



Putting a Price on Carbon as a Means of Improving Quality of Life

Putting a price on carbon emissions is a strategy for progressing toward a decarbonized economy. The strategy is being implemented around the world in a variety of ways, and ultimately the goal is to improve the quality of life.

Para # 1

- Address climate change
- Environmental sustainability
- Minimizing carbon emissions
- Emissions impact nature
- Negative ways
- Global warming
- Ocean acidification
- Reduce carbon emissions
- Positive domino-effect

Para # 2

- Keep price on carbon
- Major strategy
- Reduction of carbon emissions
- Different pricing schemes
- The two most common schemes
- Carbon Tax
- Emissions trading system
- 42 countries and more than 25 provinces, states
- Carbon pricing programs in place

Para # 3

- Price on carbon
- Not a panacea
- Positive real-world approach
- Reducing the greenhouse gas
- Generating revenue.

Getting Real About Carbon Emissions

Para # 4



- Combustion of fossil fuels
- Primary contributor to the levels
- CO₂ is a greenhouse gas (GHG)
- Detrimental impact on environment
- Quality of life for people

Para # 5

- Businesses and countries
- Voluntarily reduce emissions
- setting a price
- most realistic strategy
- Reduce GHGs
- Since 1980
- More than 21 percent rise in CO₂ emissions
- Showing upward trend
- Global cooperation is required

Para # 6

- A carbon price
- Links carbon sources with production
- Specific price on GHG emissions
- Expressed as a value
- Per ton of carbon dioxide (CO₂) equivalent
- Governments levy a tax on Carbon
- Develop Emissions-trading system (ETS).
- Carbon tax sets a fixed price
- ETS have a flexible pricing system

Certain and Uncertain Environmental Outcomes

Para # 7

- A carbon tax
- Sets a price on carbon
- Explicit tax rate
- Carbon Content of Fossil fuels
- It is predefined
- Emission reduction amount is not
- ETS program
- Carbon emitters to trade Carbon emission units
- Meet preset emission targets
- Participating entities



- Internal measures
- Lowering emissions
- Buy carbon emission units

Para # 8

- The cap-and-trade system is an ETS program
- Limit on the carbon available for distribution
- Distributions are made up to the cap's limit

Para # 9

- Another type of ETS program
- Baseline-and-credit systems
- baseline emissions are defined
- Credits are issued to those that reduce
- Reduce below base line
- The entity can then sell the credits
- Entities Exceeding the limit can buy credits

Para # 10

- Other types of pricing systems
- An offset mechanism
- Sets GHG emission reductions per project
- Reductions can be sold
- The RBCF is yet another program
- Payments are made after emission reductions

Para # 11

- There were 24 ETSs
- 23 carbon taxes
- 42 countries and 25 regions
- Jurisdictions, and states

The Right Price?

Para # 12

- Carbon pricing
- Wide range
- According to the World Bank
- Prices range from \$1 to \$140



- 75 percent are under \$10
- As per Paris Agreement
- A range of \$40-\$80 in 2020 and \$50-\$100 in 2030
- Required to achieve the reduction goal.
- Carbon pricing schemes
- Potential to deliver direct benefits
- Reduce poverty

Para # 13

- EU implemented the first carbon system
- A cap-and-trade model
- EU is world's largest carbon market
- Limits emissions at more than 11,000 energy
- 45 percent of GHEs in 31 countries
- Carbon allowances are traded
- Available for purchase
- EU emissions will be 21 percent lower

Para # 14

- US has no national carbon emissions reduction policy
- There are 10 states with cap-and-trade programs
- Nine northeast and Mid-Atlantic states
- Make up Regional Greenhouse Gas Initiative (RGGI),
- California is the 10th state to implement a program
- It is the first multi-sector cap-and-trade program.

Para # 15

- The RGGI goal
- Reduce CO2 emissions by 45 percent
- Additional 30 percent by 2030
- Fossil fuel power plants
- More than 25 megawatts
- Need to obtain a carbon allowance
- Allowed to buy allowances through auctions

Para # 16

- More than \$3 billion in economic benefits in states
- Investments in new renewable energy
- Energy efficiency projects
- Direct assistance to low-income consumers
- Education and job training programs.



Para # 17, 18, 19

- China has plans to launch a national scheme
- It is the world's largest producer of GHGs
- Plans on phasing in the program
- The first regional CTP was initiated in 2013
- Applies to power, cement, and steel industries.
- India is the fourth largest carbon emitter
- It has no plans at this point
- Global discussion to reduce emission are accelerating
- But global carbon emissions (GCEs) are not reducing