



# **Green Business Engagement National Network**

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**Carrots vs. Sticks**

# Non-reliance disclosure

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- ▶ This presentation is only intended to provide a general outline of the subjects covered and to form the basis for future discussions. It should not be viewed as an opinion, nor should it be used in place of professional advice. Any analysis contained herein is preliminary and is based upon numerous factual assumptions. As such, it should not be regarded as comprehensive, nor should it be used in place of professional advice.
- ▶ The information in this presentation is solely for your benefit and may not be relied upon by any other person or entity; we have no responsibility to anyone in respect of the information contained herein.



# Agenda

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- ▶ Corporate response to climate change
- ▶ How can a sustainable business environment be fostered?
- ▶ The carrot: sustainability incentives
- ▶ The stick: carbon taxes
- ▶ Questions

# Corporate response to climate change





# Corporate sustainability headlines

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## Starbucks Raises \$500 Million With Its First Sustainability Bond

*Bloomberg* (16 May 2016)

## Why ExxonMobil is Supporting a Carbon Tax Now

*Fortune* (10 July 2016)

## How Dell Saved \$39.5 Million, Cut Carbon Pollution via Telecommuting

*Environmental Leader* (17 June 2016)

## Tesla and SolarCity Agree to \$2.6 Billion Deal

*The Wall Street Journal* (1 August 2016)

## JetBlue Makes Biofuels Deal to Curtail Greenhouse Gases

*The New York Times* (19 September 2016)

