

Carbon Pricing: You can't see it, but its gathering speed

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Canadian context

- Mixed progress on Copenhagen
- Patchwork of approaches

Carbon tax (especially BC)

Fed regulations (vehicles, coal plants)

Green subsidies (renewables, CCS R&D)

Carbon pricing (tax?)

- Universally agreed by economists to be least burdensome way of progressing on climate.
- Logic of tax shift: Why such a hard sell?
- Many stakeholders unsure what to think.

BHP boss Marius Kloppers: It's time for carbon tax

JENNIFER HEWETT, NATIONAL AFFAIRS CORRESPONDENT |

THE AUSTRALIAN | SEPTEMBER 16, 2010 12:00AM



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THE world's biggest mining company, BHP Billiton, is urging the Gillard government to impose a tax on carbon before any international agreement.

This is in order to protect Australia's long-term economic interests.

Greenpeace targets BHP Billiton over carbon tax

Posted Mon 6 Jun 2011, 11:31am AEST

Greenpeace has unfurled a giant banner across the front of the BHP Billiton building in Melbourne's CBD.

The so-called "pollution tax invoice" for \$338 million, was hung from the building early this morning.

Greenpeace says it has targeted the mining company, saying it is working against the carbon tax behind closed doors.

Chief executive Linda Selvey says they calculated the \$338 million figure by using a \$26-per-tonne carbon price.

"What we're saying is it would be a very small price to pay, given the enormous amount of pollution that they produce and the huge profits that they make from Australia's resources," she said.



PHOTO: The so-called "pollution tax invoice" was hung outside the BHP Billiton building in Melbourne.

MAP: [Melbourne 3000](#)

THE AUSTRALIAN

Qantas contradicts govt: 'carbon tax not to blame'

MARCH 04, 2014 10:00AM

By a staff reporter

Qantas has said the removal of the carbon tax is not a priority in fixing its commercial woes, contradicting claims by the government and prime minister that the repeal of the legislation is key to Qantas' success.

THE AUSTRALIAN

Qantas blames woes on carbon tax

JARED OWENS THE AUSTRALIAN MARCH 05, 2014 4:50PM



QANTAS has urged parliament to support the Coalition's efforts to support the national airline, as it predicted its carbon tax liability would reach \$118 million this year.

In a statement issued this afternoon, the airline complained the carbon tax was “among the most significant challenges we face” and that was unable to pass the cost on to consumers because of

'Carbon tax' through the backdoor?

- Individuals – voluntary restraint
- Government – social cost of carbon
- Business – shadow pricing of carbon







(1) Individuals (but not much)

AIR CANADA  Offset My Activity Projects 

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Projects Selection

Your offset amount is 1.177 tonnes of CO₂e. The cost excluding taxes is \$20.09.
Your contribution will be equally divided between the selected environmental projects. Unclick any projects you wish to omit.

<input checked="" type="checkbox"/> Forest Restoration  \$16.00 CAD/tonne 0.196 Tonnes of CO ₂ \$3.14 CAD Tell me more	<input checked="" type="checkbox"/> Landfill Gas Recovery  \$20.00 CAD/tonne 0.196 Tonnes of CO ₂ \$3.92 CAD Tell me more	<input checked="" type="checkbox"/> Tire Recycling  \$14.00 CAD/tonne 0.196 Tonnes of CO ₂ \$2.74 CAD Tell me more
<input checked="" type="checkbox"/> Municipal Organic Waste  \$12.50 CAD/tonne 0.196 Tonnes of CO ₂ \$2.45 CAD Tell me more	<input checked="" type="checkbox"/> Reducing Energy Use in Buildings  \$22.00 CAD/tonne 0.196 Tonnes of CO ₂ \$4.31 CAD Tell me more	<input checked="" type="checkbox"/> Treating Wastewater Naturally  \$18.00 CAD/tonne 0.196 Tonnes of CO ₂ \$3.53 CAD Tell me more

[Confirm Project](#)

(2) Governments (esp. in the US)

- Social cost of carbon (SCC) \approx carbon tax
- Greenstone et al (2009) meta-study set at 23 USD (with escalator)
- Updated more or less by fiat to 38 USD in mid 2013 (then back down to 37 in November)
- Used in all federal rulemaking – informs many decisions (regulation, procurement etc.).

LOADS of applications

EPA has used the SCC to analyze the carbon dioxide impacts of various rulemakings since the interagency group first published estimates in 2010. Examples of these rulemakings include:

- The Joint EPA/Department of Transportation Rulemaking to establish Light-Duty Vehicle Greenhouse Gas Emission Standards and Corporate Average Fuel Economy Standards (2012-2016)
 - Amendments to the National Emission Standards for Hazardous Air Pollutants and New Source Performance Standards (NSPS) for the Portland Cement Manufacturing Industry
 - Regulatory Impact Results for the Reconsideration Proposal for National Emission Standards for Hazardous Air Pollutants for Industrial, Commercial, and Institutional Boilers and Process Heaters at Major Sources
 - Proposed National Emission Standards for Hazardous Air Pollutants (NESHAP) for Mercury Emissions from Mercury Cell Chlor Alkali Plants
 - Standards of Performance for New Stationary Sources and Emission Guidelines for Existing Sources: Commercial and Industrial Solid Waste Incineration Units Standards
 - Final Mercury and Air Toxics Standards
 - Joint EPA/Department of Transportation Rulemaking to establish Medium- and Heavy - Duty Vehicle Greenhouse Gas Emission Standards and Corporate Average Fuel Economy Standards
 - Proposed Carbon Pollution Standard for Future Power Plants
 - Joint EPA/Department of Transportation Rulemaking to establish 2017 and Later Model Year Light-Duty Vehicle Greenhouse Gas Emissions and Corporate Average Fuel Economy Standards
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(3) Business

- Shadow pricing carbon in investment and other decisions – make decisions as if carbon tax was in place. And it not just energy ...
 - ✓ Google 14 USD
 - ✓ Apache 15 USD
 - ✓ Walt Disney 20 USD
 - ✓ Walmart ... 18 USD ?

Implications?

- Various actors pre-emptively making decisions as if a carbon tax were in place.
- Can this substitute for formal carbon pricing?
End up with a hybrid, with government “filling in the gaps”.