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Steven E. Letendre, PhD testimony before the House Committee on Natural Resources, Fish & Wildlife

**Topic:**

Legislative Initiatives to Implement or Study a Carbon Pricing Policy

**Employer:**

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**About Steve:**

- Professor of Economics and Environmental Studies, Green Mountain College
- Environmental Economics Instructor Distance Learning, Vermont Law School
- Independent Energy Consultant
- Author and Speaker

**Purpose:**

To explore the economics of pricing carbon, and to discuss why Green Mountain College endorsed national and state-wide efforts to place a price on carbon pollution

**The Imperative to Transition to Low Carbon Energy Sources**

- Energy-related greenhouse gases (GHG) account for over 80% of total U.S. GHG emissions.
- Energy efficiency and switching from fossil fuel energy sources to low or zero carbon forms of energy is essential to reduce energy-related GHG emissions.
- GHG emissions and other pollutants from fossil fuel combustion impose real costs on society today and on future generations not reflected in prices.

**Energy Markets & Pricing Carbon**

- Prices in energy markets fail to incorporate the real environmental costs of carbon pollution, resulting in what economists call market failure.
- Economists overwhelmingly support market-based approaches to reduce carbon emissions from the energy sector thus leading to more efficient market outcomes.
- Employment and economy-wide impacts of carbon pricing policies likely neutral or positive.

**GMC's Support for Carbon Pricing**

- Green Mountain College has been committed to environmental sustainability for over two decades, and has received numerous awards and recognitions for our leadership.
- GMC replaced its oil-fired steam plant in 2010 with a biomass wood chip plant that now provides over 85% of our annual heating needs, invested in solar and efficiency projects, and achieved climate neutrality in 2011. We were the second college in the nation to achieve this goal, and the first to do so through a significant reduction in on-site emissions and the purchase of quantifiable local carbon offsets.
- A student led initiative resulted in GMC's official endorsement of national and state-wide climate pricing programs that do not place an undue burden on middle- and low-income households.