

Why a Carbon Pollution Fee?



PEC Conference, September 22, 2023
Linda Racine and Curtis Baysinger
Presbyterian Action Team of CCL

Our Agenda

- Briefly review recent PC USA and US climate policy decisions
- Review our current trajectory for greenhouse gas emissions reductions
- Explore--what else is needed?
- Explain how a carbon fee & dividend works
- Outline what we can do--actions individuals, churches, and Presbyteries can take

Two themes

Personal Action

Reduce our own emissions



Advocate for systems change

- *Policies to meet Paris agreement*
- *Environmental Justice*



Tell Congress to Pass the Environmental Justice for All Act of 2021

On Friday, June 30th, the Supreme Court of the United States released a [decision](#) limiting the Environmental Protection Agency's (EPA) authority to regulate carbon emissions from power plants. In this 6-3 decision, the court concluded that the EPA was overreaching in its attempts to mandate carbon emissions. This reckless decision hinders the Administration's ability to address the climate crisis at a time when we need swift action.

Compose Your Message

- US Senators
- US Representative

Subject

Pass the Environmental Justice for All Act

Message Body

Please add your own story about this issue to

[ENV-02]

Investing in a Green Future: A Vision for a Renewed Creation

From the Advisory Committee on
Social Witness Policy



**Work towards 100% renewable
energy by 2030**



**Make restoring creation a
key priority in Matthew 25
programming and
advocacy**

[ENV-02]

Investing in a Green Future: A Vision for a Renewed Creation

From the Advisory Committee on
Social Witness Policy



**Many
recommendations
regarding the church's
public witness**



**Make use of PC (USA) eco-justice
resources**

Rationale

At this point in history, **we face the existential threat** of climate change destroying God's Creation and the future of humanity and living creatures on this planet. **Already more vulnerable communities of color and the poor are experiencing profound effects...**

Now is the time to act with concrete and measurable actions as a church and as disciples.

[ENV-05]

On Reducing the Presbyterian Church (U.S.A.) Carbon Imprint

Call upon the whole Presbyterian Church
(U.S.A.) to reduce our carbon imprint by 25
percent in the next four years.



- All PCUSA Agencies
- All Synods and Presbyteries
- All Congregations
- All Faithful disciples

[ENV-04]

On Creating the Presbyterian Tree Fund

**Donations will fund grants for
tree-planting and other climate-friendly
projects**

www.presbyterianmission.org/eco-journey/presbyterian-carbon-tree-fund/

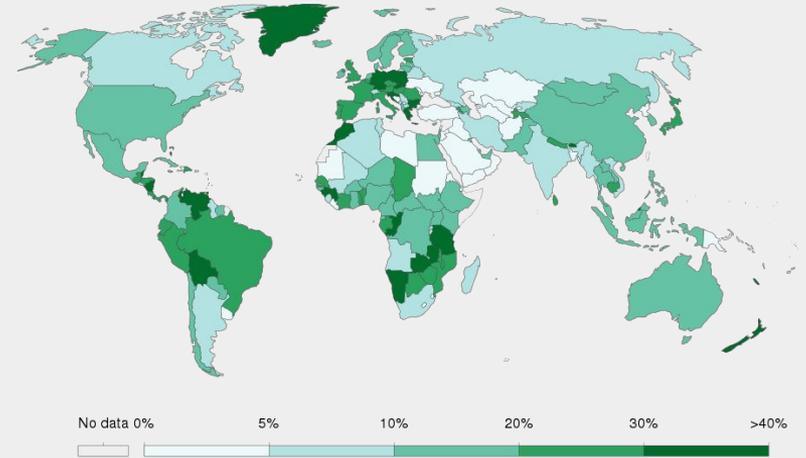


Presbyterians can contribute to the fund to offset their carbon emissions related air travel, and/or to contribute to reforestation efforts on a global scale

<https://www.presbyterianmission.org/donate/E865715/>

[ENV-11]

On Protecting the Diversity of Creation



Source: World Database on Protected Areas (WDPA)

Endorse the international and U.S. goal of protecting 30% of lands and waters by 2030

Advocate for Indigenous sovereignty and treaty rights to be upheld.

[ENV-10]



Mission Responsibility Through Investment (MRTI) Report

**Place the following on the General
Assembly Divestment/Proscription
List:**

- **Chevron**
- **ExxonMobil**
- **Marathon Petroleum**
- **Phillips 66**
- **Valero Energy**

[ENV-10]



Mission Responsibility Through Investment (MRTI) Report

**Continue engaging Climate Action
100+ companies and add the
following to its list:**

- **American Airlines**
- **Delta Airlines**
- **Enbridge**
- **Kinder Morgan**
- **Occidental Petroleum**
- **PPL Corporation**
- **United Airlines**

Recommendations from four Overtures were added to ENV 09: **On Actions in Support of an Energy Transition**

[ENV-01]

On Learning About and Starting the Process of Divestment from Fossil Fuels



[ENV-06]

On Affirming the United Nations Framework Convention on Climate Change



[ENV-07]

On Fossil Fuel Divestment



[ENV-08]

On Declaring the Time Is Now to “Cherish Creation, Cut Carbon, and Speak Up”



[ENV-09 Revised]

On Actions in Support of an Energy Transition



Ramp up our investment strategy work

- **Support the Paris Agreement** as the global framework
- **Reach out to the top 50 historic emitters**
- **Ratchet up the MRTI screening criteria** so they integrate with the Paris Agreement
- **Commends the Board of Pensions, the Foundation, and the Investment and Loans Program** for their careful risk management and stewardship and **urges them to continue at a faster pace** towards a world divested from fossil fuels

[ENV-09 Revised]

On Actions in Support of an Energy Transition



Support our communities who work in
the fossil fuel industry as we transition

[ENV-09 Revised]

On Actions in Support of an Energy Transition



Become Carbon Neutral

Urges our congregations and members to **become the needed, faithful change we seek by being carbon neutral, net-zero, or even climate positive by 2030**

[ENV-09 Revised]

On Actions in Support of an Energy Transition



Advocate for a just fee on carbon and other greenhouse gas pollution

Advocate through all PC (USA) channels **the implementation of Overture 08-12 regarding carbon fee & dividend**, approved by 80% of commissioners in 2018

<https://www.pc-biz.org/#/search/3000325>

A wide-angle photograph of the United States Capitol building in Washington, D.C. The building is a large, white, neoclassical structure with a prominent central dome topped by a statue. The dome is surrounded by a circular gallery with arched windows. The main facade features a portico with tall columns. Two large staircases lead up to the entrance. The building is set against a cloudy sky, and a green lawn is visible in the foreground. The text "What's been happening in DC?" is overlaid in the center of the image.

