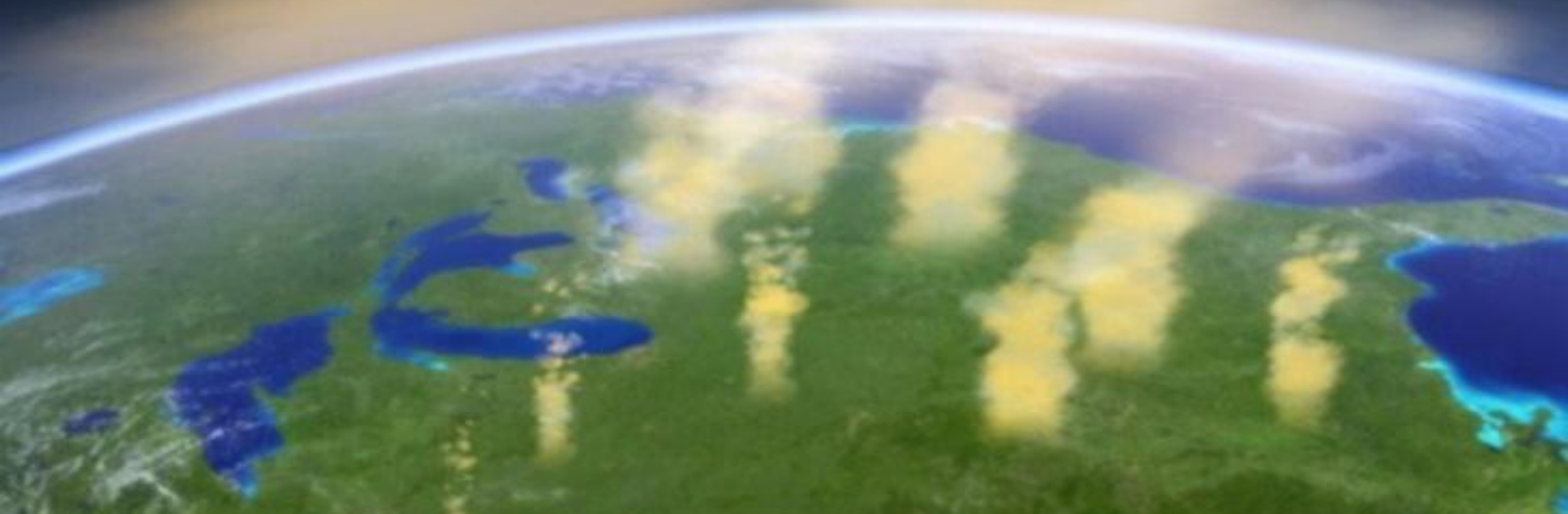
Source: National Climatic Data Center, NOAA



