Introduced by: Ms. Durham, Mr. Carter
Ms. Hartley-Nagle
Date of introduction: September 8, 2020

RESOLUTION NO. 20-180

URGING THE UNITED STATES CONGRESS TO ENACT THE ENERGY INNOVATION AND CARBON DIVIDEND ACT

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

WHEREAS, the United Nations climate science body said in a pivotal climate report that we have only until 2030 to make massive and unprecedented changes to global energy infrastructure to limit global warming to moderate levels; and

WHEREAS, in November, 2018, the United States government released its Fourth Annual Climate Assessment which reported that the impacts of climate change are already being felt in communities across the country with more frequent and extreme weather and climate-related events, as well as changes in average climate conditions, 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% 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, both directly and indirectly, by us all; and

WHEREAS, to help 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 per-capita shares in the form of a monthly dividend; and

WHEREAS, the Energy Innovation and Carbon Dividend Act 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 will, after 12 years, lead to a decrease in America's CO2 emissions of 40 percent and preserve national employment; 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, surveys conducted by the Yale Program for Climate Change Communication have found that an estimated 69% of New Castle County residents support a carbon tax levied on fossil fuel companies as a policy to address climate change.

NOW, THEREFORE, BE IT RESOLVED by and for the County Council of New Castle County that County Council hereby urges the United States Congress to enact without delay the Energy Innovation and Carbon Dividend Act; and

BE IT FURTHER RESOLVED, that the Clerk of Council, no later than 30 days after passage of this Resolution, shall transmit copies of this Resolution to the Speaker of the House of Representatives, to the Majority Leader of the Senate, and to the U.S. Senators and Representative from the State of Delaware in the Congress of the United States.

Adopted by County Council of
New Castle County on: 9/8/20

Karen Hartley-Nagle

President of County Council of
New Castle County

SYNOPSIS: This Resolution supports action by the United States Congress to enact the Energy Innovation and Carbon Dividend Act. The Act would place a fee on fossil fuels like coal, oil, and natural gas. The fee would be based on the amount of CO2 released as these fuels are burned and would be paid by energy companies as the fuel is extracted or imported. The fee would start low at $15 per metric ton of CO2 equivalent emissions and increase $10 per year. The fee will drive down carbon pollution because energy companies, industries, businesses and consumers will see a long-term, predictable price signal and move toward cleaner, cheaper options. Innovation to optimize those options would be incentivized. The money collected from the carbon fee would be allocated in equal shares to the American people to spend as they see fit. Program costs would be paid from the fees collected, and the government would not keep any of the revenues. About 60 percent of households overall, and 80 percent of low- and middle-income households, would benefit or break even under this policy. After 10 years, the average family of four would receive about $4,400 annually from the dividend.

To protect U.S. manufacturers and jobs, imported goods will be assessed a border carbon adjustment and goods exported from the United States will receive a refund when trade occurs with countries that lack an equivalent carbon price. This would also incentivize other countries to enact their own carbon pricing mechanisms. Emission reduction targets are established in the Act in accordance with IPCC guidance for maintaining a global temperature increase below 2 degrees Celsius. If these targets are not being met after 10 years, the annual fee will be raised at a faster rate, and Congress will give clear direction to the EPA to regulate those emissions to meet the targets. The Act does not impact other effective regulations regarding air or water quality, health, or other issues. The policy's price on pollution will lower carbon emissions farther, faster, and less expensively than any existing or pending EPA regulations.

FISCAL NOTE: There is no discernible negative fiscal impact to New Castle County, but ultimately a potential positive fiscal impact to citizens of the County.