



**Kyle Murphy,
Executive Director, Carbon Washington**

The Cost of Inaction



“If no action is taken, potential costs to Washington from climate change impacts are projected to reach nearly **\$10 billion per year by 2020** from increased health costs, storm damage, coastal destruction, rising energy costs, increased wildfires, drought, and other impacts”. -Dept of Ecology 2012.

Policy Options

- **Price carbon & return the revenue**
 - I-732: \$25 per ton, tax rebates.
 - B.C.: \$30 per ton, tax rebates.
 - Climate Leadership Council: \$40 per ton, household dividend.
- **Price carbon & invest the revenue**
 - Alliance for Jobs & Clean Energy: \$15 per ton, invest in equity, clean energy.
 - Quinalt Tribe: \$25 per ton, invest in natural resources.
 - Governor's budget: \$25 per ton, invest in education, carbon reduction, natural resources.
- **Mandate reductions by sector**
 - Oregon: Ban coal by 2035, 50% clean energy by 2040.
 - California: 1.5 Electric Vehicles by 2025.

What is proposed for 2018-2020

- Initiatives

Alliance for jobs and clean energy: “Advancing a statewide policy initiative for 2018 to reduce carbon emissions and build a clean energy future” (Press Release 6/6/17).

Quinalt Tribe: “There is a very high likelihood” that tribal leaders will end up proposing their own carbon tax initiative to send to voters next year” (Tacoma News Tribune, 9/18/17).

CarbonWA: Our goal is to have an economy wide climate policy in place by 2020. “We want to see a climate measure of some kind move forward next year”(Washington State Wire, 10/31/17).

Considerations

VOTERS

- Keep costs low
- Advance clean energy
- Protect natural resources

CARBON

- Use the price to reduce carbon
- Use revenue to reduce carbon

MITIGATION

- Fire
- Water
- Air quality

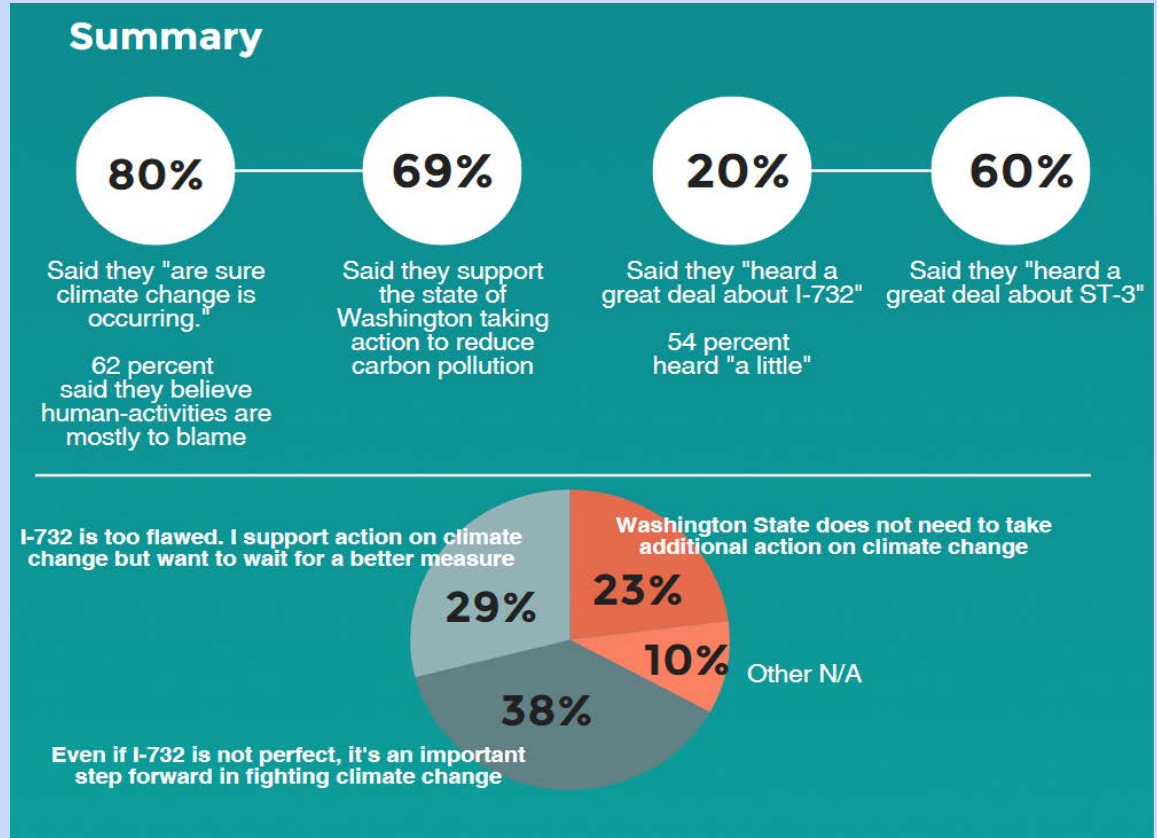
ECONOMY

- Manufacturing
- Clean energy
- Transportation

Voters

Yale Climate Opinion Maps 2016

- 76% support regulating CO2 as a pollutant.
- 73% believe global warming is happening.



