



Put a Price on It DC: A Letter of Support

We, the undersigned groups, support our city’s leadership on climate disruption and clean energy. With its “Sustainable D.C.” plan, the city of the District of Columbia has a comprehensive blueprint to make D.C. the healthiest, greenest, and most livable city in the nation. One of the top policy recommendations in that plan is to put a price on carbon and rebate revenues back to the public. Which is why **we’d like to invite you to join us in advancing the Carbon Fee and Rebate Act** (working title).

By charging companies that pollute, this proposed legislation would accelerate D.C.’s transition to clean energy while boosting the net incomes of low- and middle-income families. It would do this by rebating the carbon fee proceeds back to District residents on a regular, quarterly basis. Strategic investments would also be made to accelerate DC’s transition to a clean energy economy in a way that is just and equitable. This type of fee-and-rebate model is an increasingly common feature of “carbon price” policies being advanced at the city, state, and provincial levels in both the United States and Canada.

Experts across the political spectrum agree that carbon pricing is one of the most straightforward and cost-effective ways to fight climate change using price signals that spur conservation and clean energy investments. With a strong rebate mechanism, the Carbon Fee and Rebate Act will put more money in the pockets of D.C. families, while putting less carbon in the atmosphere.

The carbon fee-and-rebate solution meets the core principles of climate policy demanded by science, social justice, economics and political durability:

- **Science:** price levels can be set and scaled to meet strong emission reduction targets.
- **Social and Environmental Justice:** the equal return of revenue from this carbon fee to residents would disproportionately *benefit* low-income households.
- **Economics:** a price on carbon is an efficient, cross-sector and market-based solution that empowers businesses to transition to the clean energy economy.
- **Durability:** the regular rebate will yield growing support for this policy among voters, which is critical to defending and strengthening the law over time.

Ironically, the concept of rebating the proceeds to residents in equal amounts began with oil production in Alaska. The “Alaska Permanent Fund” was established in 1976 to set aside a certain share of oil revenue for Alaska residents. Investment proceeds from the Fund are paid out annually as equal dividends to all Alaskans. The annual dividend supplements Alaskans’ other earnings, and paying such dividends regularly for more than thirty years has bolstered the state’s economy, reduced poverty, and reduced income inequality.

We invite your input into the process of structuring a bill. Although several aspects of the policy are actively in play, below are key elements of the Carbon Fee and Rebate Act as we now envision it:

- **What level of carbon fee is best?** We suggest it should start at a minimum of \$20/ton per of carbon pollution (or equivalent), ramping up by \$10 per ton per year, plus inflation. The rebate would continue to grow until the city’s sustainability goals are met.
- **What energy sources would be covered?** Electricity, home heating fuels, and in some fashion vehicle fuel use.
- **How will the carbon fee be collected?** Electric companies would pay a fee for the carbon emissions associated with the electricity they supply to ratepayers. Home heating oil and gas companies would pay a fee for the carbon emissions associated with the fuel that they deliver into the District. Drivers would possibly pay a fee when they park at meters and garages to cover the carbon emissions of their driving.
- **How would the revenue be used?** The legislation would rebate most of the carbon fee revenues back to D.C. residents through electronic funds transfers or the mailing of paper checks. An advisory committee would also be established to direct investments toward greenhouse gas reduction programs to accelerate D.C.’s transition to a clean energy economy. Some revenue could also be directed toward homeless services, thus ensuring that D.C.’s most

vulnerable population gains support through this program. It would set aside a small fraction of the revenue for the administrative costs of running the program.

· **Who is eligible for a rebate?** All D.C. residents.

Climate change is costing us all. We are paying with our health, our security, and our future. The legislation we want to see enacted will meaningfully reduce emissions while boosting the net incomes of low- and middle-income families.

We invite you to join us in building support for the Carbon Fee and Rebate Act. Our goal is to place Washington at the forefront of the global movement to protect communities from pollution and solve climate change.

Sincerely,

Americans for Transit
Art Killing Apathy
Black Millennials for Flint
Interfaith Power & Light (DC MD NoVA)
Central North East Civic Association in Ward 7
Chesapeake Climate Action Network
Citizens' Climate Lobby DC Chapter
DC Catholic Conference
DC Divest
DC Environmental Network
DC Fiscal Policy Institute
Moms Clean Air Force
ONE DC
Organic Consumers Association
Pleasant Pops
SEIU 32BJ
Sierra Club DC Chapter
U.S. Climate Plan
Up Top Acres
Universal Child Care Now - DC Coalition
Washington Legal Clinic for the Homeless
Working Families Party DC
Zenful Bites