

BILL: House Bill 1543

TITLE: Environment - Climate Crisis and Education Act

HEARING DATE: 3/11/2020

COMMITTEE: Economic Matters

SPONSORS: Delegates Fraser–Hidalgo, Acevero, Atterbeary, Bagnall, B. Barnes, Barron, Boyce, T. Branch, Bridges, Brooks, Cain, Cardin, Carr, Chang, Charkoudian, Charles, Clippinger, Crutchfield, Cullison, Ebersole, Feldmark, Fennell, W. Fisher, Gilchrist, Guyton, Harrison, Healey, Hill, Holmes, Ivey, M. Jackson, Johnson, Kelly, Kerr, Korman, Lehman, J. Lewis, R. Lewis, Lierman, Lisanti, Lopez, Love, McIntosh, Moon, Mosby, Palakovich Carr, Patterson, Pena–Melnyk, Pendergrass, Proctor, Qi, Reznik, Rogers, Rosenberg, Ruth, Shetty, Smith, Solomon, Stein, Stewart, Terrasa, Turner, Valderrama, C. Watson, Wells, Wilkins, Williams, and P. Young

TESTIMONY:

Hello, my name is Helen Mountford. I am Vice President of Climate & Economics at the World Resources Institute (WRI) and a resident of Maryland. WRI was established almost 40 years ago with the aim of bringing objective analysis to pressing global challenges at the interface of economic development, natural resources and the environment. WRI works with governments, corporations, city leaders and communities globally to provide practical solutions based on rigorous analysis and deep engagement.

I'd like to give the global picture on carbon pricing to provide context for this new bill. Carbon pricing is becoming increasingly popular around the world. Today, there are 46 countries and 31 provinces or states with carbon pricing in place or scheduled to start. They now cover one fifth of global emissions, a remarkable increase from less than 1% emissions coverage in 2004. Many of these places are close to home. As of last year, the Canadian government requires all provinces to have a carbon pricing program in place, building on the carbon prices that had already been implemented in provinces like British Columbia. To our South, carbon pricing has been successfully implemented in Mexico, Argentina, Colombia, and Chile. On the other side of the Atlantic, the entire European Union has had carbon pricing since 2005. China has piloted carbon markets in 7 regions and is now rolling out the largest national carbon pricing system in the world. South Africa has become the first African country with carbon pricing. Many other countries are considering it – 96 parties to the Paris Agreement have said they'll plan to use or consider a carbon pricing tool to meet their national climate commitments.

Historical experience shows that carbon pricing has been compatible with a strong economy and high employment. For example, Norway, Sweden, and Finland have had carbon pricing systems in place since the early 1990s with some of the highest prices, and they have enjoyed decades of strong economic growth. In the 11 years since British Columbia introduced its carbon tax, it has reduced its emissions faster and grown its GDP more rapidly than the rest of Canada. Maryland and the 9 other states participating in the Regional Greenhouse Gas Initiative (RGGI) to price carbon have seen emissions from power plants in RGGI states fall by 47% since it started in 2009, while economic growth in the RGGI states outpaced the rest of the country by 31%. Through its revenue recycling program, RGGI directly yielded a net benefit in economic activity of \$4.7 billion and thousands of additional jobs between 2009 and 2017. Public health benefits associated from air quality improvements have been estimated at nearly \$6 billion between 2009 and 2014.

Importantly, the revenues raised through carbon pricing – more than \$45 billion in 2018 globally – can be used for everything from household rebates to investments in sustainable infrastructure or education. For example, the British Columbia carbon pricing system recycles much of the revenue back to households, making low-income households better off under the carbon price than without it. Other Canadian

provinces are following its example. California's carbon price requires that 51% of the revenues from its carbon price benefit disadvantaged communities, which so far has amounted to more than \$1 billion. For the growing number of governments who have used it, it is clear that carbon pricing is an effective way to reduce greenhouse gas emissions, and that it makes good economic sense.

Respectfully submitted,

Helen Mountford
Vice President of Climate & Economics
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