# Companies using internal price of carbon

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517

Already using internal carbon pricing

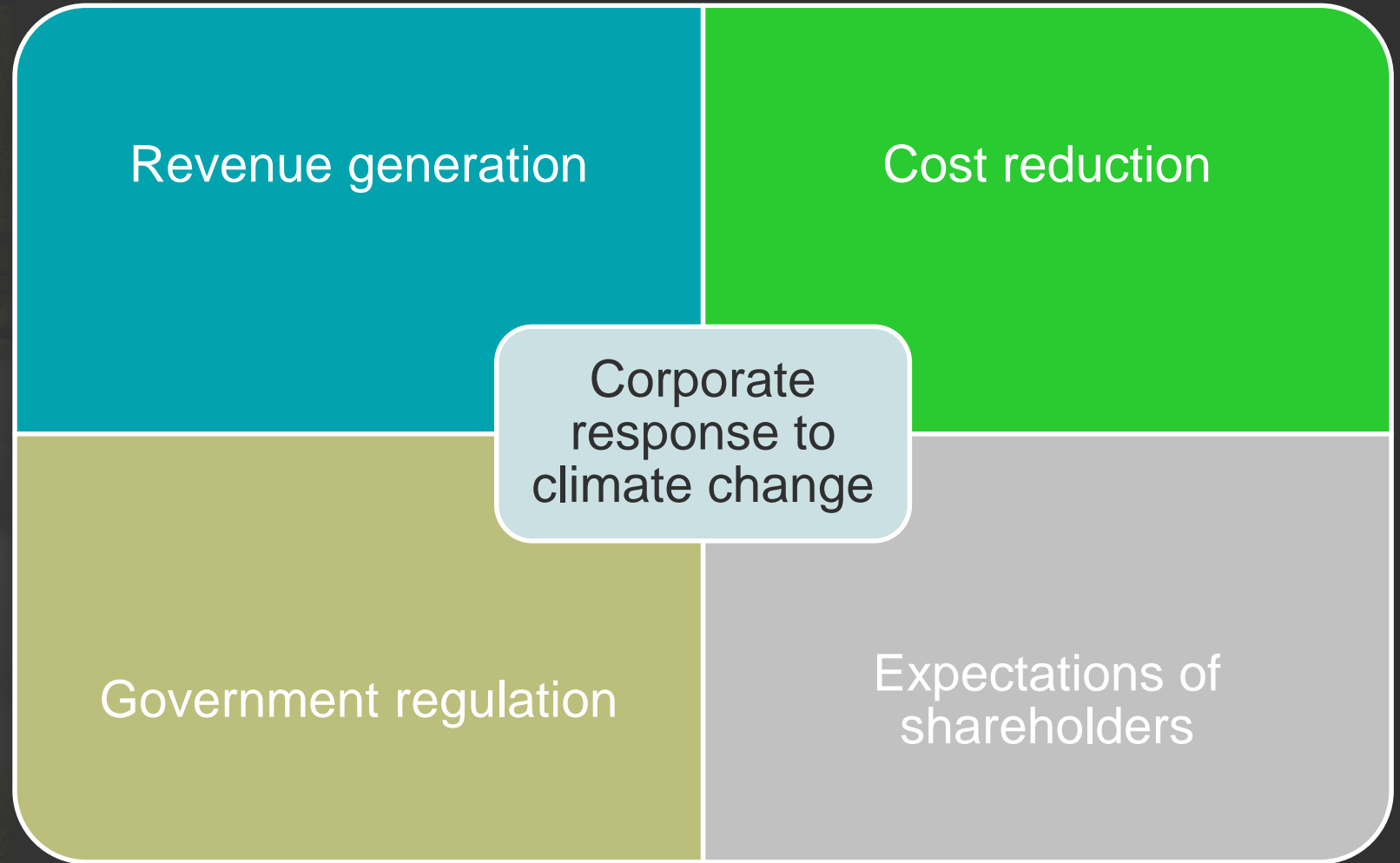
732

