Carbon Pricing in the Northeast

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Regional Greenhouse Gas Initiative (RGGI)

electricity sector

$3 per ton of CO$_2$ (2017)

Plus Delaware, Maryland
Regional Greenhouse Gas Initiative
electricity sector

Pending Review
Massachusetts:
25% below 1990 levels by 2020, 80% by 2050

Kain v. DEP
2016
Massachusetts:
25% below 1990 levels by 2020, 80% by 2050

RGGI’s regional cap and regional trading

MA cap

Kain v. DEP 2016
RGGI

Carbon Taxes?
Regional Greenhouse Gas Initiative (RGGI)

- electricity sector
  - $3 per ton of CO$\textsubscript{2}$

Motor vehicle fuel taxes
- $26 to $48 per ton CO$\textsubscript{2}$
Defying Trump, these state leaders are trying to impose their own carbon taxes
Carbon Pollution Tax Bills

\[
\text{Tax Base} \times \text{Tax Rate} = \text{Tax Revenue}
\]

New Hampshire
Vermont
Massachusetts
Rhode Island
Connecticut
New York
Carbon reduction charge
Carbon pollution fee
Carbon fee
Greenhouse gas emissions charge
Greenhouse gas pollution charge
Fee
Carbon dioxide emissions tax
Greenhouse Gas Emissions Charge

Origination clause
“Money bill”? 
Greenhouse Gas Emissions Charge

\[ \text{Tax Base} \times \text{Tax Rate} = \text{Tax Revenue} \]

- Regulatory purpose
- Revenue-neutral rebates

Massachusetts
Not a tax “in the strictest sense of the word”?
$\text{Tax Base} \times \text{Tax Rate} = \text{Tax Revenue}$

Carbon Pollution Tax Bills

Reevaluate over time

Massachusetts
New York
Connecticut
Effective Date Trigger

Gas tax per gallon
Effective Date Trigger
Effective Date Trigger
Carbon Pollution Tax Bills

\[
\text{Tax Base} \times \text{Tax Rate} = \text{Tax Revenue}
\]

Relationship to RGGI
Regional Greenhouse Gas Initiative
Electricity sector

Carbon Taxes
Include electricity sector?
Percentage of CO$_2$ Emissions by Sector 2014

- Commercial
- Electric
- Residential
- Industrial
- Transportation

Other Policies
Carbon Taxes
RGGI
Carbon Pricing in the Northeast

Thank you

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