

February 22, 2018

Dear Members of the D.C. Council,

As fellow environmentalists and community leaders in Washington DC, we are deeply concerned about the nation's wholly inadequate response to climate disruption. It is inspiring to see you lead our own city to a price on carbon pollution. Thank you for spearheading a policy worthy of our future.

We are writing today to encourage thoughtful design of DC's carbon fee. The price must be strong and steadily rise to reduce emissions over the long run, and the revenue must be fairly allocated to residents. As you know, these policy details are in fact of tremendous consequence when it comes to effective carbon pricing. What we pass here will have an outsized influence on states and members of Congress that follow our lead.

Since the fall of 2015, the coalition of 60 local businesses and advocacy groups supporting pricing in the District has received input from hundreds of community leaders, engaged thousands of residents, and generated a legislative proposal based on these principles:

Science: Carbon price levels should be set and scaled to meet science-based emission reduction targets. The price per ton of pollution may begin low, but it must rise steadily and predictably on an annual basis to send a price signal that permanently favors conservation and clean energy over fossil fuels.

Fairness: The policy must protect those in society who bear the harms of climate disruption but contribute the least to the damage. Revenue return to low- and middle-income households ensures a fair approach in accordance with our city's values.

Durability: Policy solutions must be as permanent and forceful as the climate crisis itself. Carbon rebates are an astute allocation of revenue, because they ensure voter support as the carbon price rises to sufficient levels over time--when the next generation of lawmakers, advocates, and residents will most need its protection.

Economics: Every dollar spent on fossil fuels ultimately leaves DC. A carbon fee and rebate keeps resources at home, generates 21st century jobs, and stimulates the local economy.

Our proposed bill has been carefully designed to meet the principles of science, fairness, and durability. The price begins at \$20/ton CO₂e and rises predictably by \$10 every year to send a clear price signal that will immediately yield cleaner energy, construction, and behavior-change

investments. Revenues are allocated fairly, with an 80% return to ratepayers and businesses and 20% for clean-energy transition investments.

Investments and rebates for our community must be at the center of what our proposal accomplishes. The broad coalition committed to this project all agree that any bill must have a sufficiently high carbon price; sufficient price increases on a regular (i.e., at least annual) basis; and provide sufficient investment and revenue in rebates for residents.

For a carbon price to do its job weaning the economy off fossil fuels, it must be high enough to change behavior--from large-scale capital investments to daily habit patterns. Withholding the carbon revenue from residents means some residents will bear an unfair burden of the transition to clean energy. This is because they spend a greater fraction of their budgets on energy than high-income households, and have less capital to invest in clean energy and energy efficiency projects.

Returning revenue to residents as both investments and carbon rebates ensures a fair approach reflective of the District's values. This can be achieved in a transparent and cost-effective manner using less than 5% of the revenue for administrative costs.

Councilmember Cheh, we applaud your work and urge you to introduce a carbon fee that honors the years of painstaking deliberation and economic research undertaken by the experts, advocates, and organizations associated with our coalition. We stand ready to support you in this work.

Sincerely,

Mike Tidwell
Chesapeake Climate Action Network (CCAN)

Chris Weiss
DC Environmental Network (DCEN)

Stephanie Doyle
Citizens Climate Lobby

Kesh Ladduwahetty
DC for Democracy

David Hoedeman
Sparkfund

Gary Skulnik
Neighborhood Sun

Kristof Grina
Uptop Acres

Mark Rakhmievich
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Our Climate

Hayden Higgins
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DC Statehood Green Party

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Ariel Richer and Jordan Daniel
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Tom Matzzie
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