

LETTER REVIEW COVER SHEET

(To be reviewed by the Governor's office)

*OK, with
edits attached.*

Today's Date: August 21, 2014
From: Commissioner David Cash, MassDEP
Vetted by: Victoria Maguire, Director of Policy
Reviewed by legal, legislative affairs and press
Re: Signing of *Putting a Price on Carbon* Statement
Deadline: August 25, 2014
Return to: Victoria Maguire

You have received a request from Jens Stoltenberg, the UN Secretary-General's Special Envoy on Climate Change to sign a statement entitled *Putting a Price on Carbon*. Mr. Stoltenberg's letter asks you to sign on to the statement given the leadership Massachusetts has shown on this issue. Your support for the statement will be expressed through an online entry and not through a hard copy letter. The statement will be launched at the 2014 Climate Summit to be held in New York in September.

MassDEP offers the following suggested response to be included with your "signing on" to the *Putting a Price on Carbon* statement:

"Please share why your organization supports a price on carbon"

By putting a price on carbon through our emissions trading program, we send the right signal to the market -- more efficient and lower GHG emitting sources will be rewarded. Also, by pricing carbon through a trading program that auctions emission allowances, we use revenue from the auction to provide added benefits to ratepayers by investing in energy efficiency and other clean energy programs. The result is environmental protection, emission reductions and significant economic benefits.

"Please describe briefly why your organization is a climate leader"

At the beginning of my administration we began maximizing the economic and environmental benefits of addressing climate change. We changed how the Massachusetts energy system worked, reformed regulations and provided the right incentives. The results have been impressive: 8 years ago, there were 3MW of installed solar power – today there are ~~over 500MW~~ in Massachusetts; 8 years ago, there were 3MW of installed wind power – today there are over 100MW; we have tripled our investment in energy efficiency, saved ratepayers billions of dollars and have been ranked #1 in the country in energy efficiency for three years. Today there are over 5,000 companies and over 80,000 people employed in the clean energy economy in our state, and for the last 4 years, clean energy job growth has been between 6% and 12% per year.

ready
600 MW

employing

National and sub-national jurisdictions, businesses and other stakeholders have been invited to sign the statement which includes, in part, the following pledge: "Governments pledge to work with each other and companies pledge to work with governments toward the long term objective of a carbon price applied throughout the global economy."

Attached please find the letter from United Nations Secretary-General Special Envoy on Climate Change Jens Stoltenberg received on July 1, 2014. Also attached, the full text of the *Putting a Price on Carbon* statement.

United Nations  Nations Unies

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Dear Governor Patrick,

Oslo, 13 June 2014

I am reaching out to you in my capacity as the United Nations Secretary-General's Special Envoy on Climate Change.

In September, the UN Secretary-General will host a Climate Summit in New York with leaders from Government, civil society and the business and finance communities to build political momentum and raise the level of ambition for climate action ahead of a global, legal climate change agreement in Paris next year. We are encouraging countries to present their national and global climate vision for the future, and to bring bold announcements of national action and ambition as well as collaborative actions on concrete deliverables.

I am sending you this letter also to encourage you to support the statement on *Putting a Price on Carbon*, in particular to be launched at the 2014 Climate Summit on 23 September in New York, as one of the key collaborative actions.

This is an area where your State is showing leadership. Your initiative to price carbon emissions is impressive, and inspiring to others.

By supporting this statement you will join a growing coalition of countries, sub-national jurisdictions, and companies who through their own voluntary actions are signaling their support for carbon pricing as a necessary step to tackle climate change in the months and years ahead.

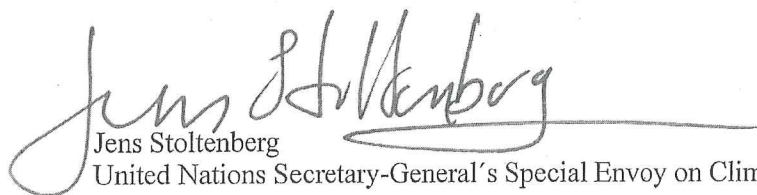
A carbon price provides the signal needed to move away from fossil fuel intensive policies and increase investment in low-carbon and resilient economic growth. Regardless of the mechanism used, carbon pricing should be part of any package of policies to address climate change.

