

# Responding To Public Questions About The Energy Innovation & Carbon Dividend Act

When talking about the Energy Innovation and Carbon Dividend Act we always want to stay focused as much as possible on our high level messaging as found on [the bill website](#) or on our [1-page Fact Sheet](#). Similarly when describing how the bill works we want to keep it simple and high level like we do on the [How it Works](#) page on the bill site or again on the [1-page Fact Sheet](#). Our [infographic](#) also has some good high-level points.

But when people do ask detailed questions about the policy it is good to have a plan for how to respond. With audiences you can provide some information and pivot back to our high level messaging. In one-on-one conversations, it may be as important to listen to their concerns, draw them out with questions and acknowledge their values as it is to provide information. When providing information, doing it in small doses followed by asking for input works better than saying everything you can think of all at once. If you want more training, check the resources at the [Effective Communication Action Team](#) on Community.

Below are some commonly asked questions and some potential responses that you can use. Feel free to cut and paste from below and modify to fit your circumstance. Or, if you will need to respond verbally, the below can be a good study guide or a cheat sheet to have available when tabling. (Note: There is another [Q&A written for volunteers](#) that may have additional detail beyond what the public generally needs)

## Responses to questions you might get from the public:

### **What is the price on carbon and how does it change?**

The gradually rising fee on the carbon content of fossil fuels starts at \$15 per metric ton of CO<sub>2</sub> equivalent emissions, and increases \$10 per year, plus inflation. If emissions targets specified in the bill are not met, the fee will increase at \$15 per year.

### **How much will emissions be reduced with the Energy Innovation Act?**

The Energy Innovation and Carbon Dividend Act will reduce emission by at least 40% in the first 12 years and at least 90% by 2050 (based on 2016 levels). Interim emissions levels are set for each year.

### **How do people get their dividend?**

If you file taxes, your carbon dividend will be distributed automatically each month, similar to how your tax refund is mailed or direct deposited by the IRS every spring. If you do not file taxes, you will need to fill out a simple form indicating your number of dependent children and providing information on where to send your payments.

### **Do undocumented people get a dividend?**

To receive a dividend a person must be a citizen or lawful resident of the United States, have a Social Security number or taxpayer ID number, and be currently residing in the United States.

### **Will the dividend affect means-tested programs (eg Medicaid, SNAP, etc.)?**

No. The bill explicitly states that the carbon dividend will not be counted as income, or taken into account, for any Federal benefit or assistance programs, including any state programs funded by the Federal government.

### **How does the border carbon adjustment work?**

The Energy Innovation and Carbon Dividend Act has a provision built in to protect trade competitiveness: a “Border Carbon Adjustment” imposed on carbon-intensive goods that cross our border in either direction. Products imported from a country that does not bear a carbon price equivalent to ours will have to pay a surcharge to make up the difference. Conversely, an American-made product exported to such a country will get a refund for the carbon fee associated with its carbon footprint.

### **Does the Energy Innovation Act cover leaked or vented methane?**

Under this policy, natural gas, like other fossil fuels, is assessed a fee based on the greenhouse gases expected to be released when it is burned. Unfortunately, natural gas can also leak directly into the air, and its main component, methane, is a greenhouse gas. Since there are no widely accepted methods to accurately measure methane leakage, this policy does not assess a fee on it, but explicitly preserves federal authority to regulate fugitive (leaked or vented) methane from oil and gas operations.

### **How does this bill affect state or local carbon pricing or climate programs?**

The bill states clearly that it does not affect any state law or regulation, and does not limit states or local governments from enacting any laws or programs related to climate change. For states or regions that have existing carbon pricing systems this bill would work in parallel with those programs. Because the Energy Innovation Act has such strong emission reduction targets it would likely drive down emissions faster than the targets set by existing programs. For cap and trade systems this might result in lower revenue from sales of emissions allowances, but would fulfill the underlying goal of those systems of reducing emissions.

