I just obtained a copy of the PUC Draft Executive Order 20-04 work Plans and am interested in section 2 “Identify Carbon Price Approaches”. I have been involved with Citizen’s Climate Lobby for a number of years. The CCL has been supporting a carbon fee for over 10 years, an approach supported by economists across the political spectrum. As part of my activity I evaluated the 2013 SCC as it related to a carbon tax and was convInced that there were so many uncertainties that it should not be used. As I included in my report, the CBO came to the same conclusion:

The CBO then uses the social cost of carbon to try to specify a method for determining the tax rate to best balance the benefits and costs of a carbon tax; however, because of all the uncertainties, they were unable to do so. They did mention, in parentheses, that some analysts suggest a better approach is to set the tax at a rate that would be projected to keep atmospheric CO_2 from exceeding a particular concentration.

The CCL carbon fee was incorporated in HR 763, introduced in the 2019-2020 Congressional Session with 82 Co-sponsors, including some who also support the Green New Deal.

Energy Innovation and Carbon Dividend Act of 2019

This bill imposes a fee on the carbon content of fuels, including crude oil, natural gas, coal, or any other product derived from those fuels that will be used so as to emit greenhouse gases into the atmosphere.

The fee is imposed on the producers or importers of the fuels and is equal to the greenhouse gas content of the fuel multiplied by the carbon fee rate. The rate begins at $15 in 2019, increases by $10 each year, and is subject to further adjustments based on the progress in meeting specified emissions reduction targets. The bill also imposes a specified fee on fluorinated greenhouse gases.

Presumably if it passes in the next session the starting date would be 2021.

Would you consider this as one of the “other” pricing scenarios?

Kathy

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