

VILLAGE OF YELLOW SPRINGS, OHIO

RESOLUTION 2021-14

SUPPORTING A PROMPT AND MEANINGFUL SHIFT AWAY FROM FOSSIL FUELS IN THE UNITED STATES AS A NECESSARY CORNERSTONE TO ANY MEANINGFUL RESPONSE TO CLIMATE CHANGE; AND FURTHER SUPPORTING THE PROPOSED ENERGY INNOVATION AND CARBON DIVIDEND ACT (H.R. 2307)

WHEREAS, if enacted, the proposed Energy Innovation and Carbon Dividend Act (H.R. 2307) would endorse a carbon fee and dividend, and would return all revenues as they increase, minus fixed administration costs, to each American as a monthly dividend to offset expected higher prices for goods and services; and

WHEREAS, if enacted, the proposed Energy Innovation and Carbon Dividend (H.R. 2307) will assist in reducing America's carbon pollution to net zero by 2050; and

WHEREAS, climate scientists worldwide are in near-unanimous agreement that the planet Earth is warming rapidly and to a degree that is perilous to human civilization, to numerous species, and to the global ecosystem; and

WHEREAS, human activity is a significant contributor to global warming, especially through the accelerating combustion of fossil fuels that create carbon dioxide and other greenhouse gases as a byproduct; and

WHEREAS, the Village of Yellow Springs and environs have experienced steadily increasing numbers of heavy rainfall events and temperature extremes over the past decade, including the deadly tornado cluster of May 31, 2019, in the Dayton area, which have cumulatively and individually resulted in damage to public and private property; and

WHEREAS, Village Council has a record of acknowledging the reality of climate change and recognition of its responsibility to reduce our community's contribution to the causes of global warming, as evidenced by our Village Values; by Resolution 2017-31, which commits to meeting the commitments of the Paris Climate Accord; by Resolution 2018-08 which commits to decreasing the Village's carbon footprint, and by Resolution 2019-53 which supported the Energy Innovation and Carbon Dividend Act (H.R. 763) in the US House of Representatives on January 24, 2019 ; and

WHEREAS, a prompt and major shift away from fossil fuels is a necessary cornerstone to any meaningful response to climate change; and

WHEREAS, the recently published Intergovernmental Panel on Climate Change SRI .5 Report (<https://www.ipcc.ch/sr15/>) states that, "Policies reflecting a high price on emissions are necessary" as a key component of any effort to limit global temperatures increases to 1.5 degree centigrade; and

WHEREAS this IPCC report also suggests that any carbon pricing policy should be designed to "balance between incentivizing low-carbon behavior and mitigating the adverse distributional consequences of higher energy prices"; and

WHEREAS, the introduction of the Energy Innovation and Carbon Dividend Act (H.R. 2307) in the US House of Representatives on April 1, 2021, demonstrates that there is increasing bipartisan

support for Climate Solutions, and would establish a steadily increasing fee on fossil fuels at the point of their entry into the economy, which fee on fossil fuels would be straightforward and make effective use of free-market mechanisms to promote the transition to greater energy conservation and renewable sources of energy; and

WHEREAS, the Energy Innovation and Carbon Dividend Act (H.R. 2307) would return all revenues as they increase (minus fixed administration costs) to each American as a monthly dividend, to offset expected higher prices for goods and services; and

WHEREAS, this revenue-neutral carbon fee and dividend is an effective method to reduce carbon emissions for the following reasons:

1. The fee would motivate everyone to conserve and adopt renewable energy without the need for extensive governmental regulatory controls or infrastructure, encouraging consumers and the market to replace consumption of carbon-based energy with innovative, sustainable energy sources, whether by being efficient or choosing other, less carbon intensive energy sources;
2. The fee would employ a market approach to encourage innovative processes, not only in energy production, but also in every field in which energy is consumed (e.g., electric cars, mass transportation, architectural planning and construction, water heating, lighting, and air conditioning in residential and commercial buildings);
3. Levying the fee at the point of production would be more efficient, less expensive, and provide more accurate signals than would doing so at the point of consumption;
4. The fee would incentivize the development and use of alternative energies and attendant technologies, eliminating the need for government subsidies that attempt to forecast alternative energy winners and losers;
5. Because the fee is levied on the same basis on all businesses, it is fairer to every business and easier to administer than alternatives, such as a cap and trade system;
6. A border adjustment would assess a fee on goods traded with countries without a comparable carbon price, thereby maintaining the competitiveness of U.S. businesses and discouraging relocation to such countries and also encouraging other countries to price carbon; and

WHEREAS, such a policy would protect lower and middle-income households, as the dividend would allow nearly two-thirds of American households to benefit financially, break even, or have only minimal increased costs (<0.2% income) from this policy, and this policy would also create jobs, as the dividend puts money back into local economies; and

WHEREAS, this resolution in itself does not have a fiscal impact on the Village of Yellow Springs; and

WHEREAS, further delay in responding to this crisis increases the risk of catastrophic climate change, imminently threatens low-lying coastal areas and land and sea species, threaten water supplies, increases the frequency of severe weather events, increases the cost of undertaking adequate responses, and increases risks to the global economy;

Now, Therefore, Be It Resolved by Council for the Village of Yellow Springs that,