What's been happening in DC?

Bipartisan COVID Relief Package

Passed December, 2020

Besides COVID relief, this package also included:

- Clean energy reforms
- R&D enhancements
- Efficiency incentives
- Extended clean energy tax credits
- \$300 million over five years to reduce the cost of grid-scale energy storage systems
- **A commitment to phasing out hydrofluorocarbons.** This is a big deal, as HFCs are a class of potent greenhouse gasses!

Bipartisan Infrastructure Investment and Jobs Act

Passed November 6, 2021

In addition to investments in roads, bridges, broadband, and water infrastructure, this Act included important environmental and climate investments:



CHIPS and Science Act

Signed into law August 9, 2022

Directs an estimated **\$67 billion** toward:

- Accelerating the growth of **zero-carbon industries**
- Conducting **climate-relevant research.**

Inflation Reduction Act

Passed August 12, 2022

\$386 billion in clean energy investments. Includes a **methane pollution fee** and investments in:

- Natural climate solutions (forestry and agriculture)
- Electric vehicle incentives
- Building electrification and efficiency rebates and tax incentives
- Environmental justice--low income, frontline communities

Source: <https://yaleclimateconnections.org/2022/08/experts-senate-passed-bill-will-yield-myrriad-climate-benefits/>

The Inflation Reduction Act

Rebates available up to \$14,000 per household, plus tax credits

- 100% cost coverage for low-income households
- 50% cost coverage for mid-income households



<https://www.rewiringamerica.org>

Household Electrification Incentives			
These are available to American homeowners and renters over the next 10 years.			
ITEM	DISCOUNT TYPE	DISCOUNT	TIMELINE
Rooftop Solar Installation	Tax Credit	30%	Now!
Geothermal Heating Installation	Tax Credit	30%	Now!
Battery Storage Installation	Tax Credit	30%	Now!
Community Solar Subscription	Tax Credit	30%	Now!
New Electric Vehicle	Tax Credit	\$7,500	2023
Used Electric Vehicle	Tax Credit	\$4,000	2023
Heat Pump Air Conditioner/Heater	Tax Credit	\$2,000	2023
Electric Panel	Tax Credit	\$600	2023
Basic Weatherization	Tax Credit	\$1,200	2023
Heat Pump Water Heater	Upfront Discount	\$1,750	2023
Heat Pump Air Conditioner/Heater	Upfront Discount	\$8,000	2023

The Inflation Reduction Act

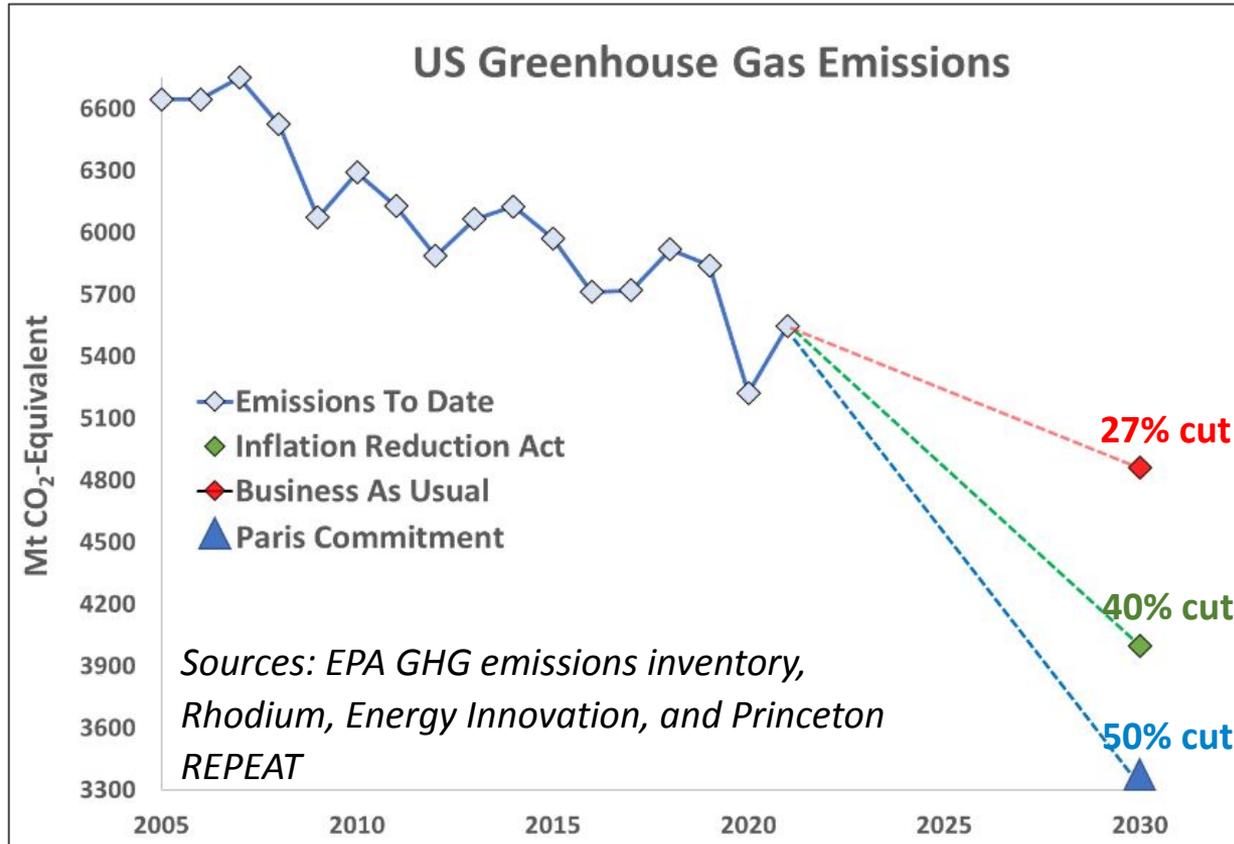
30% Tax Credits on solar
Applies to churches too!

