



# Carbon Fee Study

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# Preface

- Climate-XChange study as response to SM 23
- No state funding provided—study paid for by concerned private citizens and foundation donors
- Recommend further review by state experts

# Necessity of Climate Action in New Mexico

- Recent climate report details the risks U.S. economy and populace face
  - Concludes that the “Earth’s climate is now changing faster than at any point in the history of modern civilization, primarily as a result of human activities.”
  - Warns that up to 10% of national GDP could be lost by 2100
- Access to water has become a problem in NM
  - Report adds that “Rising air and water temperatures and changes in precipitation are intensifying droughts, increasing heavy downpours, reducing snowpack, and causing declines in surface water quality.”
  - Droughts devastate local agriculture
- California wildfires and other-climate related catastrophes will become more common

# CX Study Highlights

- Only would be imposed on carbon products purchased for use in NM by our residents and people passing through  
Same fees on locally produced or imported carbon products, to extent allowed by law
- Not charging fee on our exported fossil fuels prevents making our fossil fuel production unmarketable outside state, because national market prices are beyond our control (no price signal if cost of fee can't be built in)  
Fee would be charged on all fossil fuels emitting significant amounts of carbon

# Fund would be used as directed by legislature in statute (within constitutional limits)

1. Dividend would be distributed to low income consumers  
Could add extra allowances for low-income drivers through rural areas
2. Transitional relief to those impacted by reduced fossil fuel production
3. Build infrastructure to develop renewable energy base
4. Fund measures to support resilience to climate change impacts

# Impacts on State Revenue

- New Mexico is slated to get \$1.2 billion in the next annual budget from an oil boom
  - However, the industry faltered in 2015 and 2016, and the price is already dropping
- This money could be used to invest in green infrastructure; something in which NM has the potential to lead the nation
- This short surge won't compensate for the long-term effects of climate change
  - Health and environmental consequences would be disastrous

# Could a Carbon Fee Work?

- YES! ---> British Columbia implemented a carbon fee in 2008 since then:
  - carbon emissions have gone down
  - the economy has outperformed the rest of Canada
  - the more conservative party that enacted the fee was reelected multiple times
  - THE ENTIRE COUNTRY OF CANADA WAS INSPIRED TO IMPLEMENT A NATIONAL CARBON FEE (this will be official by January of 2019)
- New Mexico can be the British Colombia of the US (and our capacity for renewables puts us in an even better position)

# Ask

- we ask that you support our bill when we introduce it in this years legislative session.
- as the highschool students, we our fighting for our future and the future of the New Mexico
- because, to our generation, climate change is not a partisan issue, it is a human issue