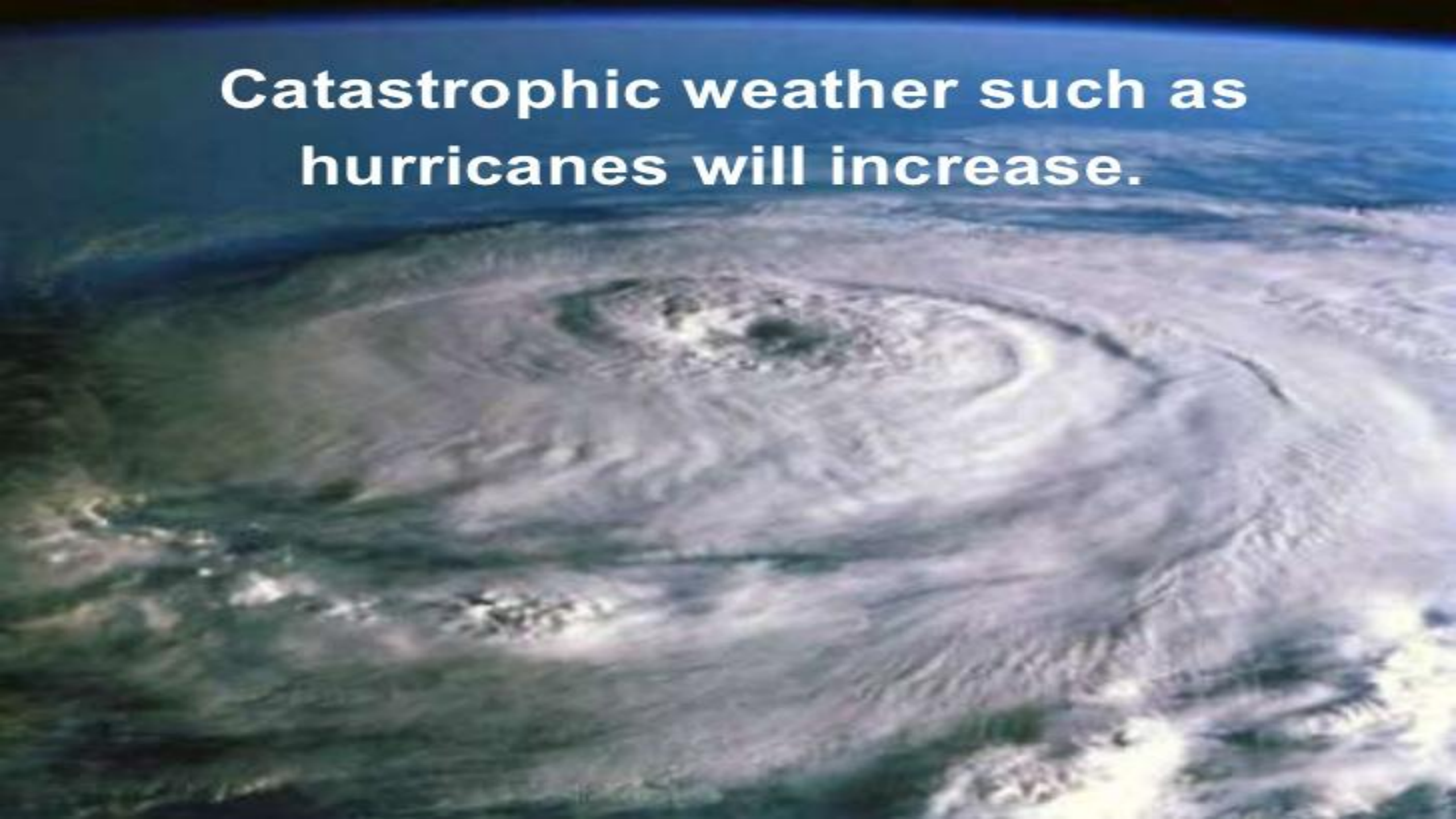




Consequences of global warming



**Catastrophic weather such as
hurricanes will increase.**

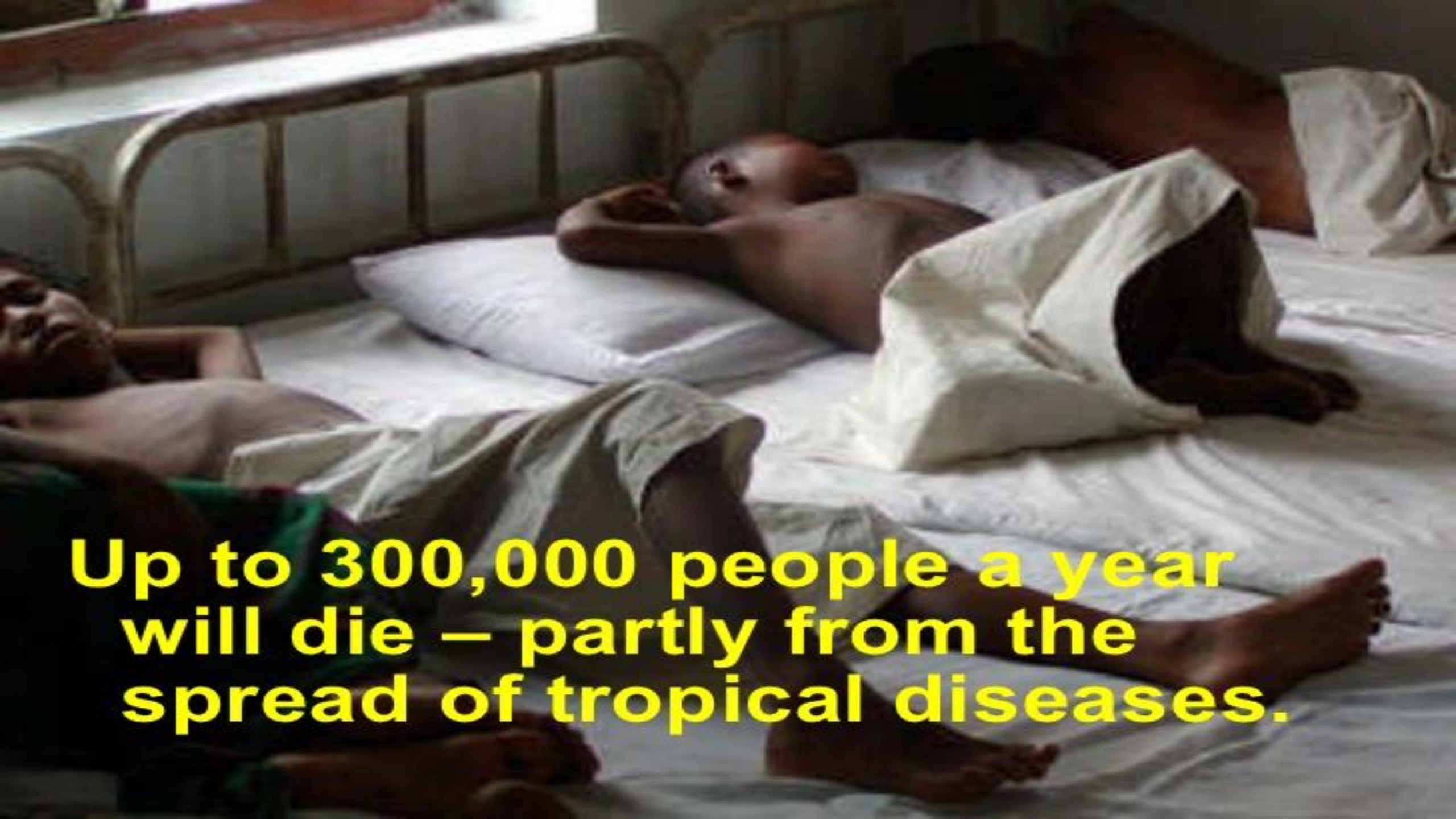




**Heat waves, droughts, and
wildfires will be more frequent.**







Up to 300,000 people a year will die – partly from the spread of tropical diseases.

**More than a million species
worldwide could be extinct
by 2050.**



An aerial photograph of a coastal region. In the foreground, there is a large, dark, irregularly shaped area that appears to be a wetland or a flooded plain. The middle ground shows a wide expanse of water, possibly a bay or a large river delta. In the background, a city with several buildings and structures is visible, situated on a slightly elevated area. The overall scene suggests a coastal area that is vulnerable to sea level rise.

Global sea levels could rise by more than 20 feet, devastating coastal areas worldwide.



