COMMENTARY

Edward Cameron: Pricing carbon creates value for all

By **Commentary**
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Editor's note: This commentary is by Edward Cameron, of Manchester, who has worked on climate change, human rights and economic development for over 20 years, including working internationally with governments, the World Bank and some of the planet's biggest corporations.

I read with interest Rep. Linda Joy Sullivan's recent commentary, "**Let's Get to Work on Climate**." She is right that now is the time for action and I, for one, am pleased to hear that she is eager to return to Montpelier and roll up her sleeves.

The challenge in front of Vermonters is immense. To meet the commitments in statute (supported by then-senator and current governor Phil Scott and many others), Vermont must reduce greenhouse gas pollution 50 percent below 1990 levels by 2028. Unfortunately, as of the latest data (2015), emissions are actually 16 percent higher than they were in 1990 – and accelerating in the wrong direction. In fact, Vermont's pollution levels soared by 10 percent in just two years.

According to the nonpartisan Energy Action Network, to reach our goals, Vermonters are going to have to replace about 90,000 gas and diesel cars and trucks with electric vehicles. We'll have to weatherize 80,000 additional homes and buildings. And we'll have to double the amount of renewable energy we generate in state. All within the next 10 years.

These aren't small numbers. We aren't talking incremental change. We're talking a transformation. This is going to require policymakers to stretch beyond their comfort zones and identify policies commensurate to the challenge. But stretch they must, and what they may be surprised to find is that the benefits of being proactive are far higher than the costs.

As I write this, governments across the globe at the national, state and local levels are investing in a low-carbon, climate-resilient and inclusive tomorrow. As part of the historic Paris Agreement, more than $13 trillion of investments are planned for the energy sector alone over the coming decade covering both energy efficiency and renewable energy. China will create 13 million new jobs by 2020 in the clean energy sector alone. When you add similar transformations in land-use, transport and industrial processes we are looking at unprecedented economic opportunity for those wise enough to seize it. Similarly, over 6,000 companies and investors, representing $36 trillion in revenue, have committed to climate action. Over 150 companies including Walmart, the largest private sector employer in the world, and Apple, the largest company by market capitalization, are committing to 100 percent renewable energy procurement. They are making decisions on where to locate – where to create jobs and development – based on availability of clean energy and local commitment to climate ambition.

In my work for the World Bank and the United Nations, I have come to understand that there isn't a "silver bullet" that will solve global warming. It's a problem that requires "silver buckshot" – dozens of policies that each move us in the right direction.

But some policy choices are more beneficial than others, and there is one that is an absolute necessity: carbon pollution pricing. Until we recognize the true cost of pollution, and include that price in every transaction, it is unlikely that we'll ever start limiting it. And, along with failing to make that needed progress, leaving huge job-creating opportunity on the table.

Well-designed carbon pricing is not "regressive." In fact, with the right design, carbon pricing reduces the climate pollution that fuels hurricanes, the spread of tick-borne diseases, and results in billions of dollars of damages to our economy; encourages investment in innovation and job creation; and raises significant revenue, providing options for public sector investment in infrastructure, pro-growth tax reforms or rebates to low-income households. This is why 45 countries and 25 cities, states and provinces use carbon pricing mechanisms today. This includes the fastest growing states and provinces in North America. In 2017, Washington state (4.4 percent), California (3 percent), and Oregon (2.5 percent) were among the fastest growing states. Alberta (4.9 percent), British Columbia (3.9 percent) and Quebec (3.1 percent) were equally impressive. By comparison, Vermont grew at a rate of 1.1 percent in 2017. Pricing should be seen as the economic stimulus Vermont needs and not the brake on growth and jobs creation some would lead you to believe.

It is terrific to see Rep. Sullivan grappling with how to equitably implement such a program in a cold, rural state like Vermont. This is bound to be a conversation about carrots and sticks. But from my experience around the world, I have seen that when policymakers agree to address a problem, they can craft solutions that fit their local circumstances – and I have no doubt that Sullivan and her colleagues can do the same here in Vermont.

Given the significant job-creation, economic stimulus and pollution reduction benefits of economy-wide solutions like carbon pricing or cap and invest (working successfully in Quebec, our neighbors to the north) pricing pollution must be part of the mix. There is both growing consensus and proven results that demonstrate that pricing mechanisms are an efficient and effective way to reduce pollution while strengthening local economies, protecting vulnerable populations and offering opportunities to invest in clean energy. I urge Sullivan – and other policymakers – to not just get to work on climate, but to lead by putting a price on the pollution causing global warming. ASAP.

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