

Name: John Gage

Date Submitted:8/8/2020

Public Comment:

There was a discussion in the Commission's first meeting about potentially trying to identify the problems and costs to NH of climate change. In other words, to determine the local social cost of carbon. I agree it is important to be able to identify and communicate the problems and impacts of carbon emissions for our area, but this has already been done and this commission can leverage pre-existing work for those details.

I hope the NH Emissions Commission will produce actionable recommendations that will effectively reduce local pollution and also have the ability to affect the national and global carbon emissions that constitute the true threat to our state's economy, health, and natural resources and environment.

The root cause of our carbon emissions problem has been diagnosed by economists to be the failure of the energy market to account for the true costs to society and life on Earth of those emissions, which mainly come from the production and use of fossil fuels. Economists also warn that attempts to correct this market failure by setting acceptable limits on carbon emissions and using regulations, subsidies, and incentives to meet those targets is not the most cost-effective approach to address the problem. Such policies also frequently have regressive effects.

A more efficient approach, according to world-leading economists, is to put a steadily increasing price on carbon emissions at the source (well head, mine, port of entry), and let efficient market forces determine the least-cost ways of reducing the emissions across the entire economy. This comprehensive approach can also be made the most equitable approach, according to 3500 US economists, including nearly all the leading ones, by rebating all the money collected back to all households equally.

Perhaps, rather than attempting to identify a "safe" target level of local greenhouse gas emissions and methods to achieve those reductions, this commission would consider taking a different tack.

The most simple guide the commission could consider is agreeing on is to determine an appropriate and likely global price on carbon, and then recommend state policy to anticipate it. Additional complementary policies, such as investments in efficiency, electrification of heat and transportation, etc. can then be identified and recommended.

Major local and international organizations provide estimates for target carbon prices.

IMF calculations and the Stiglitz-Stern Commission suggest that to maintain global warming under the 2°C target, associated global carbon prices should be \$75 to \$100 per ton of CO₂ emitted by 2030.

That carbon price range is also supported by the World Bank. The World Economic Forum also strongly supports a meaningful global price on carbon.

There are economic benefits in pricing carbon locally, even before the rest of the world. For example, The New England Power Generators Association recently commissioned a study that recommends a progressively increasing multi-sector price on emissions of CO₂ in a range of \$25–35/short ton CO₂ in 2025 and \$55–70/short ton CO₂ in 2030, finding that this would save between \$100 million and \$300 million in energy costs for the region over a ten year period.

By sharing what we know about the likelihood of global carbon pricing coming in the next decade, and the local benefits of starting with a low carbon price now and ramping up to meet a specific future price target, perhaps the commission could gain the support of the business community and state legislators for the most significant local action possible: putting a state point-of-entry cash-back price on carbon emissions.

Aligning our state's carbon price with the expected global carbon price by gradually rising to meet that price would let us make the transition gradually. It will reduce the risk of future stranded assets that current energy market price signals are queuing up. Getting this right will make our businesses and state more competitive in the national and global economy when there is a global price on carbon.

Perhaps we could include identifying a recommended state carbon price as part of the goal of this commission, and a policy such as Carbon Fee and Dividend at the state level to achieve that price in a fair and beneficial way for New Hampshire families.

Thank you for all your efforts in what I believe is the most important issue of our time, and for our state's economic, health, and future well-being.

References:

<http://carboncashback.org/carbon-cash-back>

<http://bit.ly/our-energy-future>