

Resolution #22-0229  
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**RESOLUTION URGING THE UNITED STATES CONGRESS TO ENACT THE  
ENERGY INNOVATION AND CARBON DIVIDEND ACT OF 2021**

**WHEREAS**, an Intergovernmental Panel on Climate Change issued the first volume of a report on the impacts of global warming exceeding 1.5°C above pre-industrial levels in August 2021, warning that global warming is likely to reach 1.5°C by 2030 if emissions continue to increase at the current rate; and

**WHEREAS**, the United Nations climate science body said in a monumental climate report that we must rapidly make massive and unprecedented changes to global energy infrastructure to limit global warming to moderate levels; and

**WHEREAS**, the United States government released its Sixth Annual Climate Assessment in August 2021 reporting that the impacts of climate change are already being felt in communities across the country, and that more frequent and intense extreme weather and climate-related events, as well as changes in average climate conditions, are expected to continue to damage infrastructure, ecosystems, and social systems that provide essential benefits to communities; and

**WHEREAS**, conservative estimates by the world's climate scientists state that, to achieve climate stabilization and avoid cataclysmic climate change, emissions of greenhouse gases (GHGs) must be brought to net zero by 2050; and

**WHEREAS**, presently the environmental, health, and social costs of carbon emissions are not included in prices paid for fossil fuels, but rather these externalized costs are borne directly and indirectly by all Americans and global citizens; and

**WHEREAS**, the Intergovernmental Panel on Climate Change issued a special report on the impacts of global warming of 1.5°C above pre-industrial levels in October 2018 stating that explicit carbon prices remain a necessary condition of ambitious climate policies; and

**WHEREAS**, to begin to correct this market failure, Congress can enact the Energy Innovation and Carbon Dividend Act of 2021 (H.R.2307) to assess a national carbon fee on fossil fuels based on the amount of CO<sub>2</sub> the fuel will emit when burned and allocate the collected proceeds to all U.S. households in equal per capita shares in the form of a monthly dividend; and

**WHEREAS**, for efficient administration, the fossil fuels fee can be applied once, as far upstream in the economy as practical, or at the port of entry into the United States; and

**WHEREAS**, as stated in the Energy Innovation and Carbon Dividend Act of 2021 (H.R. 2307), a national revenue neutral carbon fee starting at a relatively low rate of \$15 per ton of CO<sub>2</sub> equivalent emissions and resulting in equal charges per ton of CO<sub>2</sub> equivalent emissions potential in each type of fuel or greenhouse gas should be assessed to begin to lower what are now dangerously high CO<sub>2</sub> emissions. The yearly increase in carbon fees, including other greenhouse gases, shall be at least \$10 per ton of CO<sub>2</sub> equivalent each year, with the provision that the annual increase will be \$15 per ton of CO<sub>2</sub> equivalent if statutory goals are not met; and

**WHEREAS**, the Energy Innovation and Carbon Dividend Act of 2021 (H.R.2307) specifies that, in order to protect low and middle income citizens from the economic impact of rising prices due to the carbon fee, equal monthly per person dividend payments shall be made to all American households (one-half payment per child under 19 years old) each month from the fossil fuel fees collected. The total value of all monthly dividend payments shall represent 100% of the net carbon fees collected per month; and

**WHEREAS**, the Energy Innovation and Carbon Dividend Act of 2021 (H.R.2307) encourages 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; and

**WHEREAS**, the Energy Innovation and Carbon Dividend Act of 2021 (H.R.2307) will lead to a decrease in America's CO<sub>2</sub> emissions of 37 percent in five years relative to a 2005 baseline, based on projections from Resources for the Future, and will preserve national employment; and

**WHEREAS**, border adjustments - carbon content-based levies on emissions-intensive products imported from countries without comparable carbon pricing, and refunds to our exporters of carbon fees paid - can maintain the competitiveness of U.S. businesses in global markets; and

**WHEREAS**, a national carbon fee can be implemented quickly and efficiently and will respond to the urgency of the climate crisis because the federal government already has in place mechanisms, such as the Internal Revenue Service, needed to implement and enforce the fee, and already collects various other fees from fossil fuel producers and importers; and

**WHEREAS**, a national revenue neutral carbon fee would make the United States a leader in mitigating climate change and in the clean energy technologies of the 21st century and would provide incentive to other countries to enact similar carbon fees, reducing global CO<sub>2</sub> emissions without the need for complex international agreements.

**NOW, THEREFORE, BE IT RESOLVED** that the Mayor and City Council of the City of Winston-Salem urges the United States Congress to enact the Energy Innovation and Carbon Dividend Act of 2021 (H.R.2307).