



EESI
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ENVIRONMENTAL AND ENERGY STUDY INSTITUTE

BRIEFING NOTICE

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Climate Policy: Carbon Taxes, Carbon Cap-and-Trade, and R&D as Means of Reducing CO2 Emissions

Wednesday, March 14, 2007

12:30 p.m. – 2:00 p.m.

538 Dirksen Senate Office Building (NOTE CHANGED ROOM AND TIME)

The **Environmental and Energy Study Institute** invites you to a briefing on how carbon pricing policies and funding for low carbon technology R&D can help mitigate human greenhouse gas emissions that are contributing to global climate change. There is rising interest in putting a price on carbon. From an economic point of view, the challenge to policymakers is to implement policies that balance the uncertain costs of restraining emissions against the benefits of avoiding uncertain damages from global warming. Policymakers must address two market failures with respect to climate change: first, the health, environmental, national security and other externalities associated with GHG emissions; and second, the lost profits due to "spillover" effects of public-sector R&D. The first market failure can be addressed by pricing carbon, either through a cap-and-trade system or via a carbon tax. The second market failure can be addressed by increasing federal support for low carbon technology research, development and deployment (RD&D).

Briefing discussion topics include: carbon tax; carbon cap-and-trade; carbon pricing and equity; relative roles of carbon pricing, regulatory standards, and subsidies in reducing carbon emissions; financing R&D for low-carbon energy; price-sensitivity of energy demand and carbon emissions; and political strategies for carbon pricing.

- **Dr. Terry Dinan**, Senior Analyst, Congressional Budget Office
- **Dr. James Barrett**, Executive Director, Redefining Progress
- **Charles Komanoff**, Co-Founder, Carbon Tax Center

The recent IPCC *Fourth Assessment Report* finds that most of the observed increase in globally averaged temperatures since the mid-20th century is **very likely** due to human causes. The recent *Stern Review on the Economics of Climate Change* finds that the costs of inaction on climate are likely to be much higher than the cost of action. A leading reinsurer, Swiss Re, recently published *The Effects of Climate Change: Storm Damage in Europe on the Rise*. Given the projected cost and magnitude of damage from inaction on climate change, it is critical that a carbon reduction policy, or combination of policies, be put into place sooner rather than later.

This briefing is open to the public and media. No reservations are required. Please feel free to forward this notice. For more information, contact Fred Beck (fbeck@eesi.org), 202-662-1892.

Save the Date for Upcoming EESI Briefings:

March 16- 10:00am-12pm. Biofuels and Tortillas: A U.S-Mexican Tale of Chances and Challenges. 210 Cannon House Office Building

March 22- 2:00pm-3:30pm. EERE in the FY08 Budget. 2335 Rayburn House Office Building