



Union of Concerned Scientists

Citizens and Scientists for Environmental Solutions

Fact Sheet on HB 3668:

Climate Action and Clean Energy Investment Act

Pollution fees would generate \$800 million to \$4 billion per year* in much-needed revenue

What does the Act do?

The Climate Action and Clean Energy Investment Act (HB 3668), sponsored by State Rep. Elaine Nekritz, would limit heat-trapping emissions from large sources, including power plants and oil refineries. Businesses could buy emissions credits – each worth 1 ton of emissions – through a state-run auction that would cover the pollution they produce. Businesses would have the flexibility to choose the best mix of reducing emissions or buying credits. In this way, they would be able to use the power of the market to implement the most cost-effective emissions reductions. By putting a price on global warming pollution, it encourages investments in new low-carbon technologies.

The Act could raise \$800 million to \$4 billion annually in Illinois. Revenues raised from polluting businesses would go toward measures that strengthen energy efficiency, increase renewable energy use, preserve natural areas with plants and trees that store carbon dioxide, and other strategies that cut global warming pollution and generate new local jobs. The state could also use a portion of the revenue to shore up its budget. To put that revenue in perspective, the proposed \$.08 per gallon gas tax increase sponsored by Illinois House Speaker Michael Madigan would generate around \$500 million a year, and Gov. Pat Quinn's proposed income tax changes would generate slightly more than \$3 billion a year.

Under HB 3668, Illinois would transition to a federal program if and when one is adopted.

10 States Have Begun a Regional Cap and Invest Program; 12 More Planning for 2012

A regional cap and invest program went into effect January 1 of this year for ten Northeastern states (the Regional Greenhouse Gas Initiative, or RGGI) - the first of its kind in the U.S. The first allowance auctions were held last year, generating millions of dollars. Seven Western states have adopted a plan to implement a cap and trade program in 2012 (the Western Climate Initiative, or WCI).

Later this spring, Gov. Quinn and governors from five other Midwestern states are expected to sign off on a regional market-based program to reduce heat-trapping emissions. HB 3668 is designed to mesh with this regional program and would authorize Illinois agencies to work with their counterparts in other Midwestern states and elsewhere.

Why Support HB 3668?

- **If done right, good for the economy.** HB 3668 is one of 24 strategies recommended by the Illinois Climate Change Advisory Group.** An analysis of these strategies found lower energy costs and positive impacts on jobs and economic output.
- **Create a substantial new source of revenue to invest in the green tech revolution.** Millions of “green jobs” are expected to be created from the next generation of industries that produce and sell alternative fuels, export renewable energy, design high-tech energy efficiency solutions, and sell carbon emission reduction credits. This program provides the funds needed to jump start Illinois’ green tech sectors.
- **It may be years before the federal government acts.** Most everyone agrees that a federal cap and invest program is preferable to state and regional programs, and UCS believes it is imperative that Congress act. Despite President Obama’s support, a federal program may be years away while the “tipping point” to avoid devastating climate change impacts is approaching faster than previously anticipated.
- **Support the President’s climate plan.** For many years states have acted ahead of the federal government to tackle environmental problems in ways that serve as models for federal policy. There is no better way to advance the President’s climate proposal than by creating a program in Illinois that is modeled after his. Illinois can merge with the federal program once it is adopted.
- **The costs of inaction are high.** Illinois can expect reduced agricultural output, more urban heat waves, heavier rains, and increased flooding if global warming is unabated. Moreover, rising sea levels could displace hundreds of millions of people in low lying areas around the globe, creating widespread civil and economic disruption.

Supporting Organizations

League of Women Voters of IL, Sustainable Springfield, Inc., Advanced Energy Solutions, Inc., Community Energy Systems, Fox Valley Electric Auto Association, Faith in Place, Council of Islamic Organizations of Greater Chicago, Protestants for the Common Good, Project Irene, Rockford Urban Ministries, City of Evanston, City of Waukegan, Village of Hoffman Estates, Respiratory Health Association of Metropolitan Chicago, CNT Energy, Environment Illinois, Environmental Law and Policy Center, Illinois Environmental Council, Natural Resources Defense Council, Sierra Club, Union of Concerned Scientists, Illinois Stewardship Alliance, American Bottom Conservancy, Community Environmental Council of Macon County, Northwest Audubon Society, Prairie Rivers Network, Sustain Chicago.

For More Information:

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* Assumes a cap on at least 85% of emissions, 100% auction, and a price between \$3 and \$15/ton. Auction revenues will vary from year-to-year.

** 19 of the 24 recommended strategies were approved with no dissent. Five of the recommended strategies, including “cap and trade,” were approved by a majority of the ICCAG members but with some members dissenting. More information at www.epa.state.il.us/air/climatechange/.