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VIA E-MAIL (Executive.Director@puc.nh.gov, puc@puc.nh.gov)

Debra Howland Executive Director and Secretary
New Hampshire Public Utilities Commission
21 S. Fruit Street, Suite 10
Concord, New Hampshire 03301

RE: DG 17-198

**Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities
Petition to Approve Firm Supply, Transportation Agreements and the Granite Bridge Project**

Dear Ms. Howland:

Please consider my comments below pursuant to Puc 104 and Puc 201.07. Please also file this letter as a public comment letter.

There is growing momentum and likelihood to put a price on carbon emissions from fossil fuels at the federal level. A national carbon pricing policy will have significant impacts on our state's economy, casting our energy and infrastructure choices - past and future - in a new light. Our state should prepare for this before it happens, to maximize the benefits and reduce the negative impacts on our state's economy, operating costs, businesses, and families. My primary concern is that new investments in natural gas infrastructure, like the proposed Granite Bridge project, are likely to become stranded costs due to events outside of our state's control.

Global and national trends indicate that a price on carbon emissions from fossil fuels is an increasingly likely upcoming change in national energy policy.

One global trend is the scientific consensus that global warming is due to human activities, mostly from greenhouse gas emissions from burning fossil fuels. This is the position of the 200 major scientific organizations from around the world with a position on the subject, and there are no major scientific organizations anywhere that reject this position. Numerous studies have found that over 97% of all actively publishing climate scientists have reached the same conclusion.

The Fourth National Climate Assessment provides a comprehensive, current analysis of what is known through science. It was produced by NASA, NOAA, the Department of Energy, and a dozen other scientific agencies, reviewed by the National Academy of Sciences, and released a few months ago by the Trump administration. The purpose of this report is to enable the use of scientific knowledge to guide US federal policy. It includes a 25 page Executive Summary, which begins with a very readable, concise two-page Highlights section: <https://science2017.globalchange.gov/chapter/executive-summary/>.

A related trend is the growing global political will to address the problem. Every nation in the world signed the Paris Climate Accord, indicating unanimous global commitment to make significant greenhouse gas emissions reductions. Only the US has wavered, and even if the US withdraws, 12 states, making up 40% of US

economy, have committed to honor their part of the US reduction.

Global commitment to address the problem is manifesting in other ways as well.

The UK, France, and the Netherlands have outlawed selling new fossil fuel powered vehicles starting in 2040. Germany and China are considering doing so. Volvo will stop making new models of gas or diesel-only powered vehicles next year.

Last year China cancelled construction of 100 coal fired power plants, and is now investing \$120 billion a year in renewable technologies and deployments. This is a directed economy in action, working to meet the global demand for clean energy. China is also putting a price on carbon for industrial energy use this year.

Of the ten largest economies, only three do not already have some price on carbon emissions: the US, Russia, and Brazil, and Brazil is considering it.

Over 40 countries have already put a price on carbon emissions or have plans to do so this year. A world bank report shows the accelerating trend, and also shows more is required:

<http://www.worldbank.org/en/news/press-release/2017/11/01/more-countries-are-putting-a-price-on-carbon-but-stronger-action-is-needed-to-meet-paris-targets-new-world-bank-report>

Carbon pricing initiatives will play an increasingly important role in the global economy, with about 100 parties - accounting for 58 percent of global greenhouse gas emissions - planning or considering carbon pricing.

Industries are also acting. For example, the Carbon Offset and Reduction Scheme for International Aviation, or CORSIA, is an global carbon pricing system for aviation.

At the national level, using regulations, incentives, and subsidies to move off fossil fuels has proven ineffective, inadequate, and transient. A growing chorus of voices is calling for a market-based approach. Using the power of efficient market forces will enable the US to not only energize our own investment and manufacturing shift, but also influence the rest of the world. The most direct way to do that is to put a price on carbon emissions from fossil fuels. Doing so also enables us to also put a border carbon adjustment tariffs on goods from other countries that do not reflect a similar price, which will protect US jobs, and strongly encourage all other countries to follow our lead.

That last part is important, because border carbon adjustments can also be used against the US. Some countries have already considered putting border carbon adjustment tariffs on our imports to them, to account for the fact that we do not have a price on carbon. It hasn't happened yet, but if the US fails to do so this is just a matter of time, and then US exporters will be hurt by our lack of a price on carbon.

Leading Conservative economists - including Greg Mankiw, Martin Feldstein, Hank Paulson, James Baker, George Schulz, and Ben Bernanke - recommend putting a steadily increasing, fully rebated fee on fossil fuel production based on carbon emissions, and returning all the money collected directly back to all citizens on an equal basis (clcouncil.org/founding-members). This option fixes the broken energy market, and is revenue neutral so Republicans as well as Democrats in Congress can support it. It is the growing interest in revenue neutral carbon pricing policies that has released the political brakes in Congress on addressing climate change. It is a nonpartisan solution, and in addition, returning all the money to households also protects household purchasing power, helps low income households, and grows the economy.

Businesses have also endorsed this approach, including giants like Johnson & Johnson, General Motors, P&G, Exxon, Shell, and others.

Growing momentum to address the problem can be seen in Congress: seventy-two members of the House of Representatives joined the Bipartisan Climate Solutions Caucus in the last two years, half of them Republicans and half Democrats.

It is important for New Hampshire energy planners to appreciate the local impact on energy and heating costs that a national price on carbon emissions will have. Such a policy will be good for our state in the long term, but we should take care now to avoid making costly mistakes like making new, long-term, multi-million dollar investments in fossil fuel infrastructure like Granite Bridge. Based on global and national trends, the risk is high that making fossil fuel infrastructure investments now will lead to avoidable stranded costs.

Thank you for your time and effort on behalf of all New Hampshire residents.

Sincerely,
John Gage