two°

**You're making
this island disappear.**

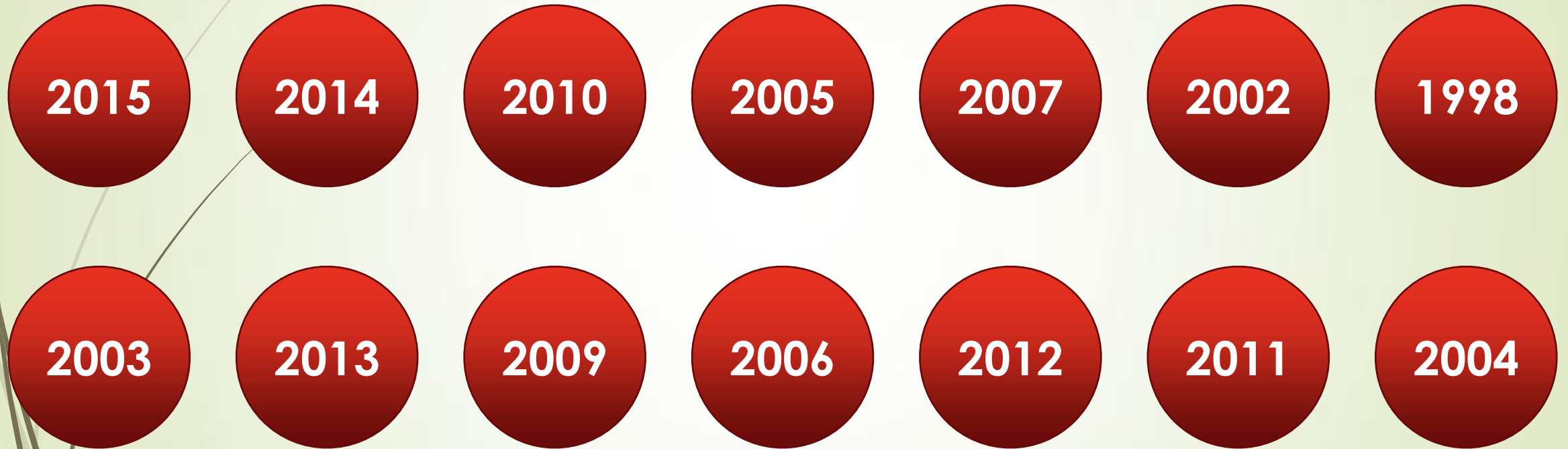
CNN.com



An aerial photograph of a coastal city, likely New York City, showing a dense skyline of skyscrapers. The water level is significantly higher than in the past, with many buildings partially submerged. The sky is clear and blue, and the water is a deep blue. The text 'The future of our coastal cities?' is overlaid in white at the bottom of the image.

The future of our coastal cities?

14 of the 15 Hottest Years on Record Have Occurred Since the Year 2001.



The Hottest Year Ever Measured...



JULY 2016 was the
377th consecutive month
with a global temperature above
the 20th century average





OVERWHELMED?



An Elegant & Simple Solution

Carbon Fee & Dividend:

A Climate Change Solution That Bridges the Partisan Divide



FAIR

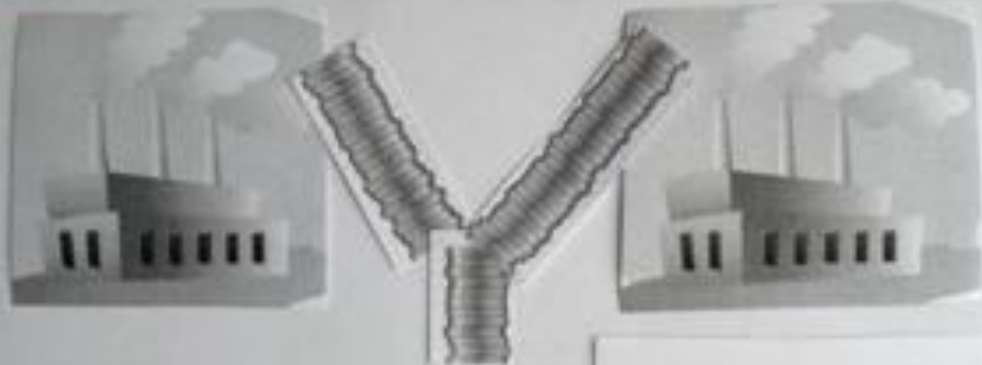
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power
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BELEWS CREEK
STEAM STATION

SAFETY
EXCELLENCE
EFFICIENCY



Upstream fees on carbon fuels
turn pollution into money.



Dividends flow to
households and employers.



Free market choices result in
Clean Power Plan compliance

SIMPLE

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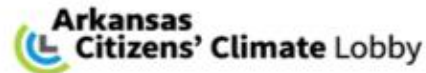
***The Economic, Demographic, Fiscal,
and Emissions Implications of a
Carbon Fee in Arkansas***

Prepared By

Regional Economic Models, Inc. (REMI)
Washington, DC

Prepared For

Citizens' Climate Lobby, Arkansas Chapter
(CCL)
Fayetteville, AR



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Growing
Arkansas's
Economy &
Stimulating
Clean Energy
Innovation
and
Investment

Friday, October 9, 2015

Carbon Pricing

Carbon Fees

- Creates revenue to fuel transition
- Avoids complexity of creating new markets
- Faster Reduction in Emissions

AR CCL's Carbon Fee and Dividend

Two Options

FEE

- EGU's only
- EGU's + liquid & gaseous fuel

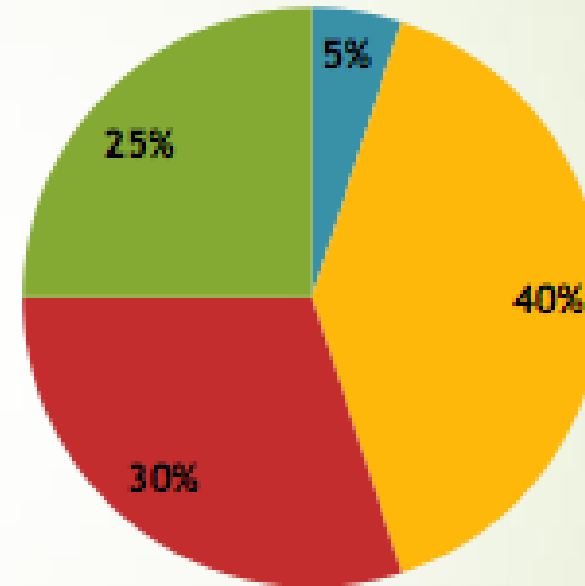
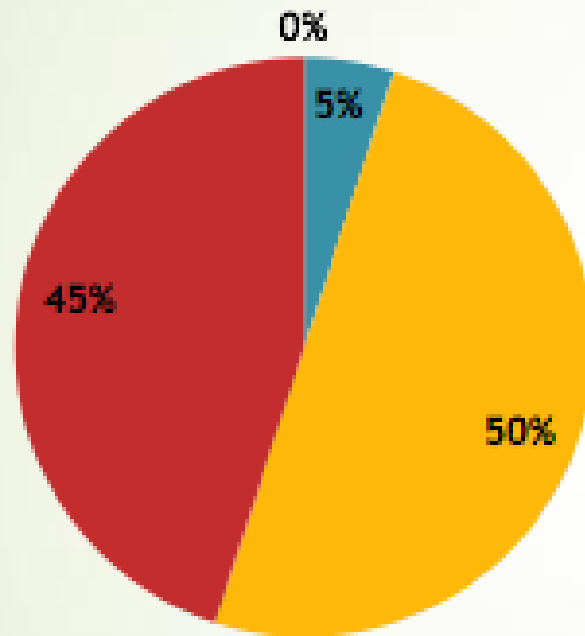
DIVIDEND

