

**Date:** January 26, 2018

**To:** Durham County Commissioners

**From:** Durham Environmental Affairs Board

**Subject:** Resolution Supporting a Transition to Renewable Energy, the Creation of Green Jobs, and a Federal Price on Carbon

## **Background**

### Renewable Energy Transition

A representative from a local citizens group, Amanda Robertson, brought to a joint session of Durham's elected City and County leaders a request for Durham's local governments to pass resolutions in support of a transition to renewable energy. Commissioner Heidi Carter recommended the proposal to the EAB for consideration, and Tobin Freid, Manager of Sustainability for the City and County of Durham, presented on the topic.

The proposal called for a transition to 100% renewable energy by 2050 and a stepping stone of 80% renewable energy by 2030, with methodology drawn from the [North Carolina Climate Solutions Coalition](#). To date, some version of this resolution has been passed by the following North Carolina municipalities: Orange County, Town of Hillsborough, Chatham County, City of Asheville, Town of Boone, Watauga County, Town of Sylva, Town of Webster, Town of Canton, Macon County, Town of Franklin, and the Town of Waynesville. Because local governments in North Carolina have limited control over energy sourcing, some communities chose to resolve only for the state and federal government to take action; others also set aspirations for their local governments.

### Fee and Dividend Policy

At the same time, the EAB heard a presentation from Don Addu, Southeast Regional Director for Citizen Climate Leaders (CCL), a nonprofit, non-partisan, grassroots advocacy organization focused on national policies to address climate change. Mr. Addu shared CCL's support for the [National Fee and Dividend Carbon Tax](#) in order to address global climate disruption caused by the consumption of fossil fuels.

The underlying assumptions of CCL's proposed approach are as follows:

- There is a scientific consensus that carbon dioxide emissions are the primary cause of global climate change, and agreement that climate change is a crisis demanding immediate measures to reduce its negative effects
- Climate change is a threat to public health, national security, food security, and business supply chains and societal costs of inaction are significant and outweigh the temporary economic impacts associated with the energy transition
- Assigning a cost to carbon dioxide emissions is one of the most efficient ways to discourage consumption of fossil fuels and encourage development of alternatives
- Transition from fossil fuels can be best accomplished with a market-based program, namely a revenue-neutral carbon fee and dividend

- A fee and dividend system would encourage consumers and the market to replace their consumption of carbon based energy with innovative energy sources, whether by being more efficient or choosing other, less carbon intensive energy sources

## **Discussion**

### Renewable Energy Transition

The Durham EAB debated the best approach at length. Fully recognizing the limits of local control (as highlighted by Tobin Freid), we considered whether to simply call on the state and federal government to act. We also debated whether to set more modest goals, at least for the 2030 milestone. Ultimately, we decided to recommend a local commitment to 100% renewable by 2050 and 80% by 2030 for two reasons:

1. We believe this transition needs to happen for Durham to do our part to combat climate change, create green jobs, and promote equity in our community
2. We believe there is strength in a unity of messages from communities across North Carolina to apply the pressure required for energy utilities and our state government to act

The EAB also made the decision to explicitly call upon our regulated utility, Duke Energy, to support this transition. This stemmed not only from the reality that Durham is almost wholly dependent on decisions made by Duke Energy and its investors for our energy mix, but also from our disappointment in Duke Energy's lack of vision and action in the face of the risks posed by climate disruption resulting from reliance on fossil fuels. Duke's short-sighted strategic plan, which only envisions a movement to 6% renewables by 2031, is a clarion call that local communities, businesses and non-profit organizations must band together and demand real change.

### Fee and Dividend Policy

The Durham EAB discussed the merits of a fee and dividend approach vs. other proposals at the national level to promote clean energy and reduce greenhouse gas emissions. Although we understand concerns about the revenue neutrality of a fee and dividend approach, we nevertheless recommend this approach for two reasons:

1. It would be a powerful tool to send the proper market signals that would bring about the shift to renewable energy and a low carbon future that we need
2. It has the sort of broad bipartisan support needed for success, and time is of the essence

## **Recommendation**

As a result of this background and discussion, the EAB humbly remits to Durham County Commissioners the "Resolution of the Durham City Council/Durham County Supporting a Transition to Renewable Energy, the Creation of Green Jobs, and a Federal Price on Carbon" for consideration, and urges it passing.