

CITY COUNCIL COMMUNICATION



MEETING DATE: September 28, 2021

ITEM NUMBER: 9.D

SECOND READING:

{{customfields.ResoOrdNumber}}

TYPE OF ITEM: Consent

PRESENTED BY:

Dale Rademacher, City Manager's Office, Dale.Rademacher@longmontcolorado.gov

Annie Noble, PWN Environmental Services, annie.noble@longmontcolorado.gov

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SUBJECT/AGENDA TITLE:

A Resolution Of The City Council of the City of Longmont, Colorado To Endorse The Energy Innovation And Carbon Dividend Act

EXECUTIVE SUMMARY:

At the July 27, 2021 Council meeting, members of the public requested the Council pass a resolution to support the Federal Energy Innovation and Carbon Dividend Act (EICDA). At the August 24, 2021 Council meeting, Council Member Peck brought a motion forward to direct staff to draft a resolution in support of the EICDA to bring back for Council consideration at a September Council meeting. Attached is the Resolution to Endorse the Energy Innovation and Carbon Dividend Act as requested by Council. The EICDA would impose a fee on all forms of fossil carbon, levied at the point of extraction or import; the fees collected are fully and equally distributed back to the public in the form of a monthly cash dividend. The goal of the EICDA is to expedite the transition to a clean energy economy through a market-based incentive for de-carbonization. Citizens' Climate Lobby (CCL), a nonpartisan national organization with a local Longmont chapter active since February 2017, has spent more than a decade studying, refining, and building academic and bipartisan support for a coherent national policy to incentivize a rapid but orderly transition away from fossil fuels. CCL endorses the EICDA as the best and most viable embodiment of this policy to date. The Sustainability Advisory Board supports this request and voted in favor of recommending the Longmont City Council adopt a resolution supporting EICDA at their March 2021 meeting. Attached is the information packet provided by CCL describing the Energy Innovation and Carbon Dividend Act, as well as the meeting minutes from the February and March 2021 Sustainability Advisory Board meetings where this topic was discussed.

COUNCIL OPTIONS:

1. Approve the resolution in support of the Energy Innovation and Carbon Dividend Act.
2. Do not approve the resolution in support of the Energy Innovation and Carbon Dividend Act.
3. Request additional information.

RECOMMENDED OPTIONS:

This is a policy decision of the City Council.

FISCAL IMPACT & FUND SOURCE FOR RECOMMENDED ACTION:

No fiscal impact for requested action has been identified. No analysis has been conducted for potential fiscal impact of the Energy Innovation and Carbon Dividend Act specifically on Longmont.

BACKGROUND AND ISSUE ANALYSIS:

In December 2018, the Longmont Chapter of the Citizens Climate Lobby (CCL) approached the Sustainability Advisory Board to consider a recommendation to City Council to adopt a resolution supporting a national policy of carbon fee and dividend, recently reintroduced into Congress as H.R. 2307, the Energy Innovation and Carbon Dividend Act (EICDA) of 2021. The Sustainability Advisory Board decided not to pursue the opportunity at that time, but requested that CCL return at a later date for reconsideration. CCL returned to the Sustainability Advisory Board in February 2021, and presented on the EICDA. Discussion with the Board ensued, after which the Board agreed they would like more time to research and review the information shared during the presentation before making a decision on a recommendation to Council. The Board requested the ability to submit additional questions to staff within the following two weeks so that they could coordinate with CCL to get responses and then revisit a decision at their March meeting. At the March 2021 meeting, the Board voted to support bringing this request forward to City Council. The motion carried 3-2, with two board members dissenting, citing concerns about potential negative impacts to small businesses and the overall economy. The goal of the Energy Innovation and Carbon Dividend Act (EICDA) is “to create a Carbon Dividend Trust Fund for the American people in order to encourage market-driven innovation of clean energy technologies and market efficiencies which will reduce harmful pollution and leave a healthier, more stable, and more prosperous nation for future generations.” The approach is based on a uniform, but increasing fee on all forms of fossil carbon, levied at the point of extraction or import, giving businesses and households a clear and quantifiable view of the rising cost of continued use of fossil fuels, and incentivizes the transition to a clean energy economy. Border adjustments prevent U.S. companies from operating at a disadvantage abroad and also prevent the “export” of carbon pollution if products are imported from countries without similar policies. The money collected from the fee is given as a monthly dividend to every American to spend with no restrictions. The EICDA, and the carbon fee and dividend principles it is based upon, have been supported by 200+ municipalities (7 in Colorado), 800+ prominent individuals (40 from Colorado, including 12 holding state and local elected positions), 1,400+ businesses and organizations (50+ in Colorado), and over 4,000 prominent U.S. economists (50+ in Colorado), as detailed in Appendices D and G of the information packet attached. The potential fiscal impact of the fee on Longmont businesses and residents has not been analyzed.

**ATTACHMENTS:**

Att 1 – Resolution to Endorse the Energy Innovation and Carbon Dividend Act

Att 2 – CCL Energy Innovation and Carbon Dividend Act Information Packet

Att 3 – Sustainability Advisory Board March 2021 and February 2021 Meeting Minutes