CCL Resolution for a Methane Cap and Fee for top two anthropogenic methane emission sources
Passed on 4 December 2021 by the Kern-Kaweah Chapter Sierra Club:

The Council of Club Leaders endorses [requests the Board of Directors (BoD) endorse and promote] a Cap and Fee system concerning methane emissions related to fossil fuel and animal agriculture-associated commodity production in the U.S. Such a system would combine a rapidly-declining allowable methane emission cap (three percent reduction per year, apportioned and applied at the firm level) with a robust methane emission fee. Such a system would also incorporate Border Adjustments fees to discourage any methane-Cap-and-Fee-associated production relocation-related "carbon leakage".

Elaboration: Methane-emitting businesses would be required to reduce methane emissions annually, but would remain subject to a robust methane emission fee concerning methane emissions the business operations continue to generate. If methane-emitting business do not comply with any part of this system, such business will be subject to a series of escalating fines over time.

Contextual Note: Sierra Club California (SCC) recently suggested to the State of California that the State of California consider adoption of such a system, and the SCC did so within the context of extensive comment concerning California animal-based agriculture commodity production, including the statement: "We suggest consideration of a cap and fee system for methane such as combining a rapidly-declining allowable methane emission cap with a robust methane emission fee per ton."

Full Sierra Club California Nov 24, 2021 Comments to the State of California: Page 9 and 11 ... "Reducing methane emissions from manure management and enteric fermentation will require much more effective programs that can be expected to reduce herd size ... 

Manure-generated methane is currently not included in the quantification methodology by CDFA or CARB for estimation of GHG reductions from use of compost application to build soil carbon. The methane emitted from the making and application of manure compost may nullify the benefit from soil carbon dioxide sequestration from this practice ...

The metric for tracking methane furthermore does not reflect its significant impact, because the Global Warming Potential (GWP) of methane is 85 times greater when one uses the 20-year window used by the Intergovernmental Panel on Climate Change (as opposed to the 100-year window used by CARB) ... [See bracketed note below.]

Consequently, the state could better track and measurably reduce the methane from California’s 1.7 million dairy cows (18 percent of the US) and 5.2 million head of cattle (5 percent of US) if it used the more meaningful calculation to show the global warming caused by livestock methane and raise public awareness about it ...

We suggest consideration of a cap and fee system for methane such as combining a rapidly-declining allowable methane emission cap with a robust methane emission fee per ton ...

A robust public awareness campaign would include promotion of a shift toward more plant-based diets .... "
CARB has used (and still does use) a 20-year time interval methane GWP for its methane/SLCP-only analyses (like in the 2017 SLCP-strategy-final doc linked below) but the broader actions taken by the State of California (for AB 32 reporting purposes) do convert methane emissions into CO2 equivalents through use of a 100 year-interval methane GWP.

https://ww2.arb.ca.gov/resources/documents/slcp-strategy-final

(See pages 9 to 11 of the 24 November 2021 SCC letter at the link below.)

24 November 2021 Letter from Sierra Club California to the California Deputy Secretary for Climate Change regarding Draft Natural and Working Lands Climate Smart Strategy recommendations for the 30x30 plan on protecting nature from the continued encroachment of humans.

Chart on Sierra Club comments and questions of planned 30x30 climate strategy

This CCL resolution language for a Methane Cap and Fee for the top two anthropogenic methane emission sources, essentially combines the previous two CCL Resolutions passed by the Kern-Kaweah Chapter ExCom, one resolution for Methane produced by animal-based agriculture commodity production (passed on 2 October 2021) https://docs.google.com/document/d/1VcD3o3K2zC9KyBzR7rED9WtGDKdDASt2V/edit?usp=sharing&ouid=118194691773548336202&rtpof=true&sd=true and one for Methane produced by fossil fuels-based commodity production (passed on 6 November 2021) https://docs.google.com/document/d/1aH7lehv7r-4l82xP8JyIU_QOn8IHgHJ/edit?usp=sharing&ouid=118194691773548336202&rtpof=true&sd=true and adds the regulatory feature of a declining allowable methane emission Cap.

**Pro**: Methane is a potent atmospheric heat-trapping gas. It is generally considered to be 80-90 times more potent than carbon dioxide as an atmospheric heat-trapping gas over a twenty-year time interval. Methane emissions have long been (and are currently) a significant contributing factor to the rapid warming of the atmosphere and biosphere on Earth that has been occurring over the last 75 years.

Thus, methane emissions from the fossil fuel and animal agriculture sectors of the economy (the two biggest sectors most responsible for methane emissions in the US) need to be reduced dramatically over a relatively short time to reduce the destructive atmospheric heat-trapping that will occur in the near future. Enactment, implementation, and enforcement of Methane Cap and Fee System would require annual commodity production-associated methane emission reductions (via an annually declining allowable methane emission cap) and encourage further methane emission reductions through application of robust methane emission fees that would increase producer costs associated with high methane emission-associated commodity production. A methane emission-associated Border Adjustment Fee would also discourage high methane emission-associated commodity producers from simply shutting down production operations in the US, relocating to another area where a Cap and Fee System does not exist, producing high methane emission-associated commodities at lower cost in those non-Cap and Fee areas, and then selling those high methane emission-associated products back in the US as relatively inexpensive and inadequately-taxed imports.
The revenue associated with methane emission fee collection could be used, in part, to support Black, Indigenous, People of Color (BIPOC) communities that are currently absorbing the greatest level of adverse impact associated with fossil fuel and Concentrated Animal Feeding Operation (CAFO) production in the US. It could also be used to promote more efficient and lower cost production of low methane emission-associated alternative commodities. It could also be redistributed progressively to people currently in the lower income/wealth categories in US society.

