

Paris climate accord stands greater chance of success with a price on carbon

By Mark Reynolds, executive director of Citizens' Climate Lobby

No matter what happens next in efforts to halt the menacing march of global warming, we'll always have Paris. The Paris climate accord, that is.

Last year, at the UN climate conference in Paris, 195 nations agreed to the goal of containing global warming to 2 degrees Celsius above pre-industrial temperatures, with each country committing to specific targets for reducing greenhouse gas emissions. In order for that agreement to take effect, two thresholds needed to be met:

- At least 55 nations had to ratify the pact.
- The nations ratifying needed to account for at least 55 percent of global greenhouse gas emissions.

Both these markers were exceeded earlier this month when the European Union came on board, setting the stage for the Paris accord to go into effect on Nov. 4, just before the Conference of Parties (COP22) opens for the next UN climate conference in Marrakech on Nov. 7.

Let's pause for a moment to recognize the significance of what just happened. It would be an achievement if the nations of the world simply agreed that the sun rises in the east. For nearly every

country to agree that the world must act in concert to reduce the threat of climate change is nothing short of miraculous.

Of course, the U.S. and other nations have strong incentives for taking meaningful action on climate change. Global warming and its consequences are no longer abstract scientific concepts that might be dismissed with a collective shrug. Predictions of rising temperatures and sea levels made decades ago have come to pass. And the impact of these changes is being felt in the form of floods from rainfall sometimes measured in feet instead of inches, in bigger and more intense wildfires exacerbated by drought-parched landscapes, and in life-threatening heat waves baking places where air conditioning was never considered a necessity.

And so the Paris climate agreement taking effect next month is a long-overdue step to prevent the unintended but dire consequences of burning fossilized fuel for the past two centuries.

It would be premature, however, to pop the champagne just now. For starters, even if every nation made good on the emissions targets agreed to in the Paris document, the world would still blow past the 2C goal at the heart of the agreement. For that reason, signers of the pact agreed to revisit their commitments in 2018 with an eye toward ratcheting emissions down even further.

So now comes the hard part – putting in place mechanisms that will actually reduce carbon emissions to the point where outright catastrophe is averted. In the U.S., because Congress failed to take action on climate change, the Obama administration is relying on executive action built around the Clean Power Plan (CPP), whereby the Environmental Protection Agency establishes rules to reduce emissions at power plants.

This solution is far from ideal. More than two dozen states are challenging the legality of the EPA regulations in a case pending in federal court. If the CPP prevails in court, its long-term prospects will still be at the mercy of whoever occupies the Oval Office. Add to that the fact that the CPP only covers 40 percent of our carbon emission sources, and the need for a better solution becomes abundantly clear.

We need Congress to enact a more efficient and effective mechanism to bring down heat-trapping emissions. That mechanism is a revenue-neutral fee on carbon, the approach favored by just about every economist and a number of conservative think tanks. By “revenue-neutral,” we mean taking all the money derived from the carbon fee and giving it back to American households, thereby shielding families from increased costs associated with the fee.

How efficient and effective is this approach? A study from Regional Economic Models, Inc., looked at a fee with an annual rate of increase of \$10 per each ton of carbon dioxide. The REMI study determined that in 20 years this policy would bring down carbon emissions 50 percent below 1990 levels. Because of the stimulus effect of returning the revenue to households, 2.8 million jobs would be added to the economy.

Thank goodness we now have the Paris climate agreement taking effect. But we’ll be even more thankful when the U.S. and the rest of the world places an effective and transparent price on carbon.