### **How does the exemption for the military work?**

The Energy Innovation and Carbon Dividend Act provides a refund of carbon fee costs in covered fuels used by the military. The greenhouse gas emissions from our military amount to about 1.2 percent of total U.S. emissions. A carbon fee is unlikely to drive down military emissions because the military is not very sensitive to the price of fuels. That said, the U.S. military has already been aggressively pursuing energy efficiency and alternative sources of energy for both strategic and environmental reasons, so we can expect that they will take full advantage of new developments in renewable and low-carbon energy technologies, and further reduce their emissions in years to come.

### **How does the exemption for agricultural fuels work?**

The Energy Innovation and Carbon Dividend Act provides a refund of carbon fee costs in fuels — chiefly diesel fuel — used on farms. This is considered an extension of a fuel tax exemption that is already in place for agricultural fuels. It would not apply to other forms of energy such as electricity used on a farm. Although it will provide relief for farmers, in practice it would have little impact on total U.S. greenhouse gas emissions because agricultural fuel-generated emissions account for less than 1 percent of our total emissions.

### **What are other organizations and leaders saying about the legislation?**

Major environmental organizations and many others have weighed in with their thoughts on the bill. Many have highlighted the bipartisan support for the bill, its market-based approach, and the strength of the emissions reductions targets. See more at: [energyinnovationact.org/in-the-news/#what-others-are-saying](http://energyinnovationact.org/in-the-news/#what-others-are-saying)

### **How do the adjustments to EPA regulations work? (neutral question)**

This policy, via its price on pollution, will lower climate emissions far more than existing and pending EPA regulations. For the first 10 years of implementation, it pauses EPA regulations of CO<sub>2</sub> and equivalent emissions, which are covered by the bill. If the aggressive emission targets established in the bill are not being met after 10 years, Congress directs the EPA to regulate those emissions to meet those targets. The policy provides for continued authority for the EPA to keep our air and water clean and healthy, and allows for the continuation of vehicle mileage (aka CAFE) standards. Even more, it explicitly preserves the rights of states and municipalities to regulate greenhouse gas emissions, or to enact whatever climate initiatives they like. Congress can also always enact further legislation addressing climate change as it sees fit, or as the public demands.

**I don't like the notion of a bill that limits regulations. Why should I support this? (person expressing concerns about the bill)** We appreciate that many people want to keep every option on the table. The limits in this bill are minimal and this policy will achieve much higher emissions reductions than any regulations proposed to date. In fact, it will cut U.S. emissions in 2030 nine times as much as the Clean Power Plan would have if it had gone into effect.<sup>1</sup> The bill only affects EPA regulations on greenhouse gases covered by the carbon price, and only as long as emissions targets are being met. If, after 10 years, targets are not being met, the policy mandates that the EPA implement additional regulations to meet those emission reduction targets. This gives clear direction to the EPA from Congress that would prevent the type of court challenges that have hampered policies based on the current authority of the Clean Air Act — some of which have yet to be enacted over 10 years after that authority was confirmed by the Supreme Court. Congress (as well as state and local governments) can also always enact further legislation addressing climate change as it sees fit, or as the public demands.

### **Is the Energy Innovation Act enough to solve climate change? Is it in line with the IPCC 1.5 recommendations?**

The Energy Innovation and Carbon Dividend Act alone will not solve climate change. It can forge a clear path and do a huge chunk of the work, but no one should expect any single policy to solve climate change by itself. The bill's targets of 90% reduction in emissions by 2050 were written to meet the goal of staying below 2 degrees Celsius temperature rise set by the IPCC before Paris and are in line with some, though not all, of the recently released IPCC suggestions for staying below 1.5 degrees Celsius temperature rise. Reductions in emissions other than from fossil fuel combustion (eg land use, industrial processes) are also likely to be needed to meet the 1.5 degree target.

### **How does this bill affect the use of plastics or other non-emitting uses of fossil fuels?**

While there are many people concerned about the impacts from the production, use, and disposal of plastics and other petro-chemicals, this policy is focused only on the climate impacts from fossil fuels. The vast majority of oil used globally is burned. Only 4% is used to produce plastics and another 9% for chemicals and other purposes. For uses of fossil fuels that will not result in greenhouse gas emissions, any carbon fees put on that unburned feedstock would be refunded to the manufacturer of the non-emitting product. Any fossil-based energy used or fuel combusted in the manufacturing process would not receive a refund.