Finally, an endorsement by the Sierra Club Board of Directors of a methane Cap and Fee System would facilitate more meaningful internal Sierra Club discourse concerning proposals to drive a substantial reduction in methane emissions nationally.

**Con: Argument Against A Rapidly-Declining Allowable Methane Emission Cap:** Too coercive (always better for The State to use the carrot rather than the stick concerning business); inconsistent with the conservative conception of economic “freedom”; the State of California established (via SB1383) that all dairy enteric methane emissions should only be reduced via voluntary measures - that is the model that the Federal Government should continue to follow; will promote carbon leakage ...

Todd Shuman Response: Every regulatory methane-emission mandatory control/reduction mechanism concerning livestock-associated industries has already been proscribed since 1950. As a result, livestock-associated methane emissions have only increased over the long haul ... voluntary reduction is associated with failure concerning significant, meaningful enteric and manure-related methane emission reductions in the State of California ... Increase Border Adjustment Fee to extreme levels concerning import-associated high methane-associated commodity producers competing economically against in-US commodity producers that comply with declining allowable methane emission Cap and methane emission fee requirements.

**Con: Arguments Against Carbon Taxation**

- Carbon pricing is regressive. An increase in the cost of fossil fuels will impose a harsh burden on low-income earners.
- The low-income earners will end up paying a substantial percentage of their income for necessities like food, electricity, and gasoline. Many people cannot afford to purchase electric cars; therefore, the cost of fossil fuels must be increased gradually.
- Knowing that the price of gasoline will always be increasing will make people shift to electric cars.
- The high carbon taxes will force many companies, which do not support these policies, to move their business to nations with no carbon tax. Carbon taxing will also encourage tax evasion, with some firms opting to pollute the environment in secret.
- Carbon pricing will also introduce other administration costs in tax collection and measuring pollution.

**Response by Todd Shuman**
Carbon pricing is regressive. An increase in the cost of fossil fuels will impose a harsh burden on low-income earners. [T.S. Response: Rebate a significant proportion of collected tax revenue progressively.]

The low-income earners will end up paying a substantial percentage of their income for necessities like food, electricity, and gasoline. Many people cannot afford to purchase electric cars; therefore, the cost of fossil fuels must be increased gradually. [T.S. Response: Rebate a significant proportion of collected tax revenue progressively.]

Knowing that the price of gasoline will always be increasing will make people shift to electric cars. [T.S. Response: Would probably be a positive outcome, from my perspective, if electricity is generated from renewable energy sources like wind, solar, etc.]

The high carbon taxes will force many companies, which do not support these policies, to move their business to nations with no carbon tax. Carbon taxing will also encourage tax evasion, with some firms opting to pollute the environment in secret. [T.S. Response: Apply a border adjustment tax on imported fossil fuel commodities to discourage "carbon leakage" ....]

Carbon pricing will also introduce other administration costs in tax collection and measuring pollution. [T.S. Response: Costs that can easily be paid for by a small portion of the tax revenue collected.]

Arguments for Carbon Taxing

- The taxes will help reduce carbon emissions in two ways. First, the tax will increase the cost of electricity and gasoline; therefore, consumers will become energy-efficient, lowering carbon emission.
- Increasing the price of carbon-based fuels will force firms to start using clean energy like hydro-powered sources, wind energy, and solar energy. Carbon taxation is supported by various oil companies, including Shell and ExxonMobil.
- Carbon taxes can also boost a country’s economy. Sweden’s carbon taxes have lowered GHG emissions by 23% in the last 25 years, and during the same time, their economy has improved by 55%. The revenue can be reimbursed to federal agencies that deal with the effects of climatic changes like the U.S. Forest Service and the National Flood-Insurance plans.

Carbon taxes are taxes imposed on companies burning fossil fuels like coal, natural gases, gasoline, and oil, by their respective governments in the form of carbon pricing. When these fuels are burned, they tend to produce GHG (greenhouse gases) like methane and carbon dioxide, which create global warming. Economists argue that this tax is the most effective and efficient way of controlling climate change with the least effect on a country’s economy.

Source:
Economists’ Main Arguments for and Against Carbon Taxation – World Atlas

Also relevant to all of this: from Barry Rabe, a professor of public policy at the University of Michigan and a nonresident senior fellow at the Brookings Institution. This article is a modified version of a post on the Niskanen Center’s blog. Published August 16, 2021

Containing Methane Emissions - Milken Institute Review (milkenreview.org)
Con: Sierra Club should not propose new taxes. US voters hate taxes and endorsement of a methane emissions tax jeopardizes US voter support for the Sierra Club. Increased cattle/sheep-associated commodity prices might trigger increased hunger among poorer US residents who are unwilling to substitute plant-based protein commodity alternatives for cattle/sheep-based protein commodities.

Reply to Con: A partial (or even full) rebate of collected methane tax emission revenue (that could be “progressively” distributed) could easily be added or linked as a feature of any methane emission tax proposal that the Sierra Club might endorse and promote. (See below.) Progressive “tax shifting” [see below] could, alternatively, be explicitly linked to an animal product-associated methane emission tax.