- Families & Employers
- Families, Employers, EE

Fee Coverage

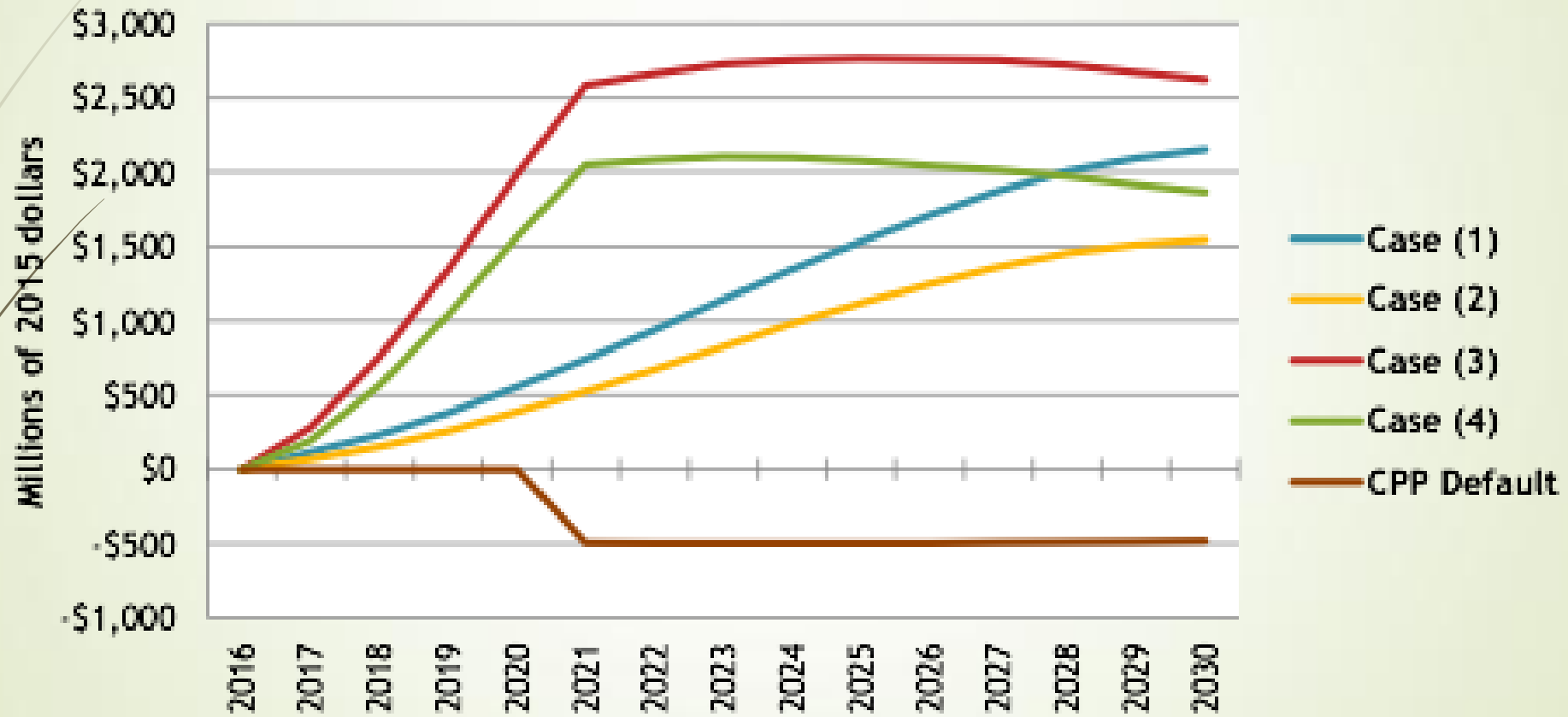
	F&D	EE
CCL	Case (1)	Case (2)
CPP	Case (3)	Case (4)

