

# Energy Innovation AND Carbon Dividend Act

## THE BIPARTISAN CLIMATE SOLUTION

H.R. 763

### Purpose

To create a healthier, more stable, more prosperous nation by driving down America's carbon pollution and unleashing American technology innovation and ingenuity.

### Projected Benefits

- Creates 2.1 million net new jobs over the next 10 years.
- Deploys private capital and American innovation to advance clean energy technologies.
- Reduces U.S. carbon emissions by at least 40% in the first 12 years, and by 90% by 2050.
- Improves health and saves 295,000 lives through 2030 through better air quality.

### Major Policy Components



**Carbon Fee** – A gradually-rising upstream fee on the carbon content of fuels.

- Purpose: Creates market-driven demand for cleaner energy technologies. Reduces U.S carbon emissions by correcting market distortions.
- Details: Assessed once, upstream. Starts at \$15 per metric ton of CO<sub>2</sub>e, increases \$10 each year. Exemption for military and agricultural fuels and non-emissive uses. Rebate for carbon capture and sequestration.
- Hydrofluorocarbons: Fee also assessed at 10% of Global Warming Potential on fluorinated gases.



**Carbon Dividend** – Allocates 100% of net revenues to the American people.

- Purpose: Protects people and stimulates local economies. Maintains revenue neutrality. Rebate offsets cost increases for most Americans.
- Details: Equal share to adults with SSN or TIN, half share to minors. Administered by Treasury. Admin costs not to exceed 2%. One-month advance payment.



**Border Carbon Adjustment** – Carbon intensive imported goods and fossil fuels pay border carbon adjustment if country of origin does not price carbon. Exported goods and fossil fuels receive refund.

- Purpose: Ensures competitiveness of American manufacturing, eliminates incentive for companies to move manufacturing overseas. Creates economic incentive for all nations to price carbon.
- Details: Designed for WTO compliance.



**Regulatory Adjustment** – Prevents additional regulations on covered CO<sub>2</sub> emissions as long as emissions targets are being met. If emission targets are not met after 10 years, then EPA regulatory authority over these emissions would be restored.

- Purpose: To avoid redundant regulation on certain greenhouse gases.
- Details: Selective - affects only certain GHG regulatory authority.
- CAFE vehicle efficiency standards, methane, mercury, and particulate regulations remain in place.
- If cumulative emissions targets aren't hit after 10 years, regulatory authority restored.