Soon, Oregon Polluters May Have to Pay Residents for Changing the Climate

*A group of activists in Oregon wants polluters to pay residents for using their air. I spoke with Camila Thorndike, director of Oregon Climate, about this unusual effort to put a price on carbon.*

Protecting the environment is something we often equate with penance—turn the thermostat down and shiver a little; deny yourself peaches when they’re out of season; give up the car to endure a lousy public transit system. A group of activists in Oregon, though, has another idea. They want to pay Oregonians for helping to stave off climate change.

I recently spoke with Camila Thorndike, director of the advocacy organization Oregon Climate, which is leading an unusual effort to
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That’s an infectious idea. Not only would it give polluters a reason to cut back, but each dividend check would also remind Oregonians that the air is their common inheritance. The dividend would meanwhile make up for increased energy costs during the transition to more sustainable sources. Except for the highest-income earners, who tend to pollute more than others, projections suggest that most Oregonians would come out ahead.

Oregon Climate’s price-and-dividend proposal comes at a time when interest in the idea of distributing a guaranteed income to all is spreading, from the labor movement to Silicon Valley and from the Dutch city of Utrecht to the entire country of Finland. Chronic wealth inequality and underemployment suggests to many that a consistent level of automatic income should be as universal an inheritance as the sky. A carbon dividend, therefore, seems a fitting way to start.

Confronting climate change also means confronting the social injustices it exacerbates. In his recent statements on the environment, for instance, Pope Francis called for an “integral ecology” that takes seriously the interconnections between care for the planet and care for fellow human beings. Oregon Climate’s price-and-dividend scheme is an attempt to do just that.

This interview has been lightly edited.

**Nathan Schneider:** Why have you chosen to support price-and-dividend over other carbon-control strategies?

**Camila Thorndike:** After over 10 years of climate activism, I believe that if we don’t go to the root cause of a crisis like climate change, we won’t solve it. For decades now, we’ve been tinkering around the edges of the core issue, which is that we’re not taking responsibility for the true costs of fossil fuels. This is a classic case of market failure. Right now it’s obvious that the costs of climate change are astronomical—in the form of hurricanes and wildfires and lost productivity—but we still don’t have a price on carbon. Energy
prices are basically lies right now because we know that clean energy is the most economical and healthful decision, but it doesn’t pencil out because polluting forms of energy are artificially cheap. We need a price on carbon to ensure that prices reflect honest information.

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We’re also not going to the root if we’re not in it together. That is why we need to share the benefits and provide compensation for climate damages to everyone. Without a shared dividend, the increased cost of dirty energy could foment some sort of revolt. We need to become committed to full freedom from fossil fuels, and the dividend will provide a glide-path for households and individuals who face an increased cost of energy.

Schneider: The Alaska dividend model—which paid out more than $2,000 this year to all residents—has the effect of buying everybody into fossil-fuel extraction by sharing the revenues. What does your plan buy Oregonians into?

Thorndike: The Alaska Permanent Fund proves that universal stakeholdership can be a durable policy. Any carbon price will generate funds that politicians use to buy someone off—we just think that voters, not special-interest lobbyists, should be at the top of the list. Currently, there’s nothing easier for a politician to run on than refusing to raise gas prices. This makes it next to impossible for our elected leaders to sell planetary survival, except to obsessed climateers like myself who might be willing to take upon ourselves a direct sacrifice. I want to arm those who want to address climate change with the same political tools that the opposition has wielded so effectively for decades.
Schneider: If this proposal were to pass, what would Oregonians be seeing?

Thorndike: We’ve proposed two approaches—one that caps carbon altogether, and one that levies a fee. It’s a little bit harder to calculate under a cap than a fee, but, for instance, a fee of $30 per ton of carbon would be about $500 per Oregonian.

Schneider: Per year?

Thorndike: Right. That $30 fee, with $10 added each year, correlates to the emissions-reduction schedule proposed by the International Panel on Climate Change, which gets us 80 percent below 1990 levels by 2050. At that rate, the dividend could increase to over $1,300 per year.

Schneider: How did you come to the idea of price-and-dividend?

Thorndike: It’s not my idea. I’m just a fan. That’s the beauty of the carbon-dividend movement: It is supported by so many luminaries and experts across the world. The entrepreneur and writer Peter Barnes is a major influencer in this field, and his work introduced me to the idea that we all equally own the sky and the mineral resources below the earth. To the extent that we recognize our ownership, it’s messed up that certain private entities should be able to treat the entire atmosphere like a dumping ground. We all take our trash to the curb and pay a fee for that, but major polluters don’t pay anything for polluting and destroying a public asset.

When we put a price on carbon, that enshrines into law the fundamental idea that we need to take responsibility for our shared world. A dividend check helps make us all stakeholders in the sustainability and management and stewardship of our future.