- Direct pay
- Transferability--donor could pay for it and receive tax credit

There's an extra 20% credit in
low-income communities



Our current path gets us to 40% by 2030



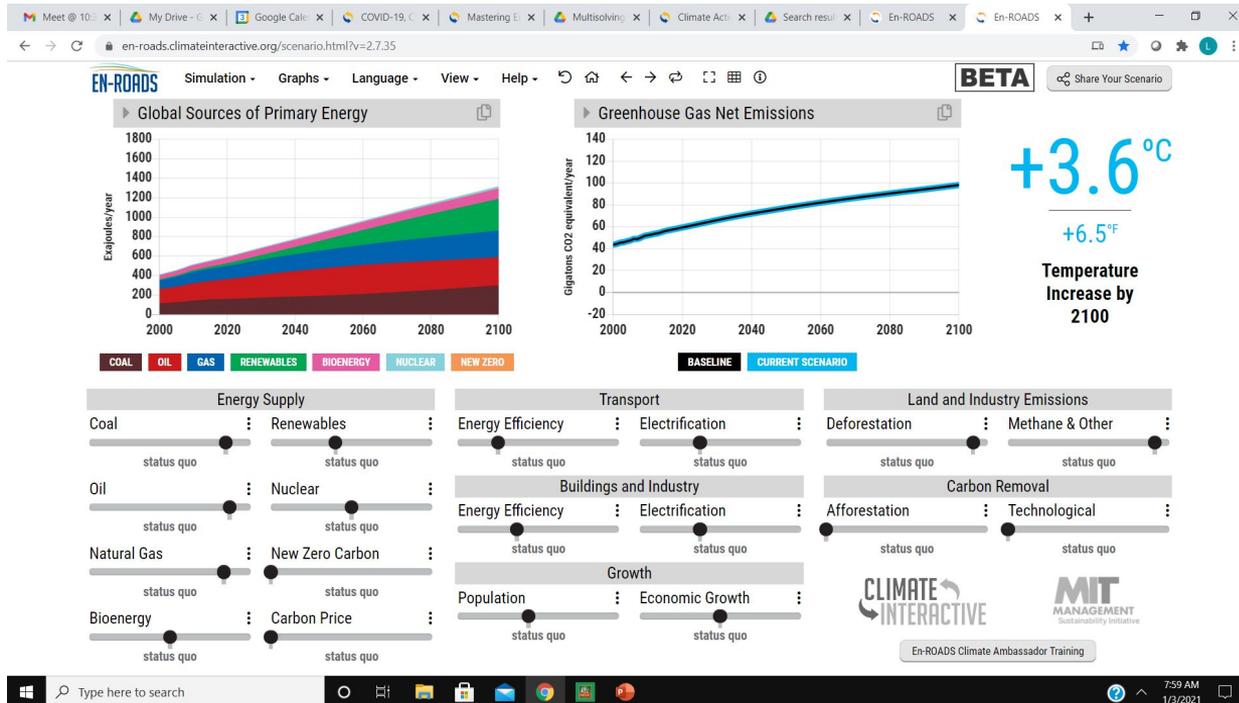


What would you do?

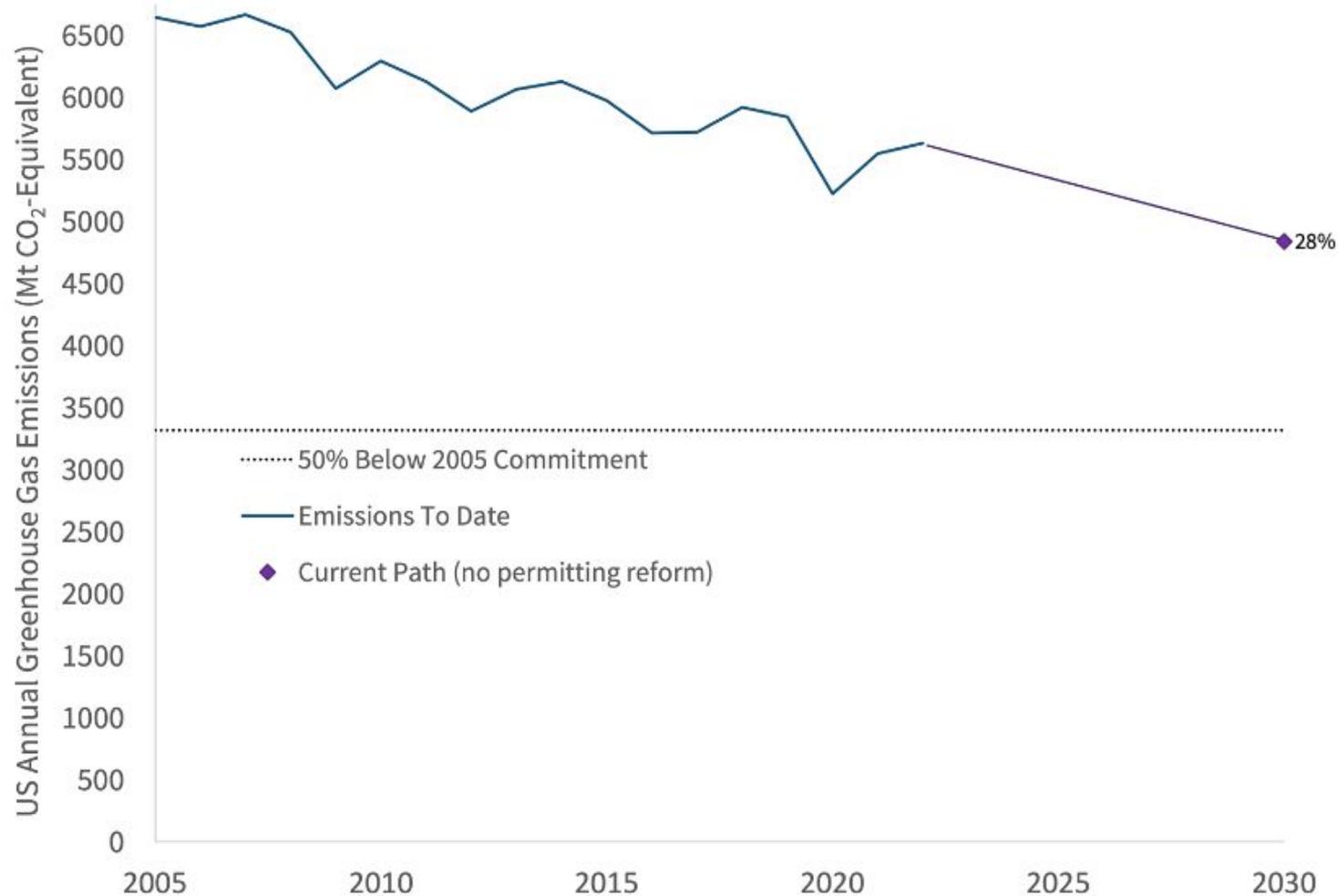
What policies would you recommend?

