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## **Carbon Refund anyone??**

The New Brunswick government is currently holding public consultations around province about possible tax reforms, including a carbon tax.

By placing a value on carbon, the theory is that fossil fuel generated electricity and energy sources like oil and gasoline become less attractive, motivating everyone to become more energy efficient, and to consider other forms of energy such as solar or wind. The reality is that many of us cannot afford to put a solar panel on our roof (yet).

The question then becomes - how can a carbon tax benefit each one of us, and actually help us reduce our carbon footprint?

A carbon tax in New Brunswick would provide about \$200M in revenue for the provincial government. That is a lot of money out of our wallets. But a properly designed carbon tax should put our tax contribution back in our own pockets to be used specifically for reducing our energy usage and hence our costs.

If the government implemented a carbon refund or credit, this would benefit all of us, and the environment too. The carbon refund would apply to individual homeowners, small business, industry and municipalities who contribute to the 'carbon fund' through taxes paid on fuel and electricity purchases. For instance, the average New Brunswick family would contribute approximately \$200 a year which would cover our share of CO<sub>2</sub> emissions when we buy electricity from NB Power, as well as the emissions coming from the tailpipe of our vehicle.

Now consider this - once a year you go to Service New Brunswick (SNB) to renew your vehicle registration and at that time you receive a carbon refund of \$200. This is money that you must spend on energy saving products and services such as compact fluorescent light bulbs, programmable thermostats or low flow showerheads. Or you could save up the refunds for three or four years (with interest) and put the money towards a hot water solar heating panel for your home. Similarly, businesses and municipalities would use their carbon refund to 'green' their operations.

Now, I know what you are thinking. "How could we possibly ensure that the refunds are spent on energy-saving products and services?" Well, it could either be a coupon system or smart cards that could only be used for designated SKU's at participating retail stores. And similarly, the larger clients (businesses, industry and municipalities) could plan capital and other operational-type projects (e.g. in the area of energy efficiency, reduction of transportation fuel usage, etc.), and get approval from the government to carry out the projects deemed appropriate for reducing CO<sub>2</sub> emissions in a significant and sustained manner.

Think of the benefits – the carbon refund or credit, in effect, is a forced green savings plan to help us reduce our energy consumption, save money and reduce our impact on climate change in the process!

High gas prices are likely here to stay, and our need to address the climate crisis becomes more evident every day. It is only a matter of time (and really, that time is now) that we will all need to make big changes in the way we live and the energy choices we make.

Progressive governments around the world are exploring mechanisms to lower humankind's dependence on fossil fuels such as cap and trade systems (we'll explain that in a later article) and carbon taxes – or in the case of this made-in-NB recommendation – carbon refunds.

I applaud the Government of New Brunswick for bravely bringing forward the critical first step of putting a price on carbon emissions. I just hope they do it right and make sure our contributions end up back in our homes, to help save energy and money. That way everybody wins.

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