Schneider: What lessons have you drawn from cap-and-trade experiments in Europe and California, for instance?

Thorndike: There’s a lot of skepticism around cap-and-trade, and people are right to be skeptical because offsets can be problematic. But my critique of any existing cap-and-trade system isn’t a critique of market-based mechanisms, just of special interests that carve out exemptions for themselves.

Like a carbon fee, cap-and-trade systems make large polluters
This country needs a state to take up the mantle of a true climate solution. Businesses need to know that the game they’re competing in isn’t rigged.

In Europe, another problem is that the cap has been kept too high. We need the political will to decrease that cap to the levels that the best science informs us is necessary.

We at Oregon Climate believe that if you don’t enact a carbon-pricing mechanism that builds political will, then it’s just a pretty law on a piece of paper. But if we return the revenue from the cap or the tax through a dividend, then all of us are playing this game of racing to the top, because we’re looking to save as much of our dividend as possible.

Schneider: Why Oregon, and why now?

Thorndike: Oregon has a living legacy of conservation. It goes back to a Republican governor, Tom McCall, who passed the Bottle Bill, which reduced litter with a buyback program. In a way, this is our generation’s Bottle Bill. And even though it has been a while since Oregon has done anything remarkable for the environment, we continue to export models to other states. This year, California passed a death-with-dignity bill after our example. And the Motor Voter Act enfranchised hundreds of thousands of new voters by updating or automatically registering anyone who interacts with the DMV.

Now, this country needs a state to take up the mantle of a true climate solution. Without that model at the state level, Congress might not do anything at all. The Clean Air Act was modeled after California’s example; Romneycare preceded Obamacare; even Social Security has roots at the state level. We don’t have fossil-fuel extractors in our state, so our political landscape is relatively free from their direct influence. Also, we’re part of the West Coast carbon-pricing bloc, where from California to British Columbia a vision has been worked on for many years at the gubernatorial level to have a unified system.
A carbon price could potentially raise a lot of revenue for the state.

Schneider: What industries would be most affected by this cap?

Thorndike: We have two major utilities; PacifiCorp relies more on coal power than PGE and some other utilities, which have a bit more of a hydro mix. The other significant fraction comes from vehicles on the road. There’s a diminishing manufacturing sector. But really what we have in Oregon is a potential Saudi Arabia of clean energy. From the coast up to the arid high desert, there is every kind of renewable energy resource that you can imagine, from tidal to geothermal to abundant wind and solar—maybe even algae biofuel. But there’s no level playing field for those energy potentials to be realized as long as they have to compete with dirt-cheap oil from the Middle East.

Schneider: What strategies have you been using to implement price-and-dividend?

Thorndike: We’ve been focusing on the legislature largely because, at least in theory, it’s easier to persuade 90 decision-makers than millions of voters. We began Oregon Climate in 2013 with an art-project-turned-lobby-day for a price-and-dividend policy. There was such a positive response both from volunteers who showed up and the legislators who met with them that we started seeing the potential for bipartisan support. At the end of the 2013 session, we contributed to the passage of a carbon-pricing study bill to look at what this kind of policy would mean for Oregon’s economy.

In 2014 we wrote two bills—fee-and-dividend and cap-and-dividend—and we introduced those in both chambers during the 2015 legislative session. We organized and mobilized our volunteer network to fill not one but three overflow rooms with folks from hundreds of miles away, across the state. The public support for this kind of carbon pricing was overwhelming. We’re now teeing up for the likely passage of at least the cap element in the 2016 short session or, if not then, certainly in the 2017 session.

Schneider: Just the cap? Not the dividend?

Thorndike: It’s not our preference to approach this in a piecemeal fashion, but we are determined to get it done. And that may mean having to disaggregate elements of the bill.

A carbon price could potentially raise a lot of revenue for the state,
and we have a lot of programs in Oregon that could do wonderful things if they had that revenue. Right now, the legislators most enthusiastic about carbon pricing are eager to use the money. There’s a lot to love about that, but we think carbon is different—because we really do have to get to zero carbon, which would mean zero revenue.

Schneider: What supporters are rallying behind you, and what are you finding yourself up against?

Thorndike: I’ve been really excited to see the interest from the universal basic income movement, of which I knew very little until recently. There’s a natural pairing here. If we look at the history of how civilizations have failed, there is a pattern of wealth accumulation among the elite. If nobody feels ownership of our shared world, then they have no reason to caretake. With a dividend, we can foster universal stakeholdership while tackling our growing income inequality.

Meanwhile, there are divisions in the environmental movement along the lines of how big the government should be. As a millennial who prioritizes planetary survival above maybe any other hot topic, I’m attracted to an approach that sets the carbon price in a revenue-neutral way so we don’t need to become caught up in those divisive politics.
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