MIT Climate Interactive En-ROADS – Global Climate Action Simulator :

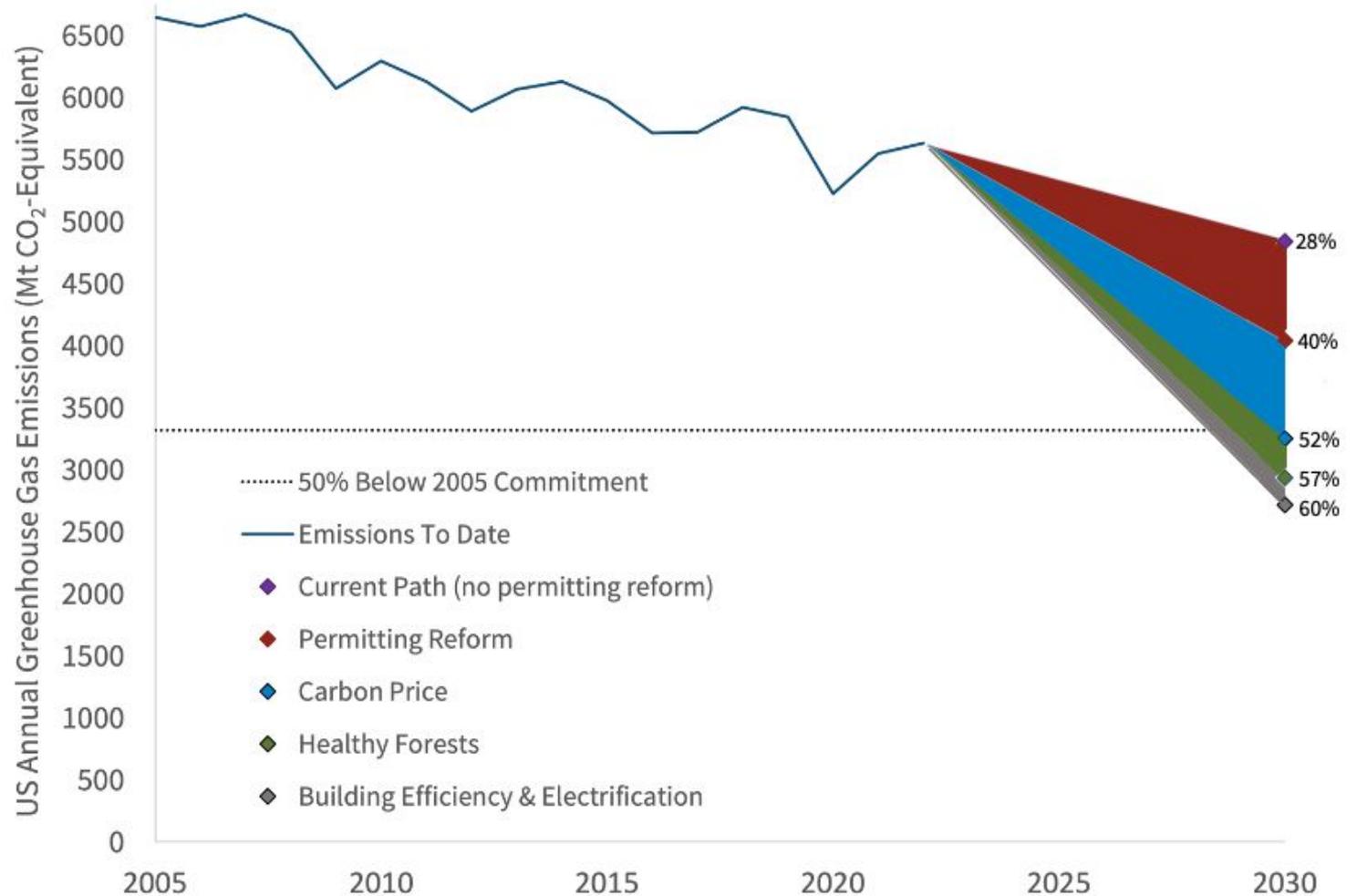
<https://en-roads.climateinteractive.org/scenario.html?q0=2&q1=62&v=2.7.35>



US Greenhouse Gas Emissions



US Greenhouse Gas Emissions



[ENV-09 Revised]

