Carbon Pricing: Signs of Bipartisanship

EEE Forum at Iliff School of Theology
February 26, 2018

There is broad agreement among economists across the political spectrum that establishing a price on carbon is a key step toward substantially reducing greenhouse gas emissions worldwide.

<u>Guiding questions for today:</u>

What other groups support carbon pricing? Why?

Are bipartisan efforts among national advocacy groups on the rise? Are such efforts genuine?

Is carbon pricing sufficient by itself to address climate change risk effectively?

1. <u>Brief Overview of Carbon Pricing: What, Why, Who</u>
   - *David Carlson*

2. <u>Citizens' Climate Lobby, Climate Solutions Caucus, federal legislative update, and state action</u>
   - *Kathleen Wells*

3. <u>Climate Leadership Council and other conservative-based NGOs</u> • *Douglas Alde*

4. <u>Limitations of Carbon Pricing and Carbon Dioxide Removal</u>
   - *Paul Belanger and Ron Larson*

Monday, March 26, 2018 (tentative)
"Natural Climate Solutions"
EEE Forum at Iliff
Ms. Betsy Neely
Climate Change Program Manager
The Nature Conservancy -- Colorado

Our posting page includes past & present Forum meetings/slides and articles.
Link: http://denverclimatestudygroup.com/?page_id=683.
Thanks to Dr. Paul Belanger for managing this Forum information.

What does it mean to put a price on carbon, and why do many government and business leaders support it?

Carbon pricing is a way to capture the costs of carbon emissions that the public pays for in other ways—such as damage to crops and health care costs from heat waves and droughts and damage to property from flooding and sea level rise.
Instead of dictating who should reduce emissions where and how, a carbon price gives an economic signal and polluters decide for themselves whether to discontinue their polluting activity, reduce emissions, or continue polluting and pay for it.

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There are two main types of carbon pricing: emissions trading systems (ETS) and carbon taxes.

An **ETS** – sometimes referred to as a **cap-and-trade system** -- caps the total level of greenhouse gas emissions and lowers the cap over time. Companies are allowed a limited, and falling, number of emissions permits. Those industries with low emissions are able to sell their extra allowances to larger emitters. By creating supply and demand for emissions allowances, a cap-and-trade system establishes a market price for greenhouse gas emissions. . . .

A **carbon tax** directly sets a price on carbon by defining a tax rate on greenhouse gas emissions or – more commonly – on the carbon content of fossil fuels. It is different from an ETS in that the emission reduction outcome of a carbon tax is not pre-defined but the carbon price is.

The choice of the instrument will depend on national and economic circumstances.

--adapted from www.carbonpricingleadership.org