

National Community Action Foundation
National Consumer Law Center *for its low-income clients*
Public Citizen
Friends of the Earth

FAIR CLIMATE CHANGE POLICY:

Principles for Protecting Low- and Moderate- Income Consumers from the Costs of Climate Change Policy and for Re-building Their Communities

The United States must meet its obligation to promote the common good of all peoples and reduce its greenhouse gas emissions; the policy framework for this change must fairly share the immediate economic costs and future benefits of change. It must ensure that vulnerable populations do not suffer greater hardship as a consequence of the policy.

Policies to address climate change through mechanisms that raise the price of carbon will directly raise the price consumers pay for the use of energy and transportation and indirectly raise costs for other products and services, such as food and medical care. Legislation must ensure that low-income individuals and families do not find the cost of basic necessities to be even further beyond their reach than before.

New climate change policies should be designed, implemented and governed based on the following principles:

THE DESIGN of any climate change mitigation policy that raises the cost of energy and other essential consumer goods must be fair to all Americans. Climate change policies must:

- Ensure that all consumers can afford the quantities of residential and transportation energy that meet their basic needs;
- Ensure that no households experience economic insecurity as a consequence of climate change policies;
- Ensure that vulnerable consumers who lack the capital or credit to reduce or eliminate their use of carbon-based energy in their homes and vehicles have access to cost mitigation programs such as weatherization, energy efficiency programs and clean energy technologies;
- Ensure that disadvantaged communities have access to a fair share of any funds designated for investments in infrastructure such as green homes and buildings, renewable energy technologies and easy access to low-emissions transit.
- Ensure that emissions of greenhouse gases are subject to regulation by government acting for the public and that any value created by the regulation belongs entirely to the public.

THE IMPLEMENTATION of programs, policies and investments that achieve these goals will include resources that are sufficient in size, distributed in proportion to the anticipated impact of cost increases, and available to affected low-income families and communities in a timely and efficient manner, as follows:

- **Adequate resources:** Funding must be adequate to hold low-income consumers harmless against costs resulting directly or indirectly from the climate change policy. Policies should reduce the burden of fuel prices to affordable levels, and support complementary policies,

including significant reinvestments that adapt low-income homes, community facilities and equipment to a low-carbon economy.

- **Proportional Distribution:** The resources for mitigating costs and adaptation must be distributed in *direct* proportion to the economic burdens of climate change policies on vulnerable consumers and communities and in *inverse* proportion to their ability to afford energy and to make investments in sustainable buildings, equipment and community improvements.
- **Timely Distribution**
 1. Investments to prevent harm due to rising energy costs and changing climate conditions such as the low-income weatherization program must begin in advance of the time that added costs will be incurred;
 2. Funds that mitigate harm from loss of purchasing power and unaffordable bills for energy and transportation fuel must be delivered in the period when the damage is sustained; and
- **Efficient Distribution:** Assistance to vulnerable consumers must be managed through proven, efficient program mechanisms such as LIHEAP, the Weatherization Assistance program, EITC, and Social Security, provided that such programs are administered so as to distribute these resources proportionately and timely.

THE GOVERNANCE of climate change regulation and investment policy must be fair and responsive to emerging conditions. Governance mechanisms authorized must have sufficient flexibility to allow for adjustments and policy changes to be considered over the lifetime of any Greenhouse Gas regulatory framework.

- An entity governed by Directors who represent the interests of rural and urban low income consumers must be established to direct, oversee and report to the President and Congress on the operations and impact of programs for low- and moderate income consumers and for redeveloping communities that are authorized by climate change legislation. It should:
 - Develop standards for the distribution of funds and other resources intended to mitigate cost impacts on low-and moderate-income consumers and for reports on the uses of those resources, and
 - Develop strategies for integrating resources for sustainable re-development of low- and moderate-income communities, and
 - Evaluate and make recommendations regarding the effectiveness of the programs to mitigate adverse impacts of climate change policy on vulnerable consumers;
- All entities established to administer resources to implement climate change policies should follow clearly defined procedures for thorough and transparent public reporting of all transactions and uses of funds, and for full compliance with federal regulations for fiscal accountability.

Supporting Organizations 11/01/08:

State and Regional:

Community Action New Mexico, Connecticut Legal Services, Inc., Greater Hartford Legal Aid (CT), Iowa Community Action Association, Illinois Association of Community Action Agencies, Missouri Association of Community Action Agencies, Maine Community Action Association, Massachusetts Association for Community Action, Ohio Partners for Affordable Energy, Oklahoma Association of Community Action Agencies, Tennessee Association of Community Action Agencies, Wisconsin Association of Community Action Agencies, The Utility Reform Network (CA),

Local and Other Organizations:

Tri-CAP, Malden, MA; CAA of Somerville (MA), Inc., Democracy and Regulation (MA), A.W.I.S.H., Inc (WA)