---

<sup>1</sup> The [Clean Power Plan \(CPP\) goal](#) was to cut power sector emissions by 32%, compared to 2005 emissions, by 2030. U.S. [power sector CO<sub>2</sub> emissions](#) in 2005 totaled 2401 Gt, so 32% reduction would result in 2401 x 0.68 = 1633 Gt. Moving ahead to 2016, power sector CO<sub>2</sub> emissions that year were 1809 Gt, so compared to 2016, the 1633 Gt CPP goal would be a reduction of 176 Gt. Total U.S. GHG emissions in 2016 were 6511 Gt, so cutting 176 Gt from 2016 emissions would be a cut of 2.7% from that total. The H.R. 763 emissions schedule specifies that 2030 covered emissions should be 30% lower than 2016 emissions. H.R. 763 covers 5445 Gt CO<sub>2</sub>e (the portion from fluorinated gases and fossil fuel combustion). Cutting 30% from 5445 would be 5445 x 0.3 = 1634 Gt, which is 9.3 times as much as the 176 Gt cut that would meet the CPP goal.

### **What climate emissions are not covered by the Energy Innovation Act?**

The bill only covers emissions from combustion of fossil fuels and from fluorinated greenhouse gases. It does not cover emissions from fugitive methane, nitrous oxides, black carbon and other greenhouse gases that aren't from fossil fuel combustion. It also does not cover emissions from land use (eg forestry, agriculture, etc.) and industrial processes (eg cement production).

### **Are there other policies in other countries like this?**

Dozens of other countries including most of the world's top emitters have carbon pricing systems. Canada has a policy that is quite similar to the Energy Innovation Act for any provinces that have not implemented their own carbon pricing policy. The carbon fee will start in 2019 at \$20/ton and rise at \$10/year (Canadian dollars) with all revenue allocated to residents and businesses as dividend checks.

### **How does the Energy Innovation Act relate to the Climate Leadership Council?**

The Climate Leadership Council is a collaboration of business and environmental leaders that advocates for a policy that is similar but distinct from The Energy Innovation Act. They have shown that there is strong support in the business community and among economists for effective climate solutions and specifically for a carbon fee and dividend policy. They are currently working to get their own bill introduced into Congress that would also put an economy-wide price on carbon and return all revenue to households as a dividend. Their policy is likely to have a different starting price and price trajectory and, unlike the Energy Innovation Act, is likely to include a provision to limit climate liability for fossil fuel companies. People sometimes confuse the Council and its Carbon Dividends proposal with CCL and our carbon fee and dividend proposal. See more on the CCL Community website at: [The Climate Leadership Council's Carbon Dividends Plan](#)

### **How does the Energy Innovation Act relate to the Green New Deal?**

We are grateful to Green New Deal supporters for raising the urgency of climate change in the media and within the halls of Congress. Citizens' Climate Lobby and our supporters also understand the urgency of the climate crisis and agree that it requires big solutions. While the Green New Deal has not yet articulated specific policy recommendations, we believe the recently introduced Energy Innovation and Carbon Dividend Act is a key component to achieving the emissions reductions America needs. The bill targets emissions reductions of at least 40% in the first 12 years, and 90% by 2050, which tracks closely with the recommendations from the UN's recent IPCC report. Because it is built on a broad coalition of support from community leaders, businesses, local legislators, and 100,000+ CCL supporters across the country, this bipartisan bill has gained traction in the House and has good prospects in the Senate. Americans are asking for immediate action on climate, and this bill answers them.

### **Notes for Volunteers:**

#### **Main takeaways**

- Appreciate raising urgency on solving climate change with Media and Congress
- Agreement on the need for big solutions
- The Energy Innovation Act will reduce emissions by 40% in 12 years and 90% by 2050
- The Energy Innovation Act is built on broad and bipartisan support

#### **Things not to say**

- Do not put down or complain about the Green New Deal. At CCL we stay positive.
- Do not equate the Energy Innovation Act and the Green New Deal or otherwise use their language/framing to promote the bill - this will potentially alienate both Green New Deal supporters and those opposed.