Plan to implement an internal carbon price

25%

increase from 2015

# Drivers of corporate response to climate change





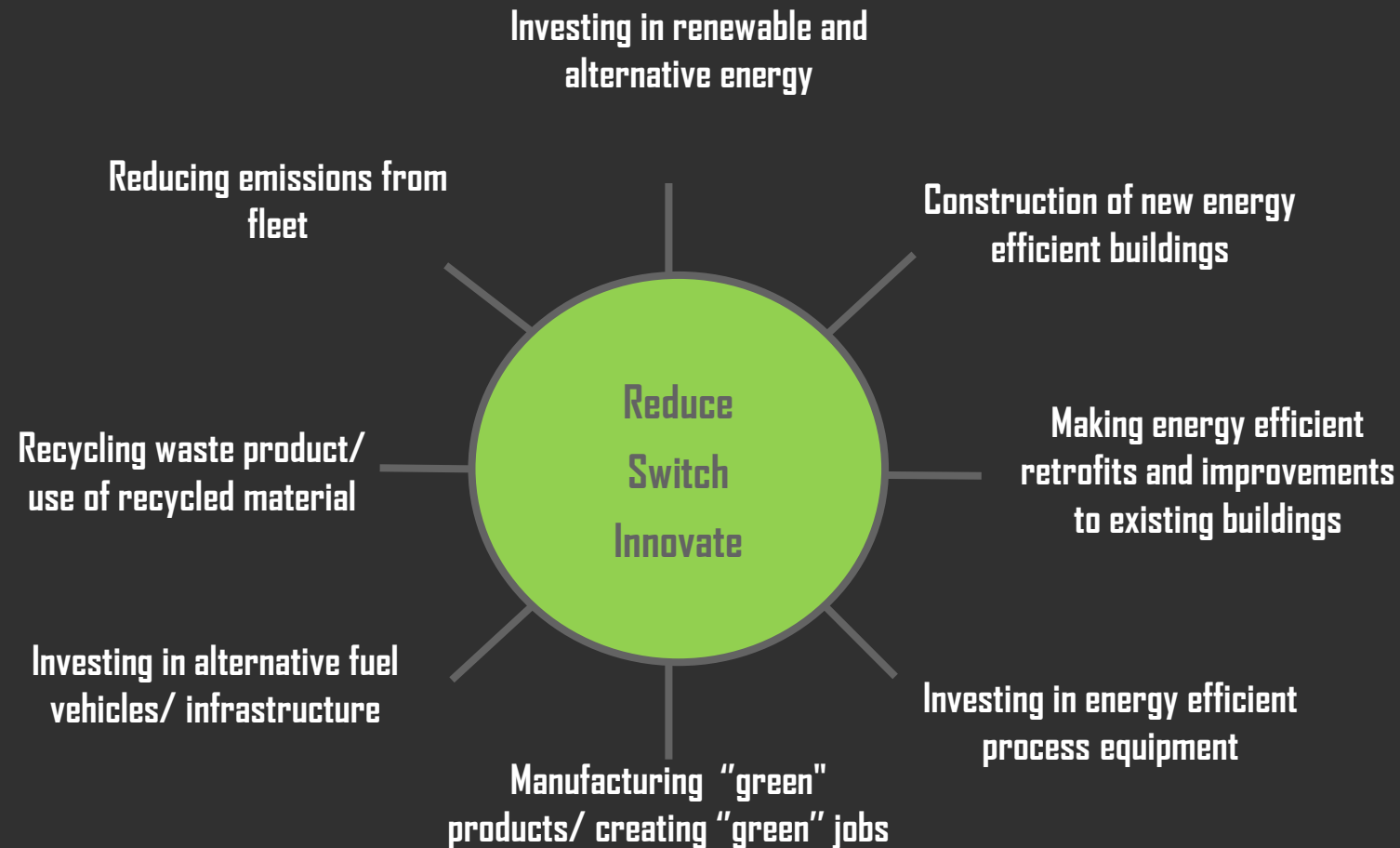
# How can a sustainable business environment be fostered?