Arkansas Carbon Bank Payment Options

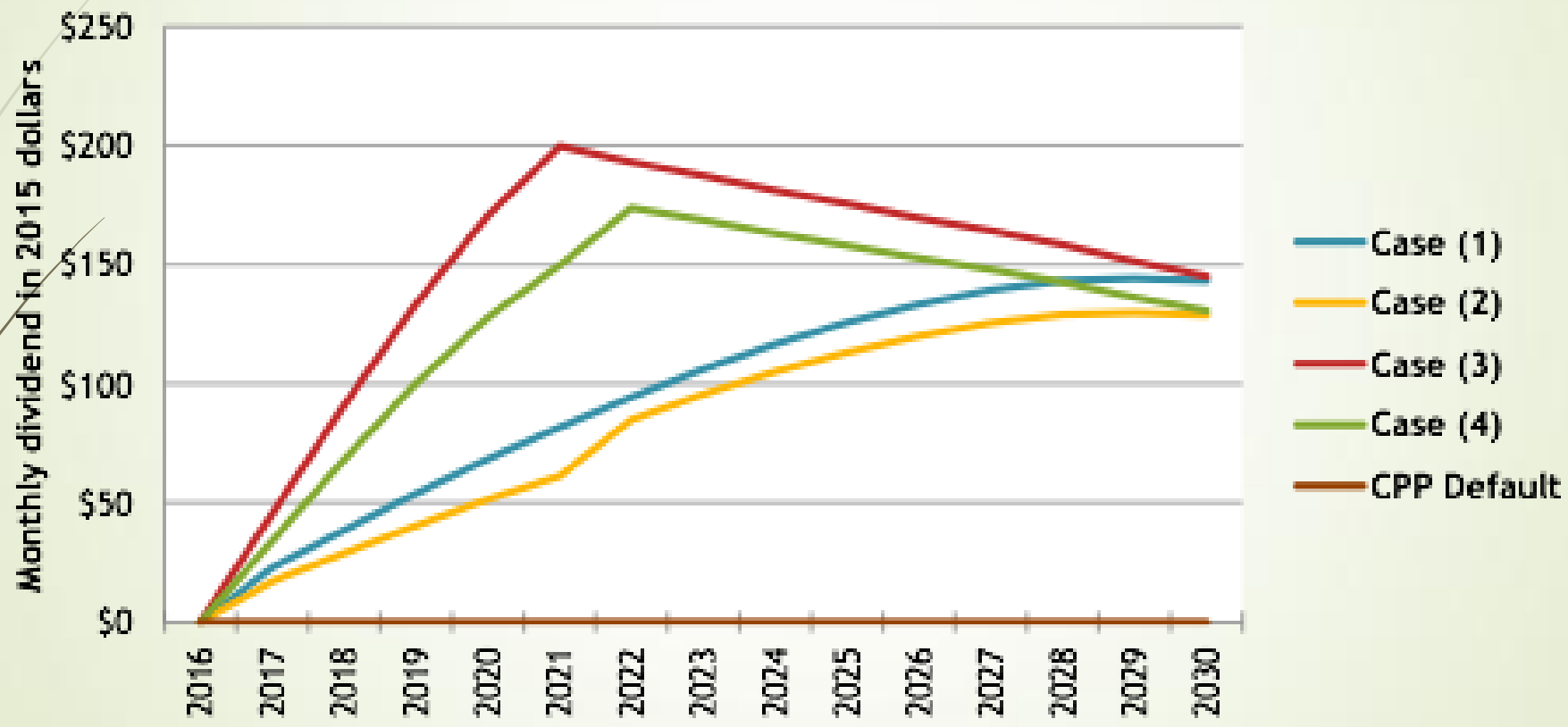


- **Administration and Overhead** – An assumed 5% cost to the state for the collection of the fee and the redistribution of the funds back into the state economy
- **Rebates to Households** – Monthly checks or direct deposits to individuals and households in Arkansas to rebate revenues back to the public
- **Rebates to Employers** – Similar to the rebate to households though paid to employers in the state (either public sector or private sector, nonprofit and for profit alike) either as a monthly rebate check or through the state tax system
- **Energy Efficiency Programs** – Funds appropriated by the state towards various energy efficiency programs to further reduce energy demand and emissions