On Actions in Support of an Energy Transition

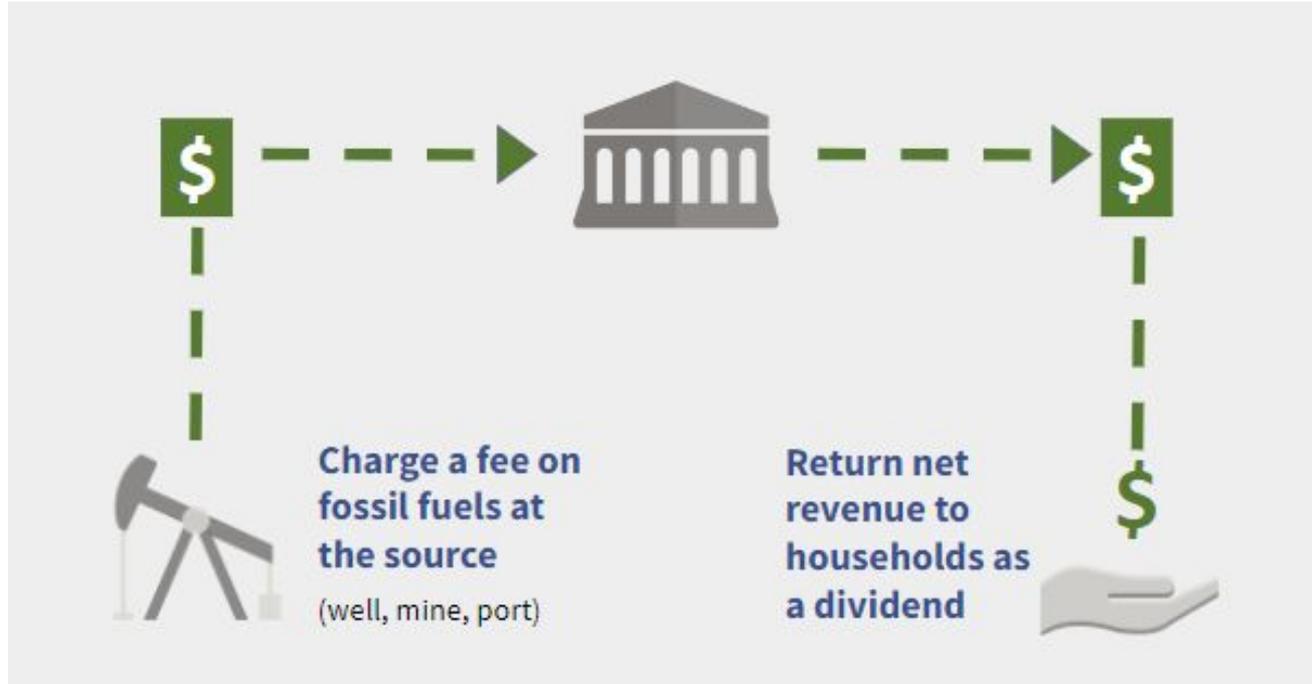


Advocate for a just fee on carbon and other greenhouse gas pollution

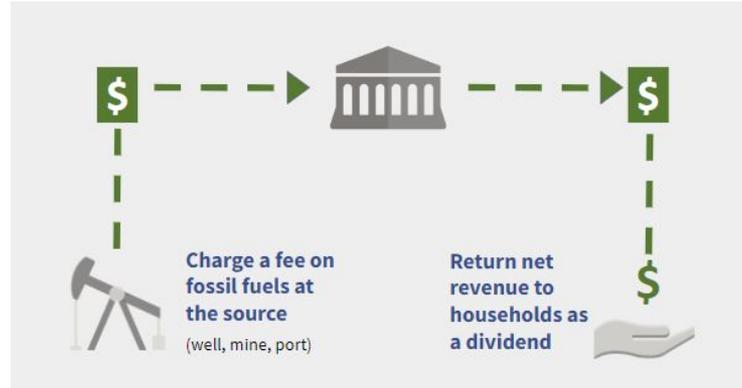
Advocate through all PC (USA) channels **the implementation of Overture 08-12 regarding carbon fee & dividend**, approved by 80% of commissioners in 2018

<https://www.pc-biz.org/#/search/3000325>

How a Carbon Fee & Dividend Works



How a Carbon Fee & Dividend Works



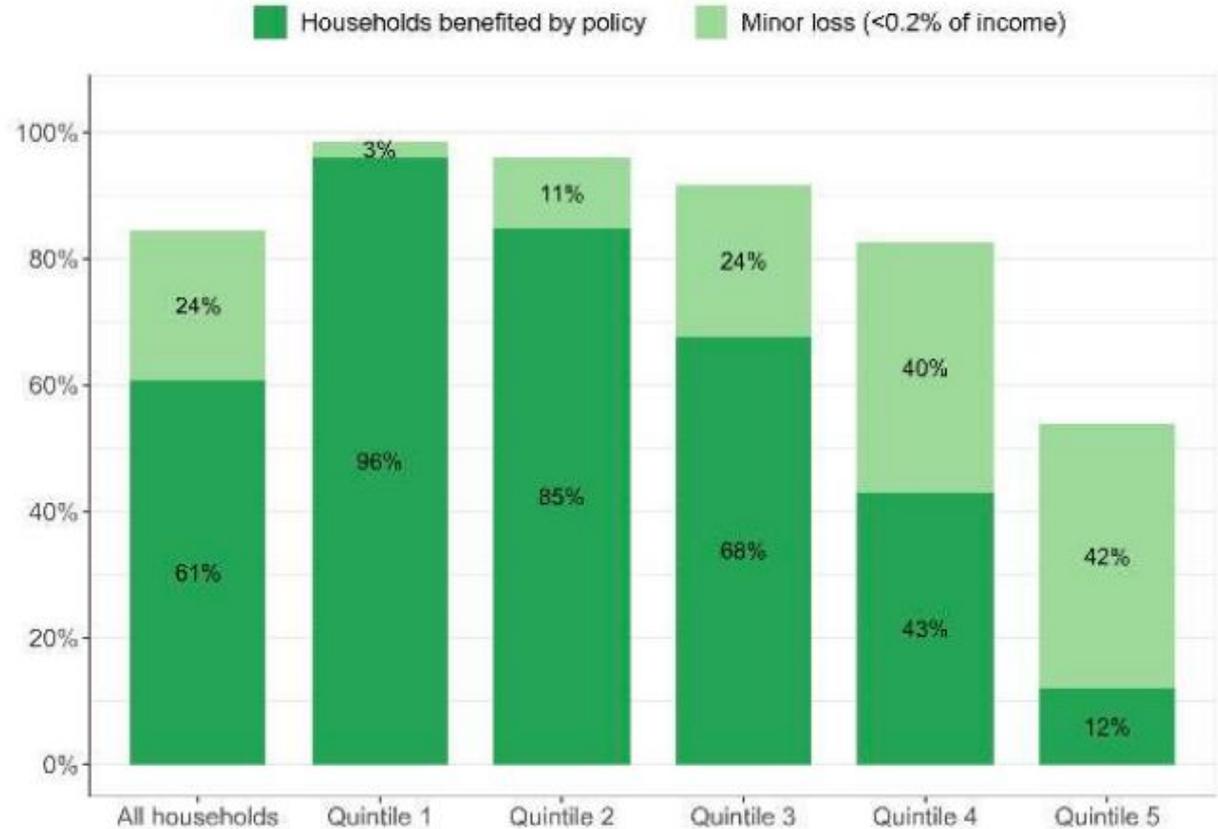
Carbon Fee

- As these fuels become more expensive, consumers and business choose cheaper, cleaner energy sources.

Dividend

- All net revenue is rebated as a regular cash payment to offset increased energy costs.
- More than two-thirds of Americans could receive more in dividends than they pay in higher costs,

The importance of Dividends



Percent of households that experience a net gain or minor loss, ranked by consumption quintile. Wealthy households typically have much higher carbon footprints.

