Growing the Economy with Carbon Pricing

Vermont Businesses for Social Responsibility

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Vermont Businesses for Social Responsibility (VBSR) is a non-profit, statewide business trade organization with a mission to advance business ethics that value multiple bottom lines- economic, social, and environmental.

We strive to help members set a high standard for protecting the natural, human and economic environments of the state's residents, while remaining profitable. Founded in 1991, VBSR has more than 700 members across Vermont.

VBSR has a long history of supporting progressive and green taxation. The organization and our members believe that it makes economic sense to place higher taxes on negative activities (pollution, cigarettes, etc) and lower taxes on activities that do improve our economy and communities (sales, income, property, etc).

- Formed Vermont Fair Tax Coalition with partners such as Friends of the Earth, Vermont Natural Resources Council and the Vermont Public Interest Research Group in 1998 to advocate for a series of tax shifts.
- VFTC published "Tax Reform that Agrees with Vermont" in 1999 that called for a tax shift by increasing the state gas tax and lowering property taxes.
- Follow-up report in 2004 recommended annual dividend checks to low and moderate income Vermonters, refunds for Vermont businesses, and major investments in public transportation.

Climate Change is a threat to our economy and our environment.

- Iconic Vermont industries like the maple syrup, dairy, and winter recreation industries are at risk from climate change.
- Vermont's brand is based on being a green and clean state – our continued reliance on fossil fuels undermines that reputation.
- Extreme weather events such as the flooding from Tropical Storm Irene – which caused $733 million in damages here in Vermont and $14.3 billion in the United States – will become more common and frequent.

Putting an appropriate price on carbon pollution and investing in clean and local energy can grow the economy.

- Vermont spends nearly $2 billion each year on fossil - money and jobs going right out of the state.
- As a market mechanism, carbon pricing allows businesses to lead the way in the clean energy transition through innovation and enterprise. An

appropriate price on carbon is an incentive for businesses to reduce fossil fuel use and become more innovative in business techniques.

- Clean energy jobs are among the fastest growing sectors in – totaling 17,000 in Vermont.

- More than 500 businesses have signed the Energy Independent Vermont pledge in support of a state-based price on carbon.

Black River Produce in Springfield, Vt. employs 200 people, picks up produce from 500 farms each day, distribute food to 2,500 customers, and buy 1,200 gallons of diesel fuel each day. The company supports putting a price on carbon pollution in Vermont.

"We expect our growers to farm their land in a sustainable manner even though it may not be immediately cost effective. They should expect the same from us."
– Mark Curran, BRP co-founder

Absence of a state or national price on carbon, socially responsible businesses have begun taking steps to implement their own internal pollution pricing mechanisms and work to reduce their fossil fuel footprints.

Ben & Jerry's Ice Cream implemented an internal carbon fee of $10 metric ton of emissions in December 2015 with the goal of reducing company emissions by 80% by mid-century. The company conducted a life cycle analysis of ice cream production – from lights in the offices to freezers for the ice cream. Dairy production is the biggest contributor to the emissions related to ice cream production and Ben & Jerry's has worked with farms to begin helping them reduce their own fossil fuel footprint.

Seventh Generation created an internal pollution fee of $12 per ton in November 2015. Revenue is used to fund energy efficiencies, purchase renewable energy, and to provide employees with financial assistance to do energy efficiency work at their own homes.

In an effort to reduce the carbon footprint associated with their commuting workforce, **AllEarth Renewables** launched a Green Benefits Program for employees. Each employee is given a carbon reduction allowance of $6,000. The cost of the employees' carbon footprint is reduced from that number and the employee keeps that remainder at the end of the year. The average return per employee each year is $2,000.

Prioritize rural and low-income Vermonters
VBSR believes it is essential that any carbon pricing plan take into account Vermont's rural nature and geography. Also, it is a cruel irony that those least responsible for carbon pollution – the poor -- are those ones worst impacted by climate change. Low-income Vermonters use fewer fossil fuels than their wealthier neighbors.

The ESSEX Plan, a proposal by VBSR members, addresses these dynamics by structuring the paybacks in a method that eliminates the usual regressivity of a stand-along carbon charge. The pollution fee is paired with significant electric rate reductions and targeted rebates for low-income and rural Vermonters. All funds are returned to Vermont ratepayers.

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