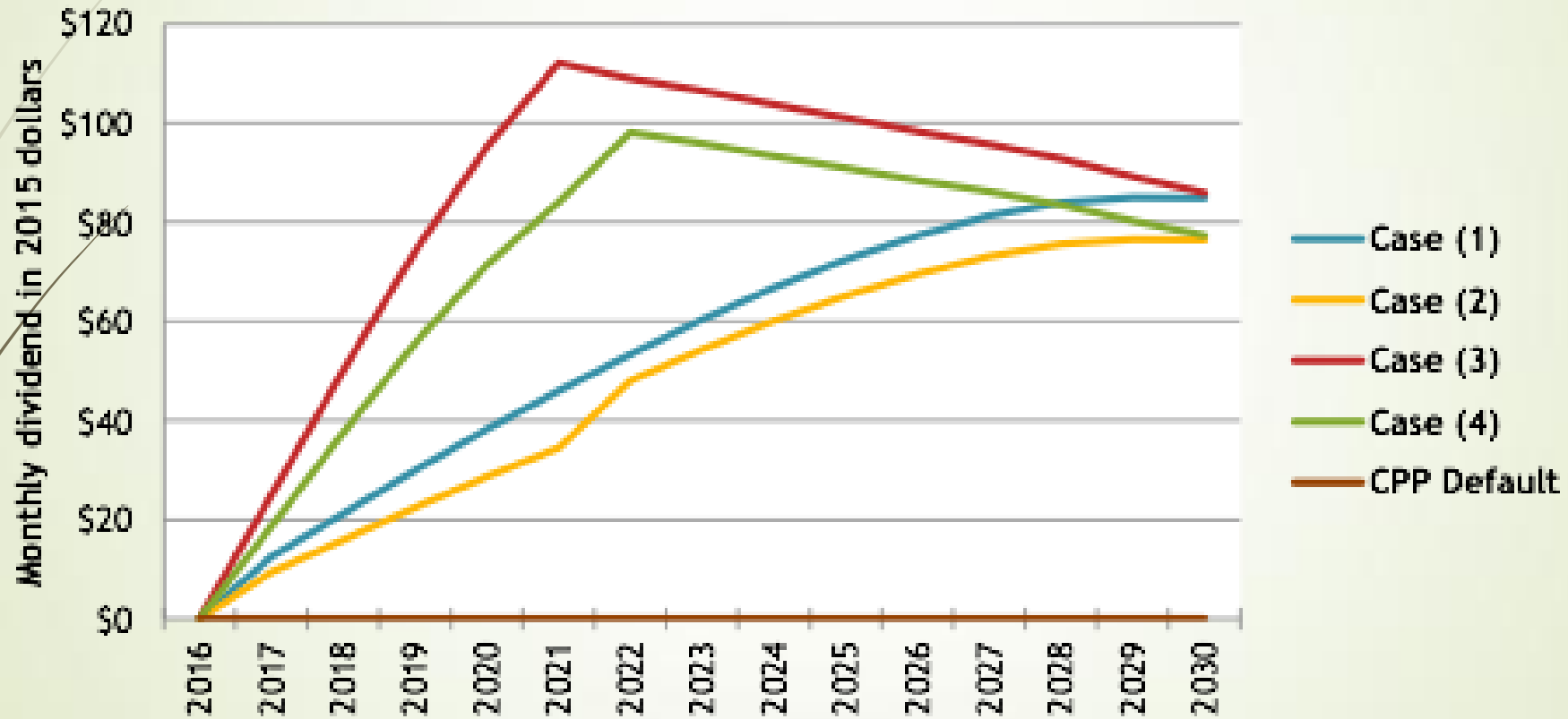
Real Disposable Income



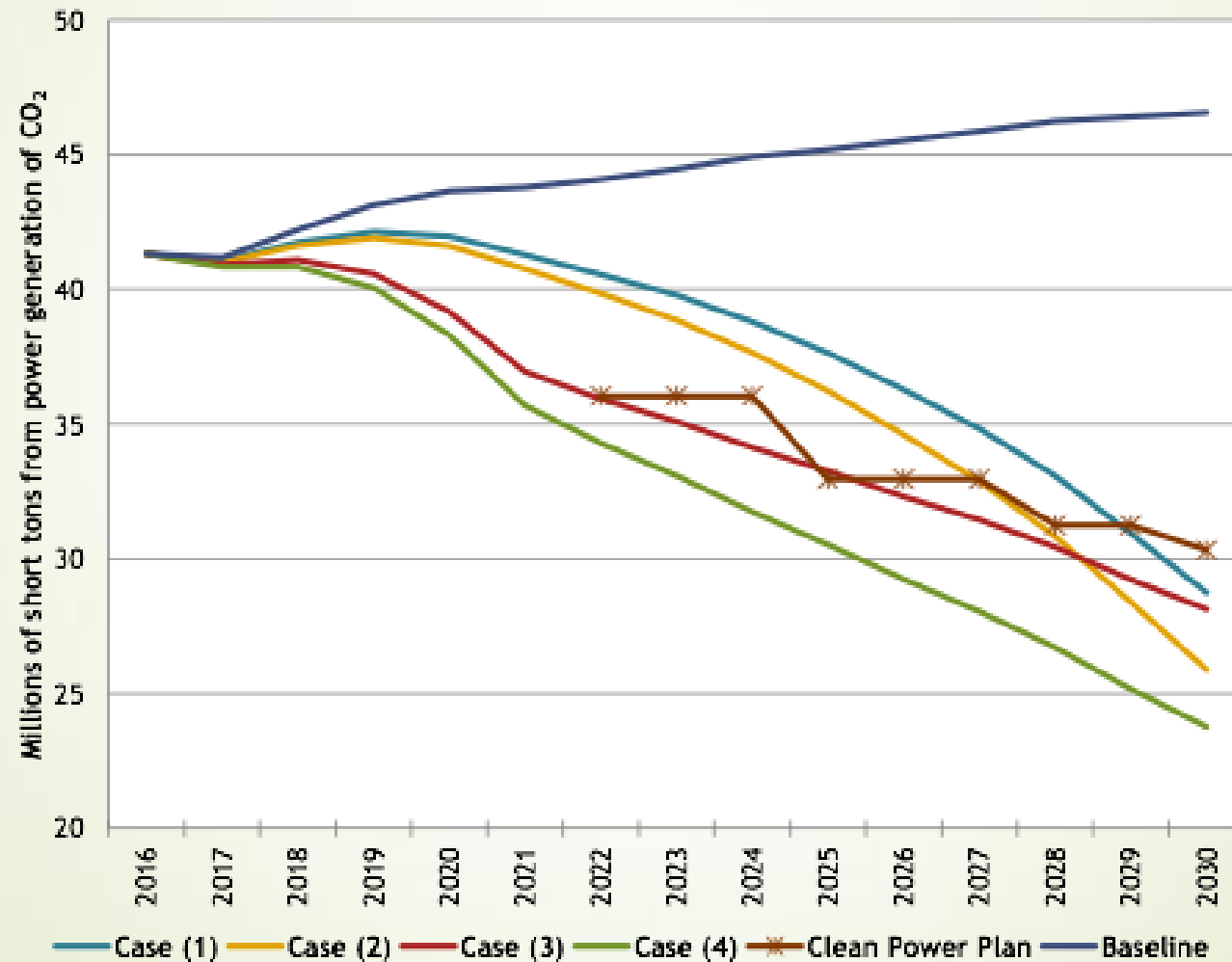
Household Rebate



Employer Rebate



Projected CO₂ Reductions



45

MAIN TAKE AWAYS

Economic

- 20,000 to 30,000 additional jobs over the baseline scenario
- Increased GSP and real disposable personal income (RDPI)

Emissions

- Reduction of 20 to 30 million metric tons per year total
- Power emissions approach or are below CPP regulations

Budgetary

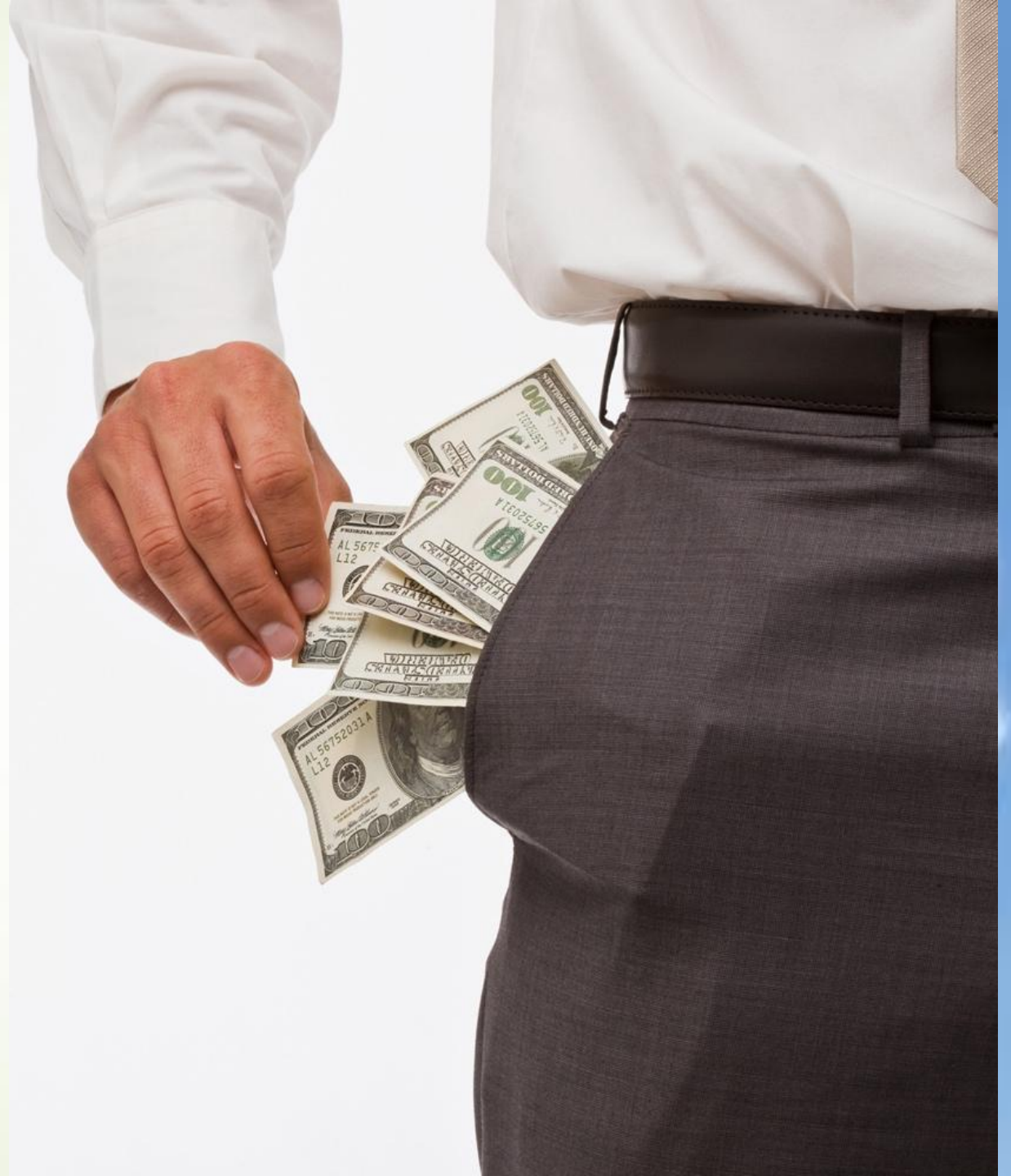
- \$500 million to \$1 billion in the first year, \$4 billion long-term
- Monthly rebate to households and employers over \$200 per month