Carbon Border Adjustment

- Protects U.S. manufacturers and jobs
- Reduces incentive for US to move dirty industry overseas
- Provides an incentive for other countries to reduce emissions



A Carbon Tax Creates Different Benefits Than Incentives

1. Reduces Demand

Incentivizes **EVERYONE**
(businesses and households)
to reduce their use of fossil
fuels



2. Addresses the “hidden” costs

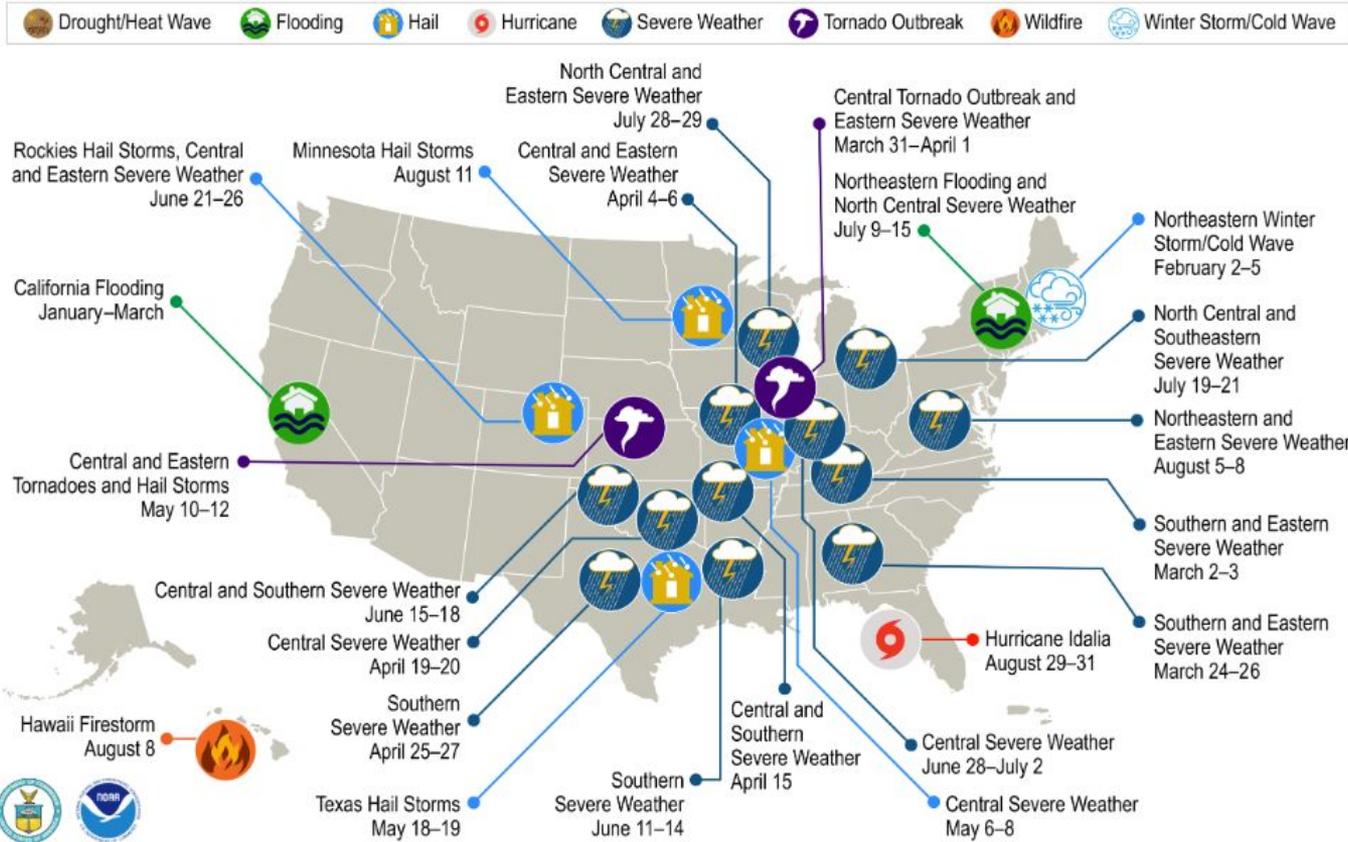
Currently paid indirectly through our taxes and insurance premiums.

- Healthcare costs
- Environmental costs
 - Storm damage
 - Crop damage
 - Forest fires
 - Rising sea levels

The list goes on...

And these costs are **proportionally greater for lower income and frontline communities**

U.S. 2023 Billion-Dollar Weather and Climate Disasters



This map denotes the approximate location for each of the 23 separate billion-dollar weather and climate disasters that impacted the United States through August 2023.

3. Eliminates Fossil Fuel Subsidies

Governments around the world provided \$7 trillion in subsidies* to the fossil fuel industry last year....

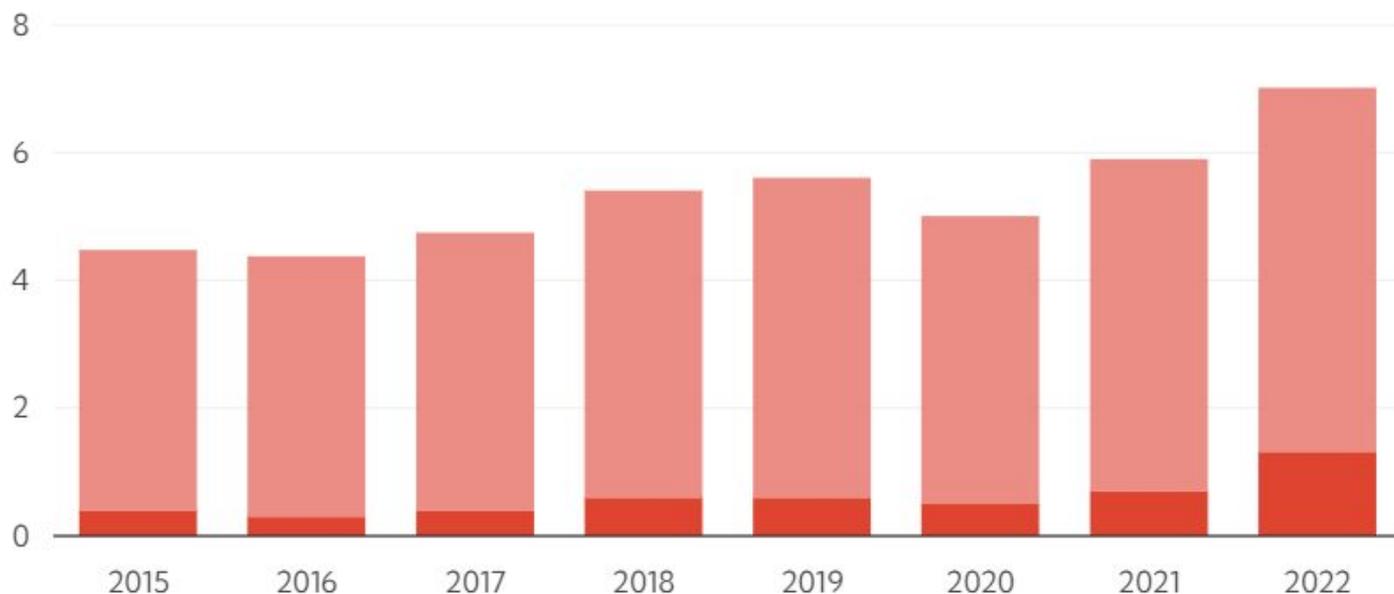


Dr. Katharine Hayhoe

Fossil fuel subsidies topped \$7 trillion last year

(total fossil fuel subsidies, trillions of USD)

■ Explicit subsidies ■ Implicit subsidies



Source: IMF staff calculations.