Mitigation

I-732/revenue neutral approach

- Revenue devoted to tax reduction, not mitigation

Price and invest approach

- ~\$300 million + for water and fire climate protection/mitigation

Electric sector mandate approach

- No revenue for mitigation

Economic

I-732/revenue neutral approach

- Reduced sales and B&O tax to offset carbon tax. Households cost roughly neutral in aggregate (+/- \$100-\$200 p/y).

Price and invest approach

- Spend revenue on clean energy investments, exempt manufacturing. Cost to households ~ \$100-\$300 p/y.

Electric sector approach

- Economic impact will hinge on costs vs. local jobs.

Carbon

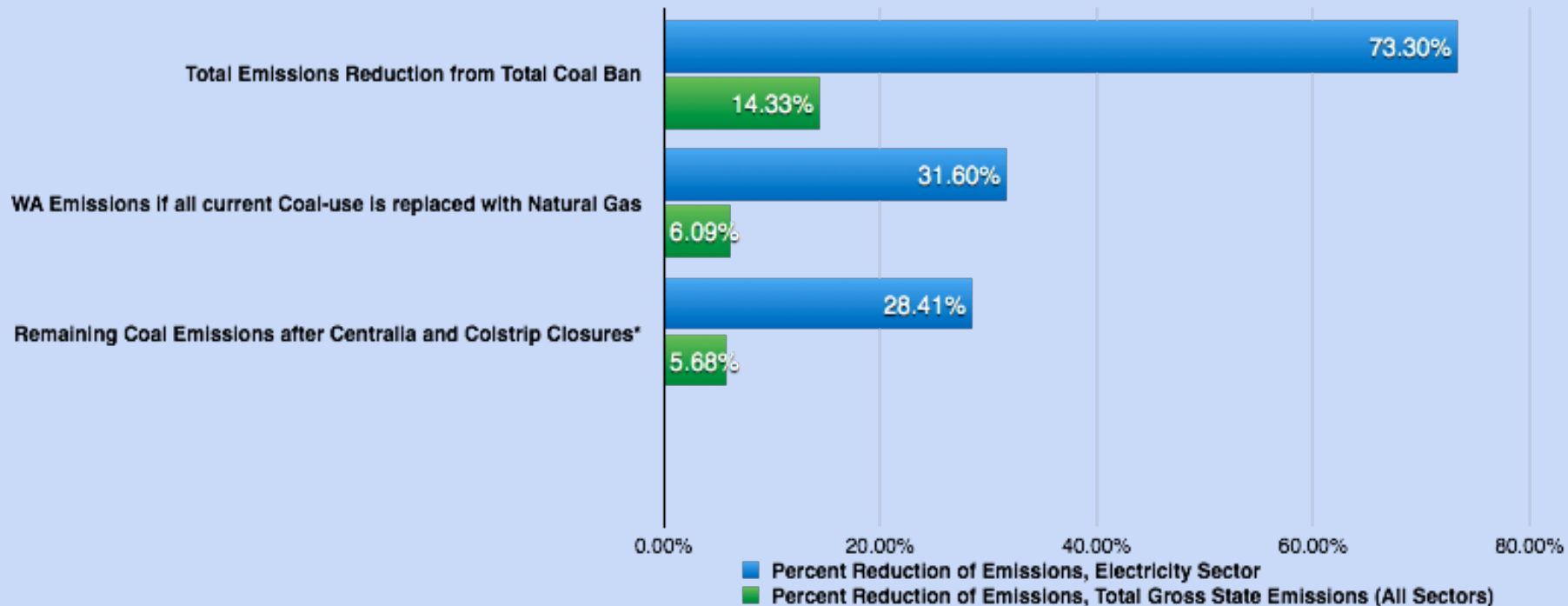
Current Washington State Carbon Goals

(i) By 2020	To 1990 levels
(ii) By 2035	To 25 percent below 1990 levels
(iii) By 2050	To 50 percent below 1990 levels, or 70 percent below the state's expected emissions that year.