Demographic

- The long-term population of the state increases with fee
- Attracted by stronger labor market and availability of dividends


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BUILDING THE POLITICAL WILL



 **Arkansas
Citizens' Climate Lobby**



MAKING IT HAPPEN!

Growing the Local Action to Reach the Legislature



Endorsements Supporting Carbon Fee & Dividend



Morning News



Vol. 1, No. 1

Gould, Arkansas

Saturday, November 21, 2015

GOV. HUTCHINSON ANNOUNCES CREATION OF ARKANSAS CARBON BANK

Thousands of Jobs & Billions of Dollars Coming to Economy!



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IMAGINE!

ARKANSAS CITIZENS' CLIMATE LOBBY



THE POLITICAL WILL FOR A NATURAL STATE

The Arkansas chapters of Citizens' Climate Lobby are dedicated to the idea that addressing climate change can benefit both our economy and natural way of life. Keep reading to learn how AR can meet carbon emissions targets while adding thousands of jobs to our economy.

CARBON FEE & DIVIDEND



A pre-determined and steadily rising fee is placed on every ton of CO₂ emitted, creating a market incentive to transition toward cleaner energy sources

That fee is then reinvested into the economy as a dividend to households, businesses, or as an investment in clean energy solutions.



Because this investment in lower CO₂ emissions is recycled rather than extracted, the economy is free to grow. The results for Arkansans are huge :

- Thousands of net jobs added
- 2030 Clean Power Plan emissions targets met
- GDP growth that's faster than "business as usual"
- Reduced dependence on foreign oil