# The carrot: sustainability incentives

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# Sustainability incentives: menu of opportunities

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- ▶ Ensuring greatest bang for the buck
  - ▶ Competitive programs
- ▶ Ensuring projects are completed
  - ▶ Clawbacks
  - ▶ Reimbursements
- ▶ Leverage federal programs
  - ▶ Piggyback off federal tax credits and deductions
  - ▶ Leverage federal evaluation criteria
- ▶ Leverage federal dollars

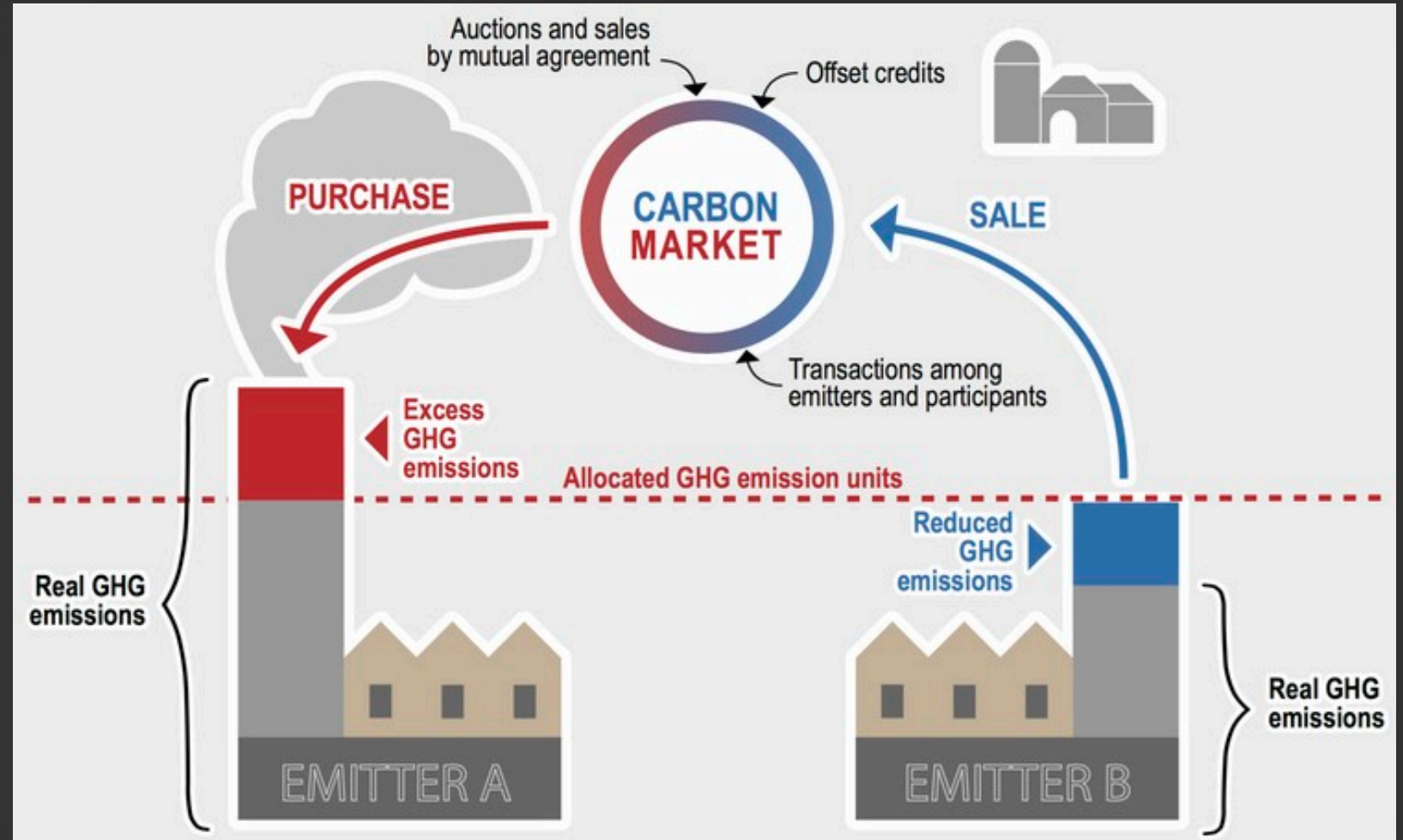


# Carbon regimes





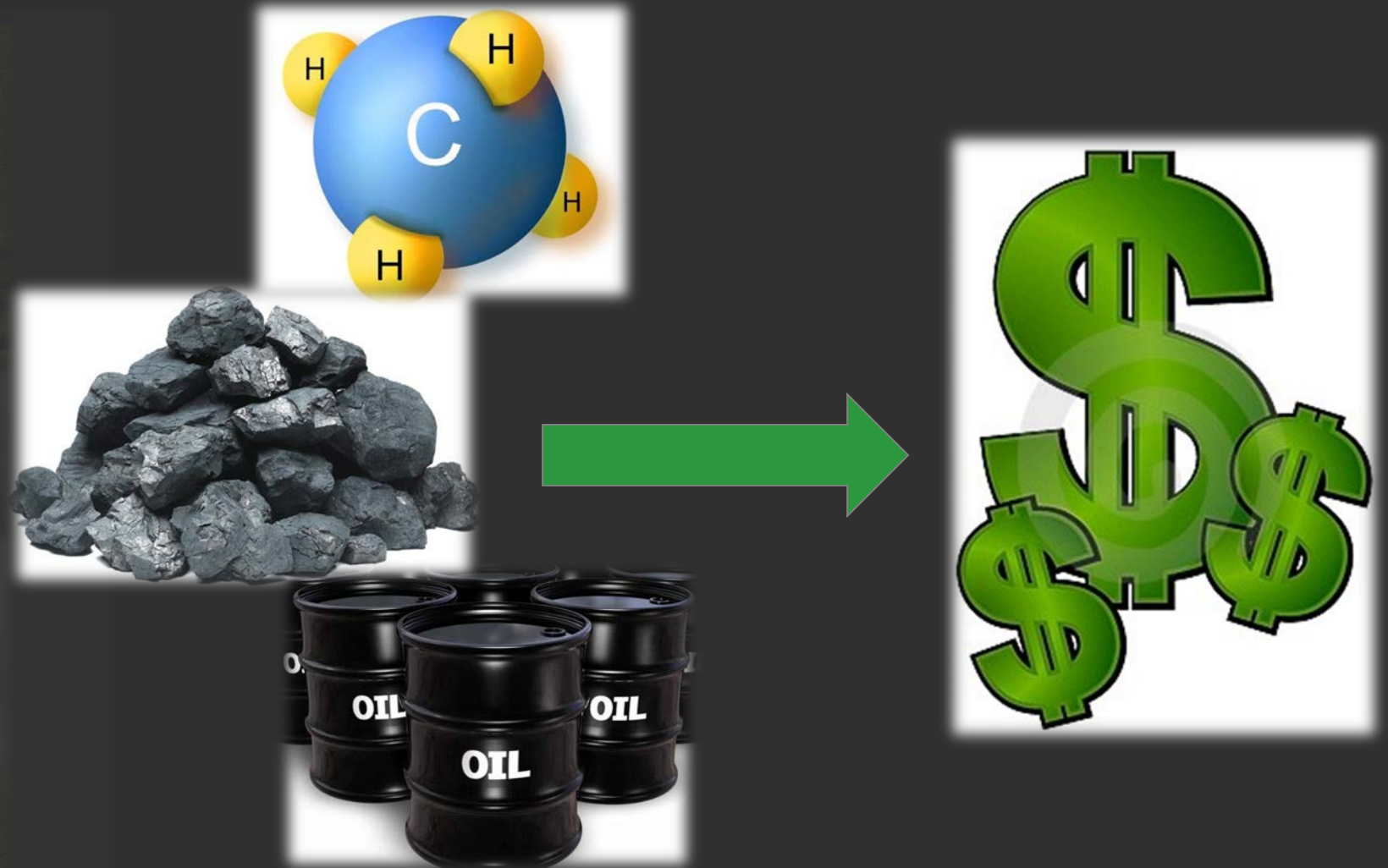
# Cap and trade



Government of Quebec

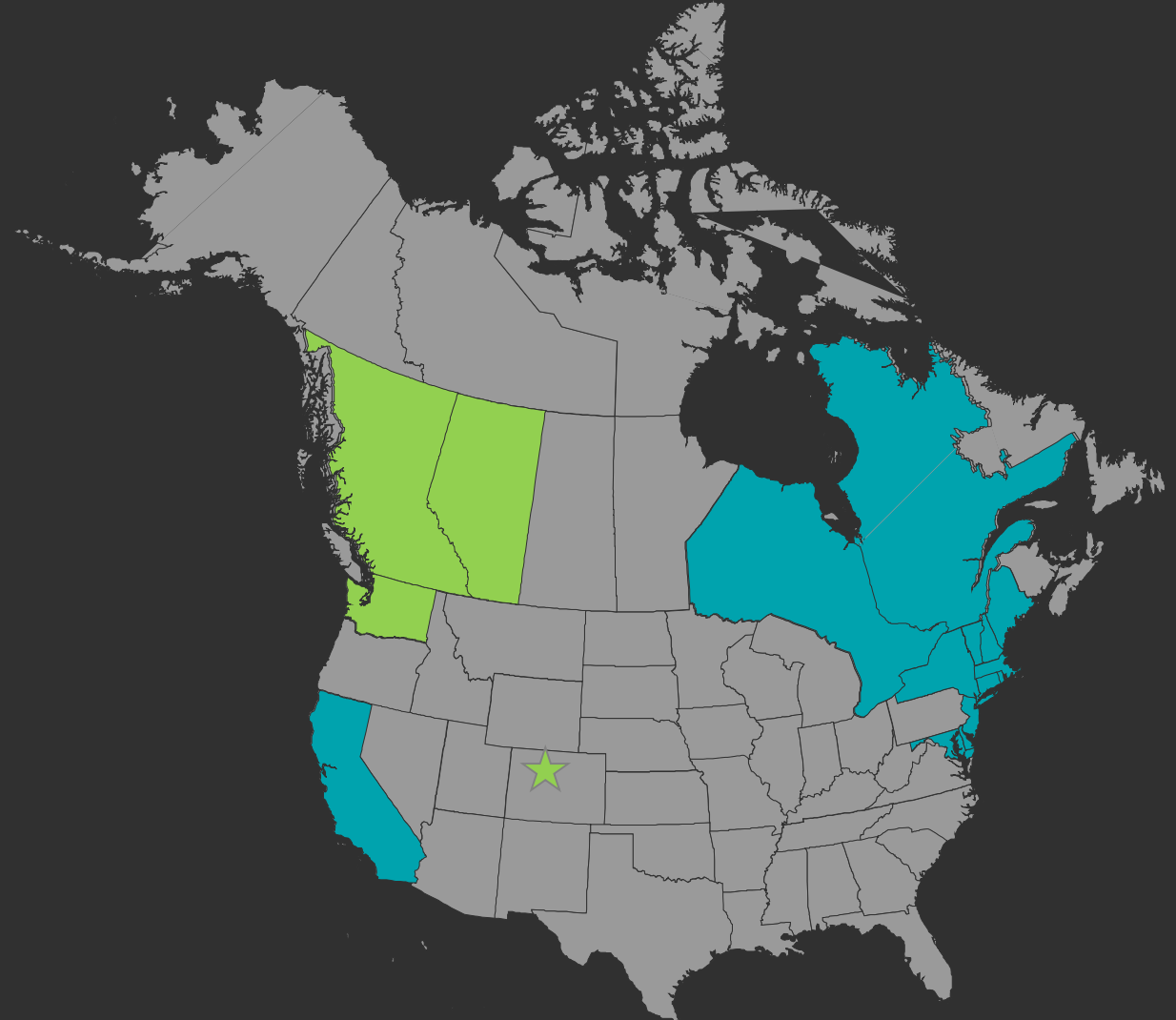


# Carbon tax



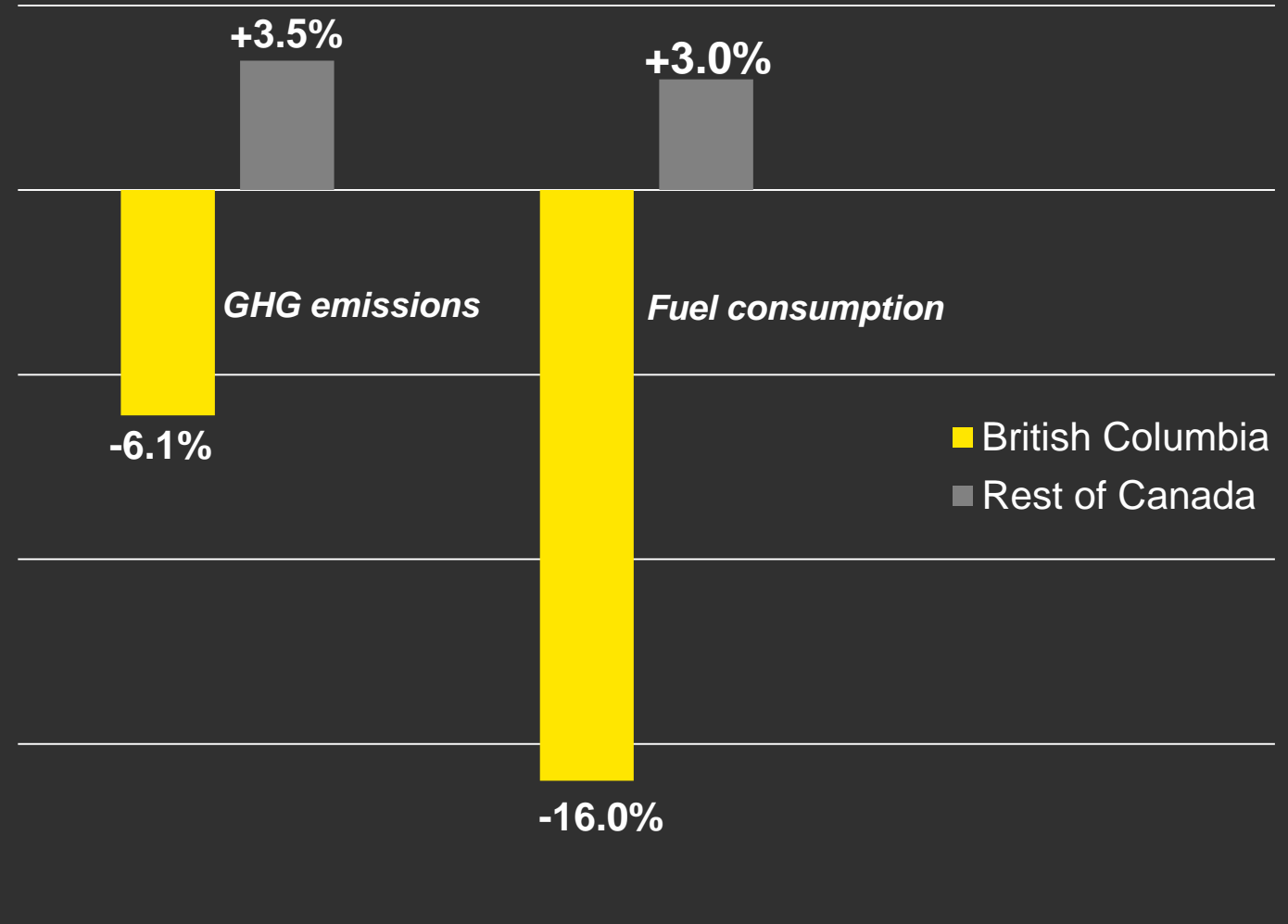
# Carbon regimes in the US and Canada

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# Do carbon taxes work?



# Carbon pricing: menu of opportunities

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- ▶ Cap and trade vs. carbon tax
  - ▶ Price certainty vs. emission certainty
- ▶ Winners and losers
  - ▶ Manufacturing
  - ▶ Low-income families
- ▶ How to use the revenue generated
  - ▶ Invest in sustainability
  - ▶ Revenue neutrality
- ▶ Challenges
  - ▶ Resistance to new tax
  - ▶ Potential for increased cost for business



