



AMERICAN
SUSTAINABLE
BUSINESS
COUNCIL

Bill: House Bill 5363 – “An Act Establishing a Carbon Price for Fossil Fuels Sold in Connecticut”

To: Sen. Ted Kennedy, Co-Chair, Sen. Craig Miner, Co-Chair, Rep. Mike Demicco, Co-Chair, and members of the Joint Environment Committee

Position: SUPPORT

Date: March 14, 2018

Submitted by: Dr. Christine Blackburn, Policy Director, American Sustainable Business Council

My name is Christine Blackburn, and I am the Policy Director for the American Sustainable Business Council (ASBC). ASBC is a coalition of businesses and business networks, in Connecticut and across the country, committed to advancing policies that support a vibrant and sustainable economy. The Council brings together the perspective, experience, and political will of businesses to stimulate our economy, strengthen our communities, and preserve our environment. Today, the organizations that have joined in this partnership represent over 250,000 businesses.

We support the proposed legislation to establish a statewide price on carbon beginning in January 2020. Connecticut has already experienced negative effects from climate change and has committed to significant emissions reductions goals in order to mitigate its most damaging effects. A carbon price is the most efficient, business friendly way to achieve this goal and support the development of a low-carbon economy.

Climate change presents an enormous threat to Connecticut’s economy. According to the National Oceanic and Atmospheric Administration (NOAA), Connecticut has already experienced 10-11 inches of sea level rise in the last century, which is faster than the global rate.¹ Annual average precipitation increase is projected to increase as well, leading to increased coastal and inland flooding risks. With roughly 40% of Connecticut’s population living in coastal communities, these threats are particularly severe to both residents and businesses.² Rising sea levels and flooding will depress tourism rates, harm important industries, like shipbuilding and fisheries, and detract from the business-friendly reputation of your state.

According to our national poll of small business owners, 87% said one or more consequences of climate change is harmful to their business. Many are already taking action to assess the risks presented by climate change and reduce their carbon footprint. In fact, two of Connecticut’s largest companies, United Technologies and Stanley Black and Decker, both report using an

¹ National Oceanic and Atmospheric Administration. State Climate Summaries, Connecticut. <https://statesummaries.ncics.org/ct>

² Hladky, G. B. (2017, June 4). Connecticut Faces Changes from Global Warming Regardless of Trump Climate Change Decision. *The Hartford Courant*. Retrieved from <http://www.courant.com/news/connecticut/hc-global-warming-hitting-long-island-sound-20170602-story.html>.

internal carbon pricing mechanism to lower emissions.³ However, companies know that individual action – while essential – will not be sufficient to turn the tide on climate change. Government action is also needed, and among the options governments can pursue, carbon pricing has emerged as business’ favorite solution. By accounting for the negative impacts of fossil fuels, renewables are able to fairly compete in the marketplace, allowing businesses to manage risk and properly assess the energy they choose. Businesses that are already leading, such as those already pricing internally or working toward 100% renewables, will be rewarded, and incentives will align to drive action from those that lag behind.

Connecticut has already seen how a market-based policy can reduce emissions and spur innovation. The Regional Greenhouse Gas Initiative (RGGI) has established a price on carbon for the electricity sector. From 2008 – 2015, Connecticut has received over \$150 million in proceeds and has used the funding for energy efficiency and renewable energy programs.⁴ According to the Acadia Center, RGGI states have lower energy prices, faster economic growth, and fewer emissions than non-RGGI states.⁵ HB5363 would establish a similar mechanism (a market-based solution to climate change) throughout the economy, without interfering with RGGI or putting Connecticut at a regional disadvantage. By supporting this bill, you would be sending a message to businesses and policymakers that Connecticut is ready to lead the way to a low-carbon economy.

I’d like to thank the Committee for considering this important legislation. We know that a sustainable business is good business, and a sustainable economy is a prosperous and resilient one. House Bill 5363 will make a demonstrable impact on mitigating climate change and create an economy that is strong and sustainable now and into the future. I encourage the committee to give a favorable report to House Bill 5363.

Thank you.

Dr. Christine Blackburn
Policy Director
American Sustainable Business Council
202-550-4159 work cell
cblackburn@asbcouncil.org

³ Climate Disclosure Project. October 2017. *Putting a price on carbon: Integrating climate risk into business planning.*

⁴ The Regional Greenhouse Gas Initiative. October 2017. *The Investment of RGGI Proceeds in 2015.*

⁵ The Acadia Center. September 2017. *Outpacing the Nation: RGGI’s environmental and economic success.*