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Protect Our Common Wealth
A Program of Berkshire Environmental Action Team

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COMMENTS ON TCI FRAMEWORK DRAFT OF REGIONAL POLICY

Please accept the following comments to DOER from No Fracked Gas in Mass (NGFIM) & the Berkshire Environmental Action Team (BEAT). BEAT works to protect the environment for wildlife in support of the natural world that sustains us all. No Fracked Gas in Mass works to stop the expansion of fossil fuel infrastructure in the Northeast states and to promote energy efficiency and sustainable, renewable sources of energy and local, permanent jobs in a clean energy economy.

Setting an Emissions Cap that Aligns with Emissions Reductions Deemed Necessary by Scientists

In 2018, the Intergovernmental Panel on Climate Change (IPCC) published a report on the impacts of global temperatures rising above 1.5°C pre-industrial levels. This report showed that the impact of temperature rising above 1.5°C would be devastating and must be prevented.

The IPCC states that "[i]n model pathways with no or limited overshoot of 1.5°C, global net anthropogenic CO2 emissions decline by about 45% from 2010 levels by 2030 (40–60% interquartile range), reaching net zero around 2050 (2045–2055 interquartile range)."[1] Given that the other pathways rely on technologies that have not yet proved viability at the scale required, the NFGIM and BEAT call on the TCI to set the emissions cap to levels that align with the IPCC's findings and prevents temperatures from rising above 1.5°C.

Include Biofuels and Alternatives in the list of Affected Fuels

BEAT and NFGIM supports the inclusion of biofuels under TCI jurisdiction. While there is evidence that biofuels reduce the amount of carbon dioxide emitted from combustion[2] - meaning direct emissions - when accounting for indirect emissions such as land-use change and nitrogen emissions from fertilizers, the benefits of biofuels are not clear and are variable on a case by case

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[1] Intergovernmental Panel on Climate Change (IPCC), Global Warming of 1.5°C: Summary for Policy Makers, pg 15, C1.1

[2] Chen et al., *Life cycle energy and greenhouse gas emission effects of biodiesel in the United States with induced land use change impacts*, Bioresource Technology, (March 2018) https://tinyurl.com/y4y726p8

basis.[3] Therefore, if biofuels are not put within the TCI jurisdiction, the program will not have the ability to incentivize biofuel production to increase in efficiency and reduce emissions within that sector.

Furthermore, while it's market share is relatively small compared to conventional fuel, excluding biofuels in the TCI program will mean that their emissions are not accounted for in the emissions cap that the program set. This results in program leaks and inhibits the program's ability to comprehensively reduce emissions generated from the transportation sector.

Implementing a Price Floor

A cap-and-trade program is subject to considerable volatilities in price. If prices fall too low, in some cases the incentive to reduce emissions is negligible. In order to combat this, BEAT and NFGIM recommend that the TCI contain a price-floor that is high enough to ensure that the market incentivizes rapid emissions reductions in the transportation sector. In order to do this, "the regulator would buy allowances (and remove them from circulation) whenever the floor price is reached, thereby preventing prices from falling further."[4]

Restricting the use of Set Asides and Banking

While BEAT and NFGIM recognize the benefits of instruments like set-asides and banking, we are wary of their overuse which may result in the weakening of the TCI program. This is especially a concern if the TCI sets emissions caps at levels above what is deemed necessary by scientists to keep global temperatures from rising above 1.5°C. If the cap is not at a level that is sufficient to achieve this goal, then there should be no instrument that allows for more leniency on that emission level.

Respectfully submitted,

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[3] Intergovernmental Panel on Climate Change, *Climate Change 2014: Mitigation of Climate Change, Chapter 8*, pg 616 https://tinyurl.com/y3ekan78

[4] Goulder, Lawrence, *Markets for Pollution Allowances: What are the (New) Lessons?,* The Journal of Economic Perspectives, Vol. 27, No 1 (2013), pg 95