Note: Figures from 2019 onwards use projections for fuel use. Explicit subsidies: undercharging for supply costs. Implicit subsidies: undercharging for environmental costs and forgone consumption taxes, after accounting for preexisting fuel taxes and carbon pricing.

IMF

What if we got rid of these subsidies?

IMF estimates

- 5.5 million premature deaths avoided annually if fossil fuel burning ceased
- global government revenues increase by \$4.4 trillion
- the world likely **on track to reaching global emissions targets.**

In addition

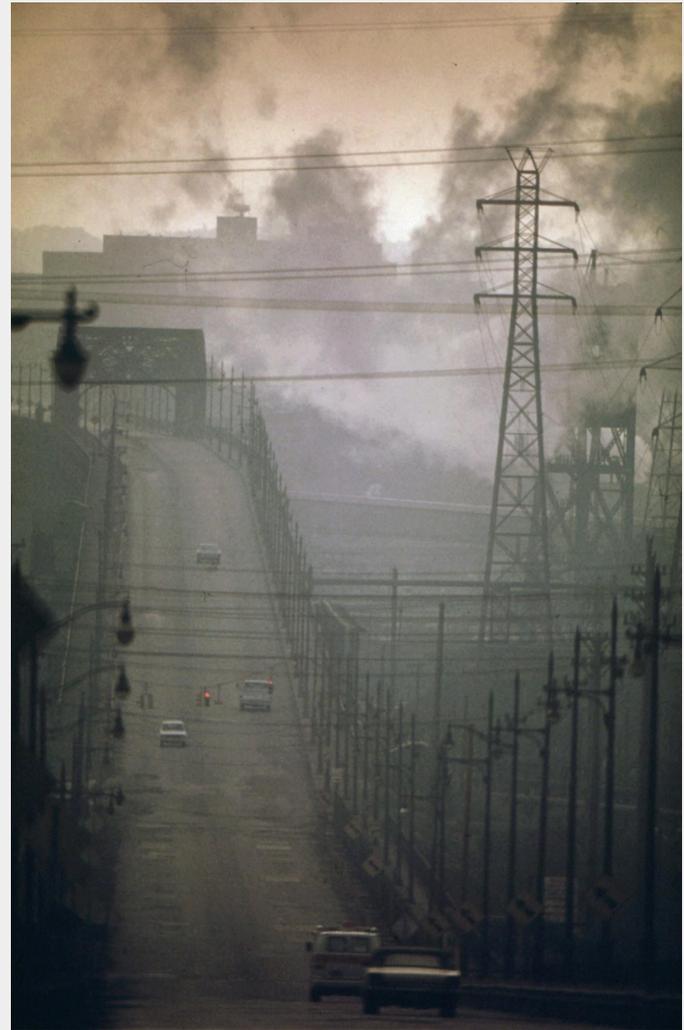
- cleaner air, with resultant less lung and heart disease,
- poorer people helped most as they bear more burden of health effects due to fossil fuel use



Dr. Katharine Hayhoe

4. Speeds up the transition to clean energy

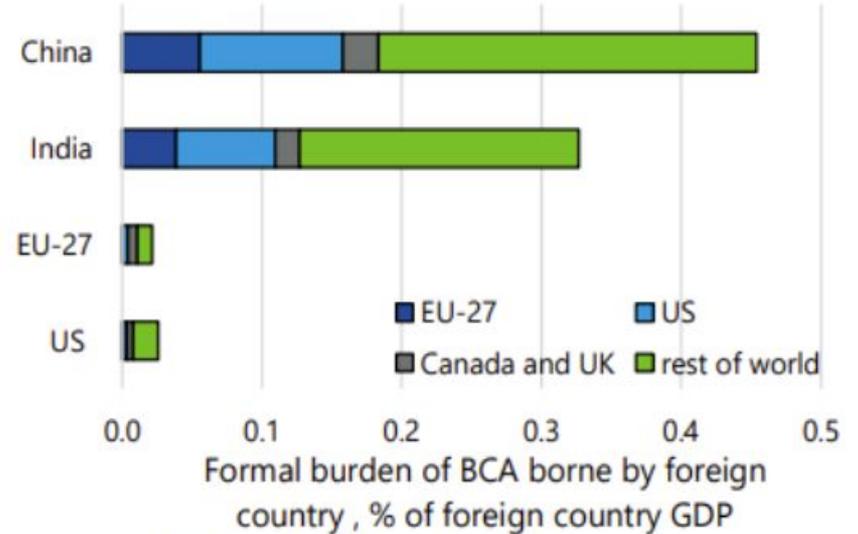
Cleaner air & water, better health for everyone--but especially front line communities



With a carbon a border adjustment...

Can have a global impact

b. Formal Burden on Foreign Country from \$50 per ton BCA Imposed by Trading Partners, 2025



Source: OECD (2021); IMF staff calculations.

What's holding us back?

