

Resolution No. 9013

Resolution of the City of Palo Alto Recognizing the Potential Impacts of Climate Change on Palo Alto and the Externality Costs Associated with the Burning of Fossil Fuels and Acknowledging the Importance of True-Cost Pricing

WHEREAS, adapting to climate change caused by burning fossil fuels will likely cost California billions of dollars per year, according to the Governor's Climate Action Team; and

WHEREAS, externality costs are hidden costs associated with the production, transportation, use and disposal of goods and services that mask their true costs; and

WHEREAS, externality costs place an unfair burden on society as a whole and future generations that will bear the hidden costs of current consumer practices; and

WHEREAS, externality costs give an unfair market advantage to products and services with high hidden costs and penalize products and services with low hidden costs; and

WHEREAS, externality costs often create unfunded liabilities; and

WHEREAS, burning fossil fuels costs the United States about \$120 billion per year in health costs, mostly due to premature deaths caused by air pollution, according to the National Academy of Sciences; and

WHEREAS, in a fair market-based economy, prices should reflect the true costs of products and services; and

WHEREAS, true-cost pricing incorporates externality costs into the price of products and services so as to reflect their hidden costs; and

WHEREAS, the movement to true cost pricing represents a dramatic shift in current utility pricing policy in the United States; and

WHEREAS, the City recognizes that significant dialogue and review with the community, Utility Advisory Commission, our customers and other key stakeholders would be necessary to understand effective true-cost pricing.

NOW, THEREFORE, the Council of the City of Palo Alto does hereby RESOLVE as follows:

SECTION 1. The City Council recognizes the externality costs associated with burning fossil fuels for energy production and transportation. The City Council hereby acknowledges and accepts the concept of true-cost pricing in which externality costs are incorporated into price structures whenever possible.

INTRODUCED AND PASSED: December 7, 2009

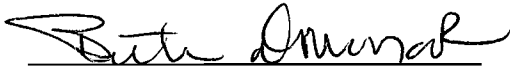
AYES: BURT, DREKMEIER, ESPINOSA, KISHIMOTO, KLEIN,
SCHMID, YEH.

NOES:

ABSENT: BARTON, MORTON

ABSTENTIONS:

ATTEST:



for City Clerk

APPROVED:



Mayor

APPROVED AS TO FORM:



City Manager

for 
City Attorney