The Hon.
Mr. Deval Patrick
Governor of Massachusetts

To signal support for the statement, please visit <http://www.worldbank.org/en/programs/pricing-carbon>

Should you have any questions on the carbon pricing statement, please do not hesitate to contact me, or my adviser Mr. Kjetil Lund (unclimateenvoy@un.org) or the 2014 Climate Summit focal point on this initiative, Mr. Patrick Verkooijen (pverkooijen@worldbank.org) directly.

Yours sincerely,


Jens Stoltenberg
United Nations Secretary-General's Special Envoy on Climate Change

STATEMENT
PUTTING A PRICE ON CARBON
JUNE 3, 2014

Climate change poses one of the greatest global challenges and threatens to roll back decades of development and prosperity.

The latest report from the United Nations Intergovernmental Panel on Climate Change makes clear the importance of putting a price on carbon to help limit the increase in global mean temperature to two degrees Celsius above pre-industrial levels.

Depending on each country's different circumstances and priorities, various instruments can be used to price carbon to efficiently and cost effectively reduce emissions, such as domestic emissions trading systems, carbon taxes, use of a social cost of carbon and/or payments for emission reductions.

Governments are taking action. In 2014, about 40 national and over 20 sub-national jurisdictions have already implemented or scheduled emissions trading schemes or carbon taxes. Together, these jurisdictions account for more than 22 percent of global emissions. Many more countries and jurisdictions are advancing preparation for pricing carbon. Together, these represent almost half of global GHG emissions.

Corporations are responding. A growing number of companies are already working within carbon pricing systems and are developing expertise in managing their emissions. Others are incorporating greenhouse gas reduction targets in their business planning. In 2013, over 100 companies worldwide publicly disclosed to CDP that they already use carbon pricing as a tool to manage the risks and opportunities to their current operations and future profitability. Businesses see that carbon pricing is the most efficient and cost effective means of reducing emissions, leading them to voice support for carbon pricing.

The momentum is growing. Pricing carbon is inevitable if we are to produce a package of effective and cost-efficient policies to support scaled up mitigation.

Greater international cooperation is essential. Governments pledge to work with each other and companies pledge to work with governments towards the long-term objective of a carbon price applied throughout the global economy by:

- strengthening carbon pricing policies to redirect investment commensurate with the scale of the climate challenge;
- bringing forward and strengthening the implementation of existing carbon pricing policies to better manage investment risks and opportunities;
- enhancing cooperation to share information, expertise and lessons learned on developing and implementing carbon pricing through various "readiness" platforms.

We invite all countries, companies and other stakeholders to join this growing coalition of the working.

Expressing Support for the Statement

What does it mean to express support for the statement Putting a Price on Carbon?

Through the statement, to be launched at the United Nations Secretary-General's Climate Summit in September 2014, government, companies and sub-national jurisdictions are announcing their support for a price on carbon, demonstrating leadership by taking action, and encouraging others to join them.

Supporters will join a growing global coalition of first movers to put a price on carbon. The goal is for over 50 governments, national or sub-national, and hundreds of companies to stand up and be counted as supporters of this vital climate action.

Why do governments and businesses support putting a price on carbon?

Expressing support for Putting a Price on Carbon allows nations, cities, and provincial/state governments to add their voices to their peers' to show the growing global momentum toward incorporating the cost of carbon into low carbon resilient economic growth.

Business and government need to support one another in the climate policy arena. Governments need the insights and support of businesses to advance effective climate policy. Businesses need clarity and certainty from governments to invest and act on risks and opportunities in current and future markets. Expressing support demonstrates that business wants government to take action and vice versa.

How is the statement linked with other organizations and initiatives advocating for a price on carbon?

The statement on Putting a Price on Carbon is supported by a coalition of forward-looking business organizations and builds on previous communiqués and commitments by uniting them under a common statement that is also supported by governments.

How can my organization express support?

Supporters are not asked to "sign" the statement, but rather to "express support." Organizations can express support for the statement by sending an email from an authorized representative to the World Bank Group. The names of confirmed supporters will be added to the website and to related communications.

Supporters will be featured at the UN Secretary-General's Climate Summit in New York in September and are welcome to send quotes describing their efforts to advance and implement carbon pricing.

Officials interested in receiving more information, or to express support for the statement, may contact: Patrick Verkooijen (pverkooijen@worldbank.org) or Tom Kerr (tkerr@ifc.org) at the World Bank Group.

More details, including background notes on public and private leadership in pricing carbon, can be found at: <http://www.worldbank.org/en/programs/pricing-carbon>