



# Fund the Solutions, Price the Pollution.

## AN EQUITABLE CLIMATE ACTION POLICY

Alliance for Jobs and Clean Energy | 2016

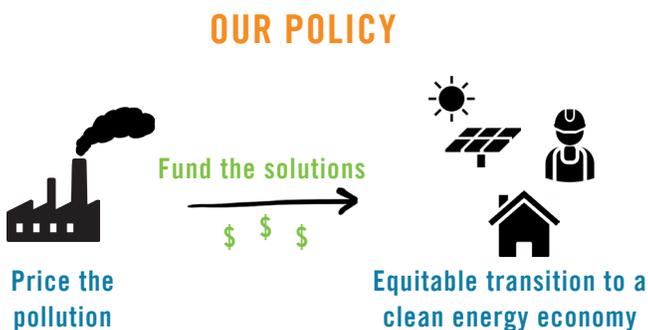
**Washington state can – and should – join the growing number of countries and regions acting to reduce carbon emissions and build a clean energy future.**

We must reduce greenhouse gas emissions to address the harmful effects of climate change in order to protect our health, communities, and economy. When we make the transition to clean, efficient energy we will grow our economy, creating a new wave of jobs and prosperity.

In Washington, a group of social justice, labor, faith, environmental and health advocates have used our collective experiences and values and built on existing policies to create what we believe is the most effective and equitable carbon reduction policy to date for transitioning to a clean energy economy.

Our policy will:

- Drive significant investment in clean energy, healthy forests, and water infrastructure—to reduce climate pollution more quickly and address the impacts of climate change in Washington.
- Fund these investments with a tax on climate pollution, which has a price that is linked to how well we are on track to meeting our emissions limits. These limits will be based on best available science in order to contribute to achieving a healthy, stable climate.
- Bolster economic stability and equity in the transition to clean energy:
  - Ensure that communities hardest hit by pollution and climate change receive a significant share of clean energy, forest, and water investments.
  - Provide financial assistance to low-income families to make low-carbon options realistically available and accessible to all.
  - Provide support to workers and communities during the transition to a clean energy economy.
  - Keep energy intensive and trade exposed industries in the state, rather than driving their business and pollution elsewhere.



The Alliance for Jobs and Clean Energy believes that by doing these things we can reduce carbon emissions, grow our economy, rebuild and enhance our essential infrastructure, incentivize business innovation, grow family wage jobs, improve our region's health, and protect the invaluable ecosystems of our state.

# FUND THE SOLUTIONS

## INVESTMENTS IN CLEAN ENERGY, CLEAN WATER, AND HEALTHY FORESTS

- 70% of investment funds will promote the transition to a clean energy economy, incentivizing carbon reductions and supporting clean energy projects like transportation electrification, energy conservation, solar and wind power, smart grid, resilient infrastructure, and more.
- 20% of investment funds will promote clean and abundant water and improve resilience from expected climate impacts.
- 10% of the investments funds will promote healthy forests that absorb carbon emissions and are more resilient to wildfire.

In making investments, we believe that jobs created through this policy should be high quality, family- and community-sustaining jobs. To achieve this, our investment decisions will be based on labor standards criteria that provide prevailing wage rates, apprenticeship and pre-apprenticeship utilization standards, use of domestic content whenever practicable, and use of community workforce agreements to prioritize local hire.

Revenue Allocation & Investment



- Working families tax rebate, EITE, and workers fund
- Clean energy economy investment
- Clean water investment
- Healthy forests investment

# PRICE THE POLLUTION

## A PERFORMANCE-BASED CARBON TAX

To help internalize the true cost of greenhouse gas emissions, this policy implements a carbon tax with a performance-based escalator that will, alongside investments, achieve our emission reduction obligations. That means if Washington remains on track for its climate goals, the tax will not go up. If we fall short, a small escalator will ensure that we can grow our investments – and the jobs they create – to accelerate the transition to clean energy.

Right now, the public is responsible for bearing the costs of carbon emissions – including public health impacts in frontline communities near emitting facilities. A carbon tax will better account for the true costs of carbon into the economy and support investments that help drive the transition to clean energy alternatives.

## PROTECTION FOR ENERGY INTENSIVE AND TRADE-EXPOSED BUSINESSES

This policy will include compliance flexibility for Energy Intensive and Trade-Exposed businesses, which will receive rebates to offset their compliance costs, ensuring that Washington's clean industrial sector can continue to thrive here instead of sending jobs and emissions elsewhere. These rebates will be maintained as long as deemed necessary to achieve that goal, and may be retained for longer by highly-efficient businesses.

# AN EQUITABLE TRANSITION FOR ALL OF WASHINGTON

## PROTECTION FOR DISPROPORTIONATELY IMPACTED COMMUNITIES AND WORKERS

Communities of color and low-income communities are most directly impacted by pollution and climate change. Such communities are often closely clustered around roadways and other sources of emissions, with higher rates of asthma and respiratory problems. These communities are also most directly affected by climate change, including drought and forest fire impacts in rural and agricultural areas. Mitigating these impacts will require investment in a wide array of projects and adaptations.

Thirty-five percent of investments will be targeted to highly burdened communities, which, combined with the rebate program, will mitigate impacts on low income communities and individuals.

The policy will also create an Equitable Transition Fund to provide income, benefit, peer counseling, and retraining support to impacted workers plus support for communities that experience closures and job loss. Revenue will be diverted for this fund prior to determining investment fund allocation amounts.