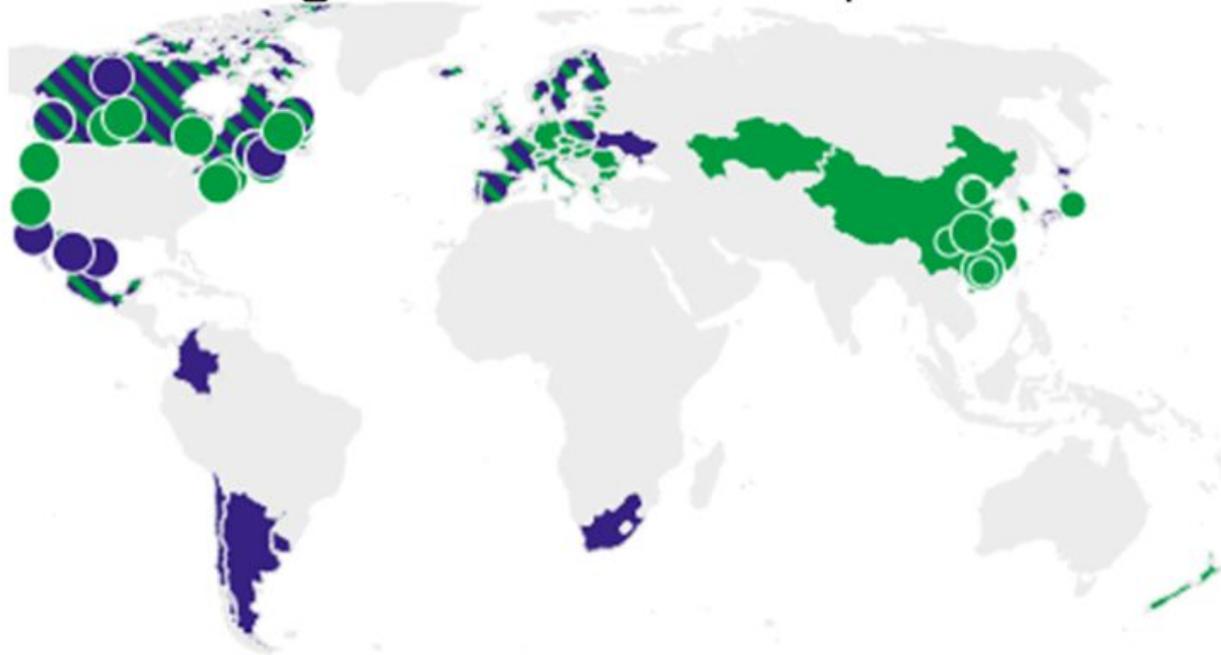
It's more politics than logistics.

Economists have already figured out a Nobel-prize winning solution: taxing carbon pollution and putting the money back in taxpayer's pockets. 39 countries have already done it, including Canada. **The rest of us just need to get on board!**



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Carbon Pricing Worldwide - Implemented



- ETS implemented or scheduled for implementation
- ETS or carbon tax under consideration
- ETS implemented or scheduled, ETS or carbon tax under ...

- Carbon tax implemented or scheduled for implementati...
- ETS and carbon tax implemented or scheduled
- Carbon tax implemented or scheduled, ETS under consid...

0.1

In 2022 23% of global CO2 emissions were priced

The declaration was adopted unanimously by African leaders, representing 1.3 billion people.

September 6, 2023

WORLD NEWS

African Climate Summit issues unanimous call for world leaders to support global tax on fossil fuels



Questions?

What you can do...

Have a conversation in your congregation.



2022 Overture Discussion Guide

*Prepared by:
Presbyterians for Carbon Dividends*



On issues related to
Creation Care

Call or Write



Sign up for Action Alerts



Office of Public Witness

<https://www.presbyterianmission.org/opw/>

A screenshot of a petition page for H.R. 763. At the top right is the Presbyterian Church (U.S.A.) logo. Below it is a blue banner with the text "Tell Congress to Support H.R. 763: The Energy Innovation and Carbon Dividend Act". The main text describes the bill and its goals. On the right is a "Compose Your Message" form with fields for "Subject" and "Message Body". The "Subject" field contains "Support H.R. 763: The Energy Innovation and C". The "Message Body" field contains a pre-written message: "I hope you will co-sponsor and vote to support H.R. 763: The Energy Innovation and Carbon Dividend Act. As a person of faith, environmental stewardship is an essential tenet of life. I believe creation is". Below the form is an "Enter Your Info" section with a "Your Information" label. At the bottom of the page are three large, stylized arrows pointing downwards: a red one on the left, a purple one in the center, and a red one on the right.

Join our Action Team!



Scan to Join or text
JOIN to 619-675-7507



Citizens' Climate Lobby



Presbyterians Action Team

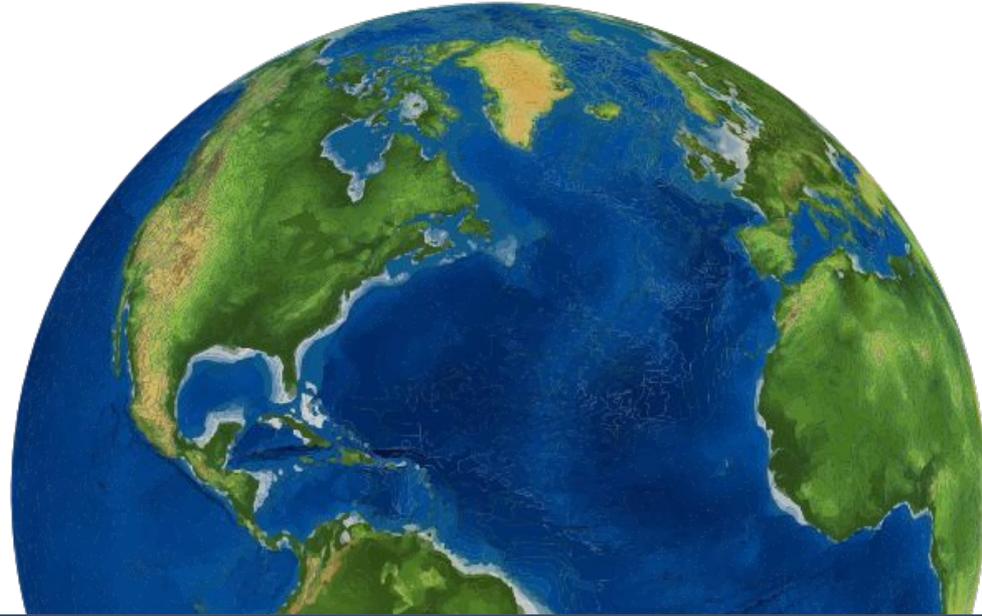
Caring for God's Creation

Public Group

Bookmark

About Us





Thank You!

2. Makes producers and consumers of fossil fuel pay their true costs

Our current system does not force us to pay the additional \$500 Billion a year cause by climate change

- We buy less fuel efficient cars
- We buy goods produced with more GHG emissions
- We add more air pollution from fossil fuels that kills ~ 150,000 in US
- Sea level rise damages more of our coast

Costs are proportionally greater for lower income and frontline communities