Washington Ballot Summary:
Initiative Measure No. 1631

Election Date: November 6, 2018

Ballot Title (what the voter will see on the ballot):
Initiative 1631 concerns pollution. This measure would charge pollution fees on sources of greenhouse gas pollutants and use the revenue to reduce pollution, promote clean energy, and address climate impacts, under oversight of a public board. Should this measure be enacted into law? Yes [ ] No [ ]

Summary of I-1631:
This measure would impose pollution fees on certain large emitters of greenhouse gas pollutants based on rules determining carbon content, starting in 2020. A public board would supervise spending the revenues on reducing pollution, promoting clean energy, and addressing climate impacts to the environment and communities. Utilities could receive credits for approved investments. Indian tribes would consult on projects directly impacting their land. There would be periodic reporting on the measure's effectiveness.

Immediate effects, if passed:
By increasing the cost of fossil fuels and electricity generated using those fuels, their use is expected to decline and electricity generation to shift from carbon-intensive coal toward hydro, wind, and solar. This may reduce carbon dioxide emissions in the long-term. Companies may offset the cost of gasoline and other fossil fuels by rate increases for consumers and businesses. The measure's exemption of the Centralia Coal plant, which will close in 2025, could reduce the total effectiveness of the policy in the short term.

Fiscal effects, if passed:
The fees charged large polluters will be equal to $15 per metric ton of carbon content and will be increased yearly by $2 plus inflation until 2035, or when the state meets its climate goals. I-1631 is expected to generate approximately $1 Billion annually with the revenue to be allocated to 70% clean energy (includes worker and low income programs), 25% water/forest programs, and 5% healthy communities. Utilities that invest in programs in an approved carbon reduction plan receive back 100% of their fee. Energy-intensive businesses and businesses that trade globally, such as aluminum and steel makers, will be exempt from the fee.

Arguments in favor of the measure:
Proponents argue that putting a price on carbon is one of the best ways for a government to act on climate change. I-1631 differs from previous carbon taxing efforts in that it charges fees on large polluters and invests the resulting revenue in projects that will increase communities' resiliency to the effects of climate change. Supporters say that this "fee and investment" approach will not only reduce pollution, but will accelerate the state's transition to clean energy and development of new, related jobs. The measure requires funding projects that prevent increased energy costs on people with lower incomes and that support worker transition for fossil fuel jobs that may be lost. Exemptions on certain large businesses encourage them to stay in the state. I-1631 is endorsed by 200 labor, business, environmental, tribal and faith groups. As the first such measure in the nation, it may become a model for other states.

Arguments against the measure:
Some opponents argue that I-1631 fees could result in residents paying more for gasoline and heating oil if the cost of the fee is passed on to consumers. This will affect low-income residents in particular. Opponents also believe that some large businesses may leave the state as a result of the fee. Other opponents who do support reductions in carbon dioxide emissions argue that this measure is badly designed. These opponents argue that the carbon fee is too small, there are too many exemptions, and carbon fees should be returned to the people in the form of tax reductions. They also argue that if utilities are allowed to keep all the fees generated from natural gas and coal plants, this may reduce their urgency in transitioning to cleaner sources of power.