Electric Sector

Coal-Free WA: Emission Reduction Estimates

Percent Reduction of Current WA Emissions



Carbon Pricing

Effects of carbon tax on emissions and revenue

Select carbon tax

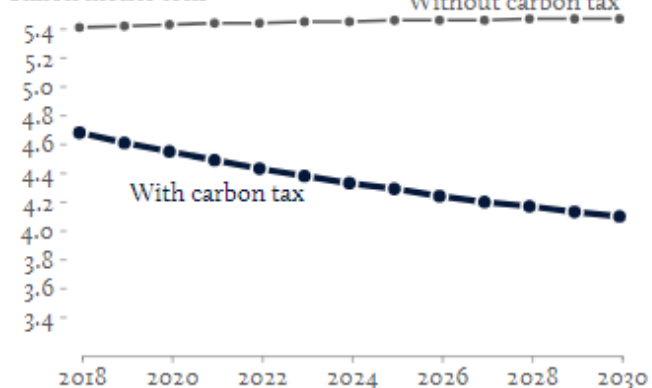
\$25 / metric ton CO₂

Select tax growth rate

3% above inflation

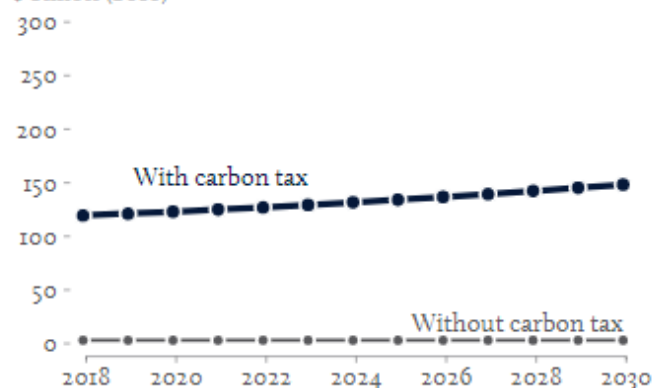
Annual emissions

billion metric tons



Annual gross revenue

\$ billion (2018)



Carbon Pricing

Effects of carbon tax on emissions and revenue

Select carbon tax

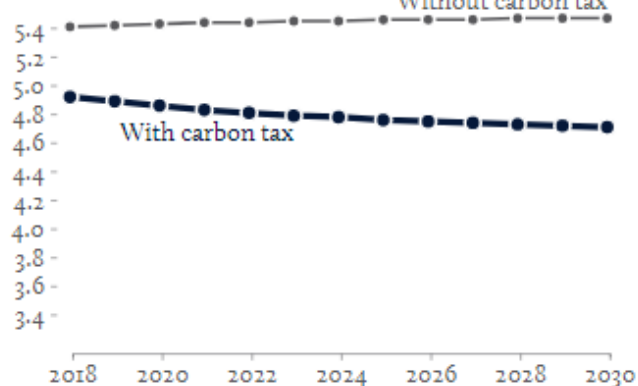
\$15 / metric ton CO₂

Select tax growth rate

0% above inflation

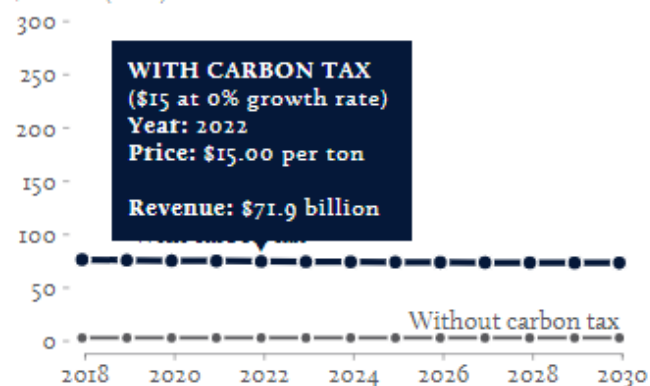
Annual emissions

billion metric tons



Annual gross revenue

\$ billion (2018)



WITH CARBON TAX
(\$15 at 0% growth rate)
Year: 2022
Price: \$15.00 per ton
Revenue: \$71.9 billion

ACT NOW Coalition

“ The ACT NOW coalition supports the passage of a broad-based price on carbon pollution that efficiently and equitably meets our obligation to reduce pollution and fulfill Washington’s core responsibility to protect our environment and our kids, now and in the future.”



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for Environmental
Reform



AMERICAN
SUSTAINABLE
BUSINESS
COUNCIL



Citizens' Climate Lobby



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Visit Carbonwa.org for more.

Resources

- Stanford social cost of carbon: <https://news.stanford.edu/2015/01/12/emissions-social-costs-011215/>
- WA Dept of Ecology cost of climate change: <https://fortress.wa.gov/ecy/publications/documents/1201004.pdf>
- Yale climate opinion maps: <http://climatecommunication.yale.edu/visualizations-data/ycom-us-2016/>
- Nature Conservancy exit polling on I-732: <http://knkx.org/post/will-carbon-tax-fly-washington-state-even-after-rejection-i-732>
- Alliance for jobs and clean energy policy proposal: <https://jobs-clean-energy-wa.com/our-policy-proposal/>
- Resources for the Future/E3 carbon tax calculator: <http://www.rff.org/blog/2017/introducing-e3-carbon-tax-calculator-estimating-future-co2-emissions-and-revenues>