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SIMPLE

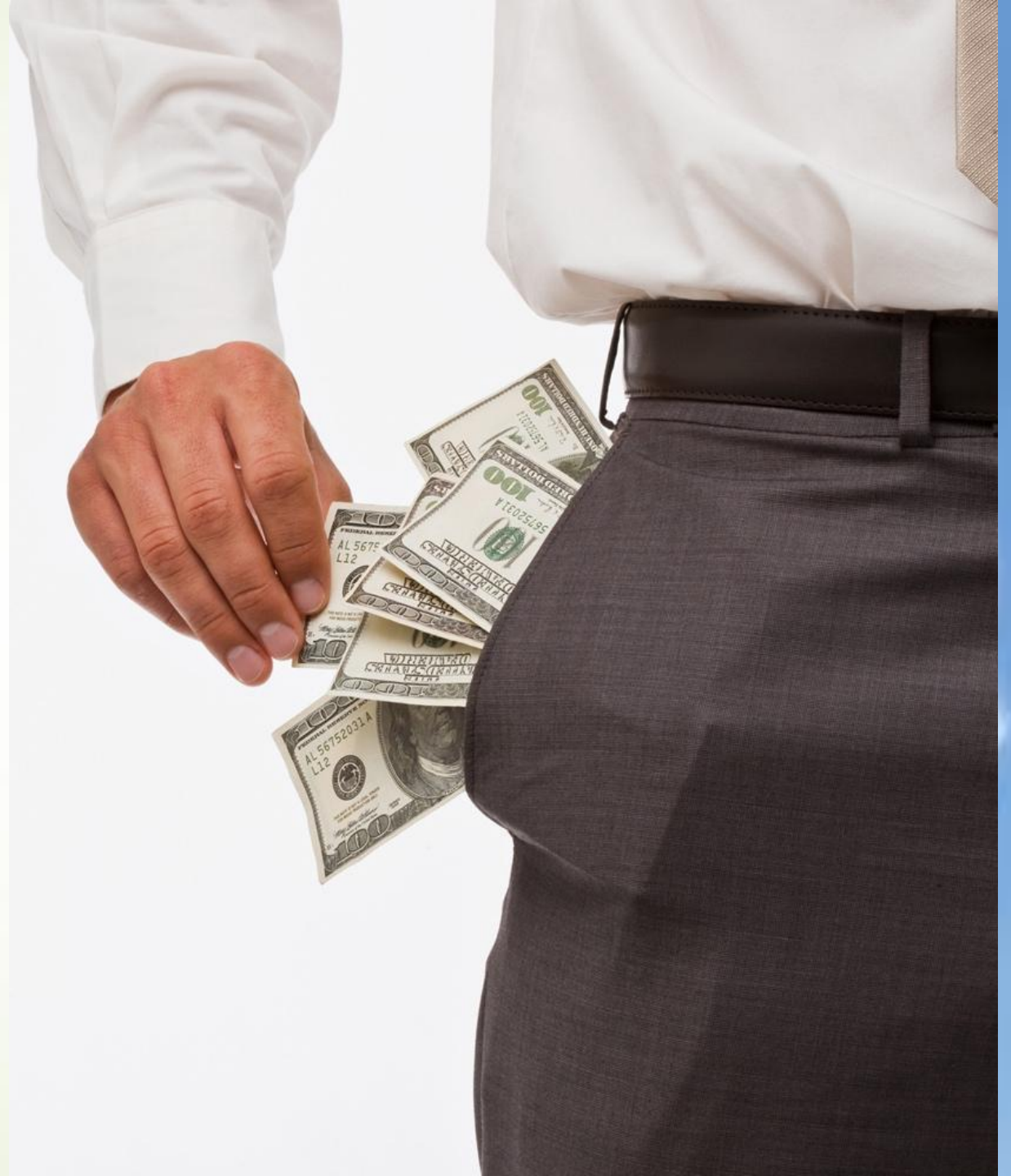
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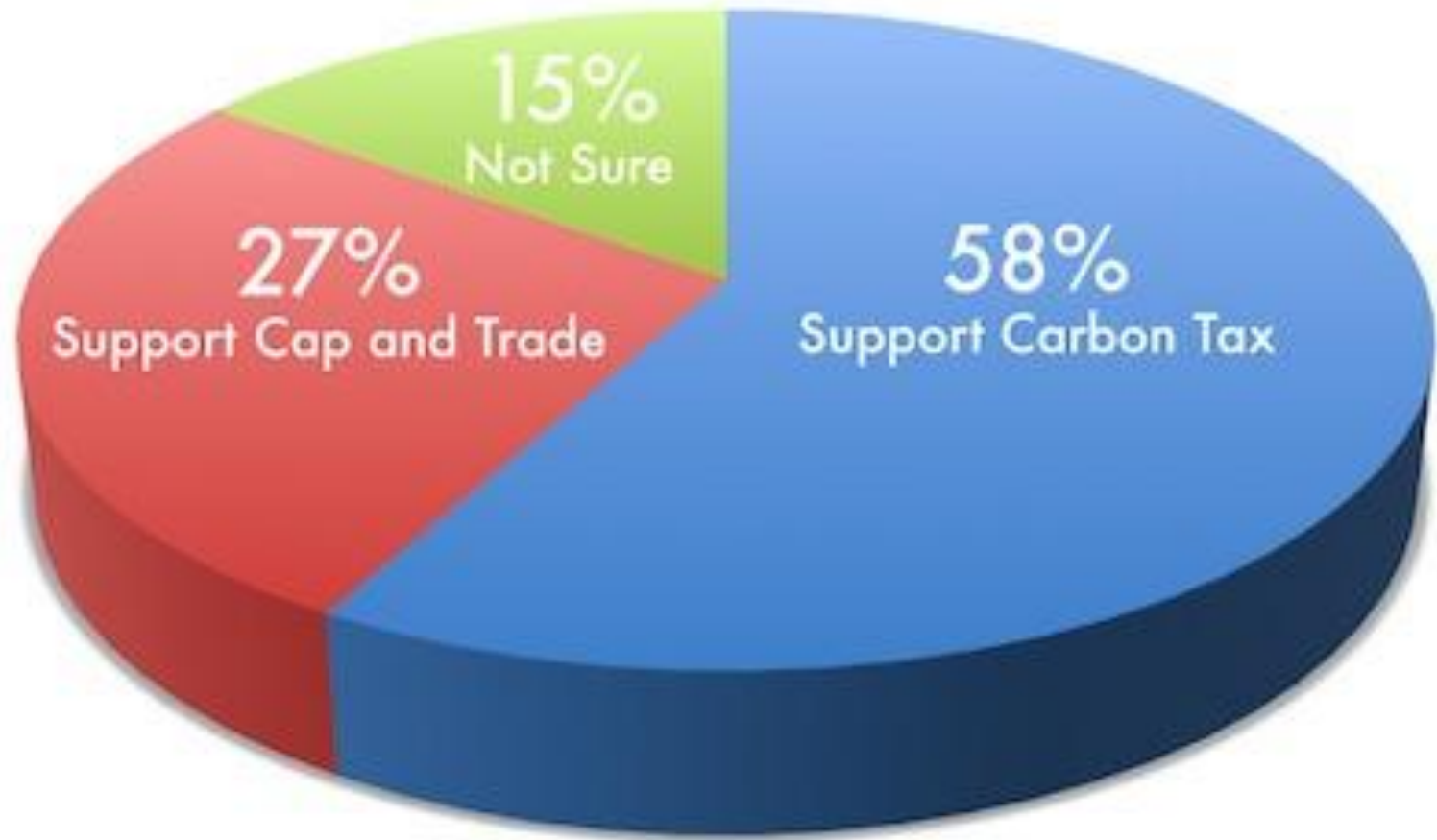


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American Voters Support a Carbon Tax over Cap and Trade by a 2-1 Margin



Issue	Carbon Tax	Hybrid	(Pure) Cap and Trade
Minimize Administrative Costs	✓		
Avoid Price Volatility	✓	✓*	
Address Uncertainty			
Weitzman issue (price vs. emissions uncertainty)	✓	✓	
Murray-Newell-Pizer issue (flexibility to respond to new information)		✓	✓
Avoid Leakage from “Nested” Regulation	✓	✓*	
Avoid Wealth Transfers to Oil-Exporting Countries	✓	✓*	
Achieve Revenue-Neutrality, Promote Broader Tax Reform	✓		
Achieve Linkages across Jurisdictions	?	?	?
Achieve Benefits from Broad Sectoral Coverage	?	?	?
Achieve Greater Political Support	?	?	?
* applicable when the price ceiling or floor is engaged			

Notes: Check marks indicate relative advantage; question marks indicate that the relative advantage is uncertain.



Thank You!

Arkansas Citizens Climate Lobby

- Chris Balos
- Nancy Brown
- Shelley Buonaiuto
- Robert McAfee
- Lay Vongnarath

CONTACT: info@arkccl.org

AR CCL is a project with the OMNI Center for Peace, Justice & Ecology
Fayetteville, Arkansas