The Effect of Damage Based Emissions Fees on Future US Emissions

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- Emissions are reduced with fees in place
  - Control devices
  - Efficiency improvements
  - Fuel switching
- Inform future policy decisions

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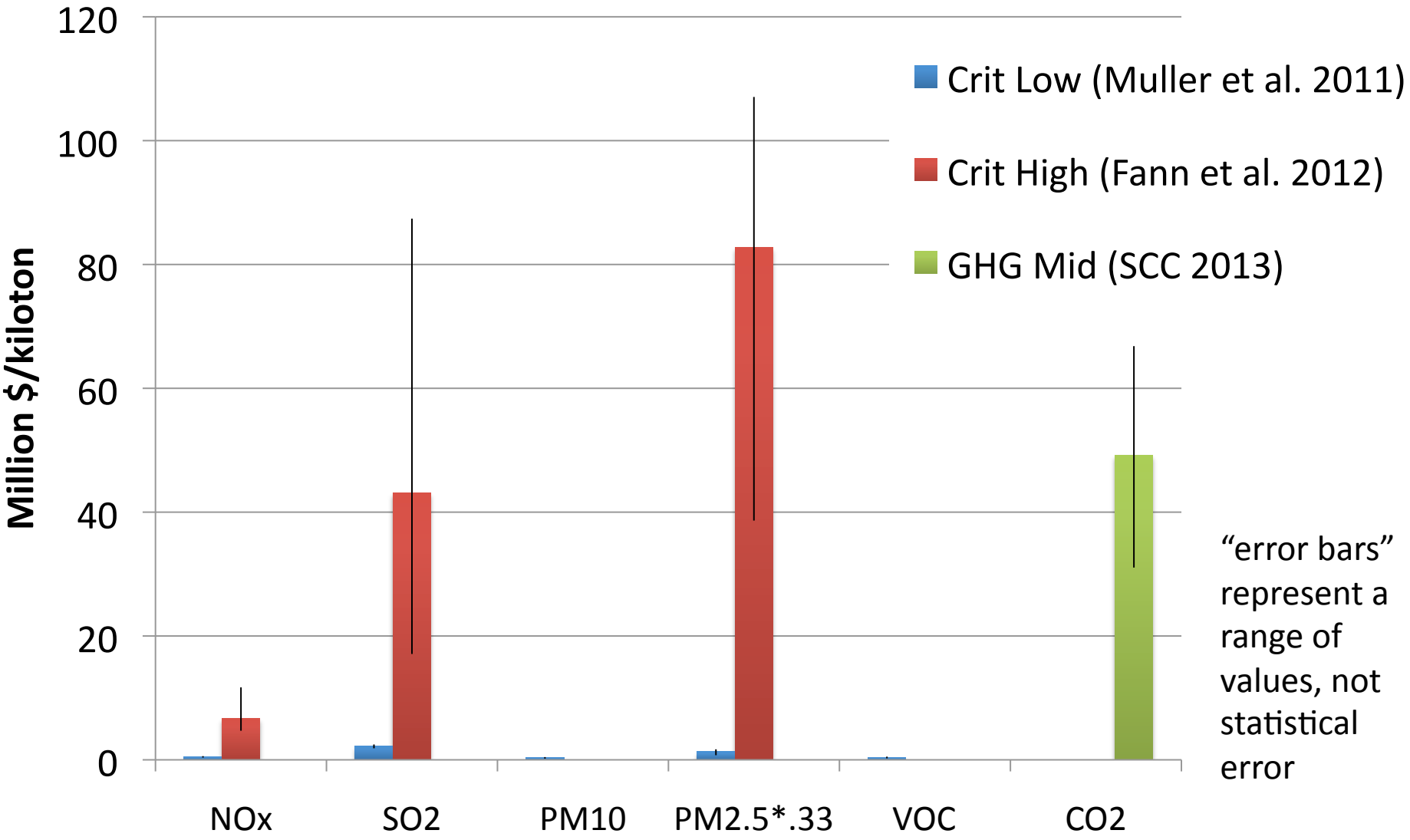
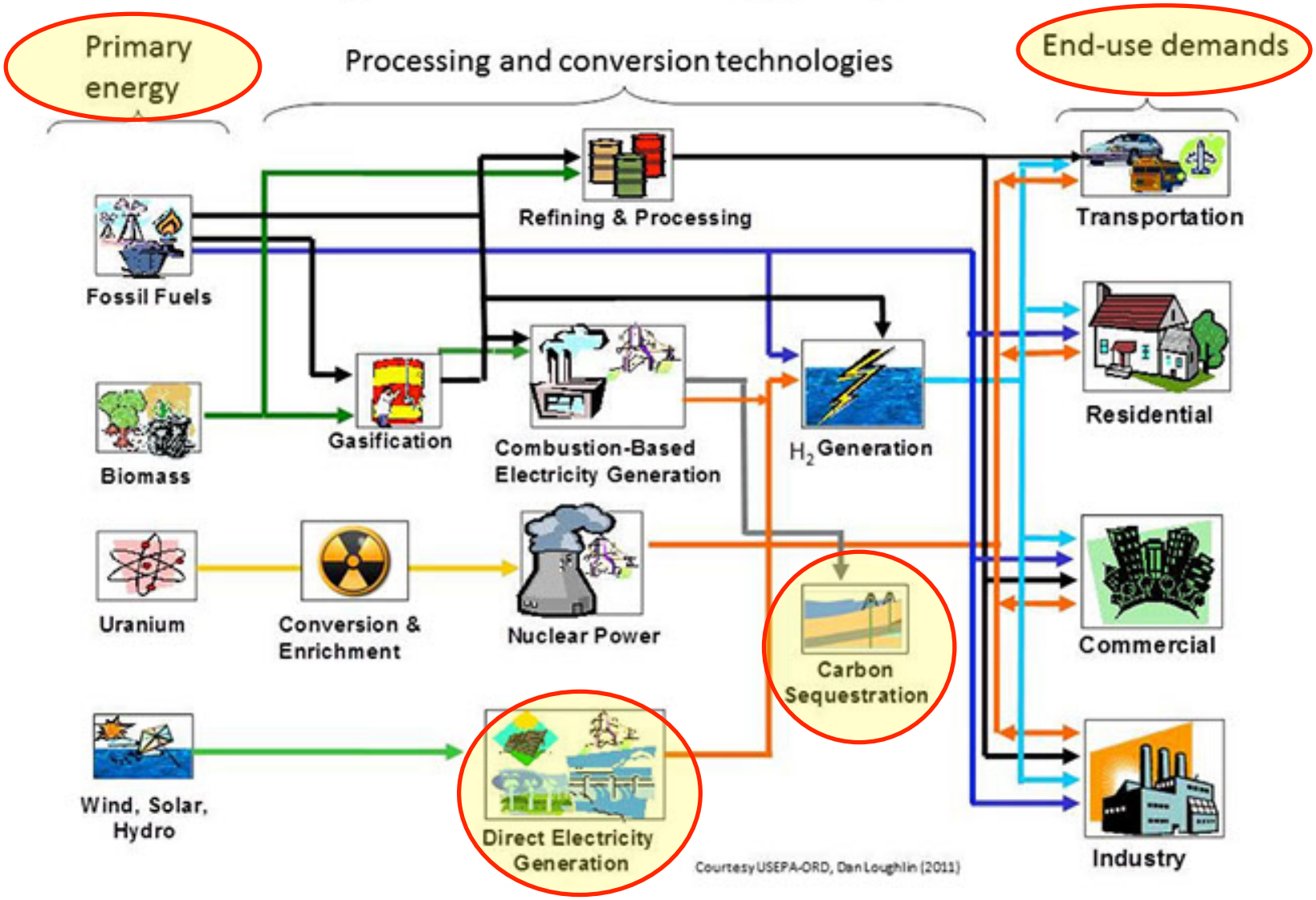
Fees Based on Externalities

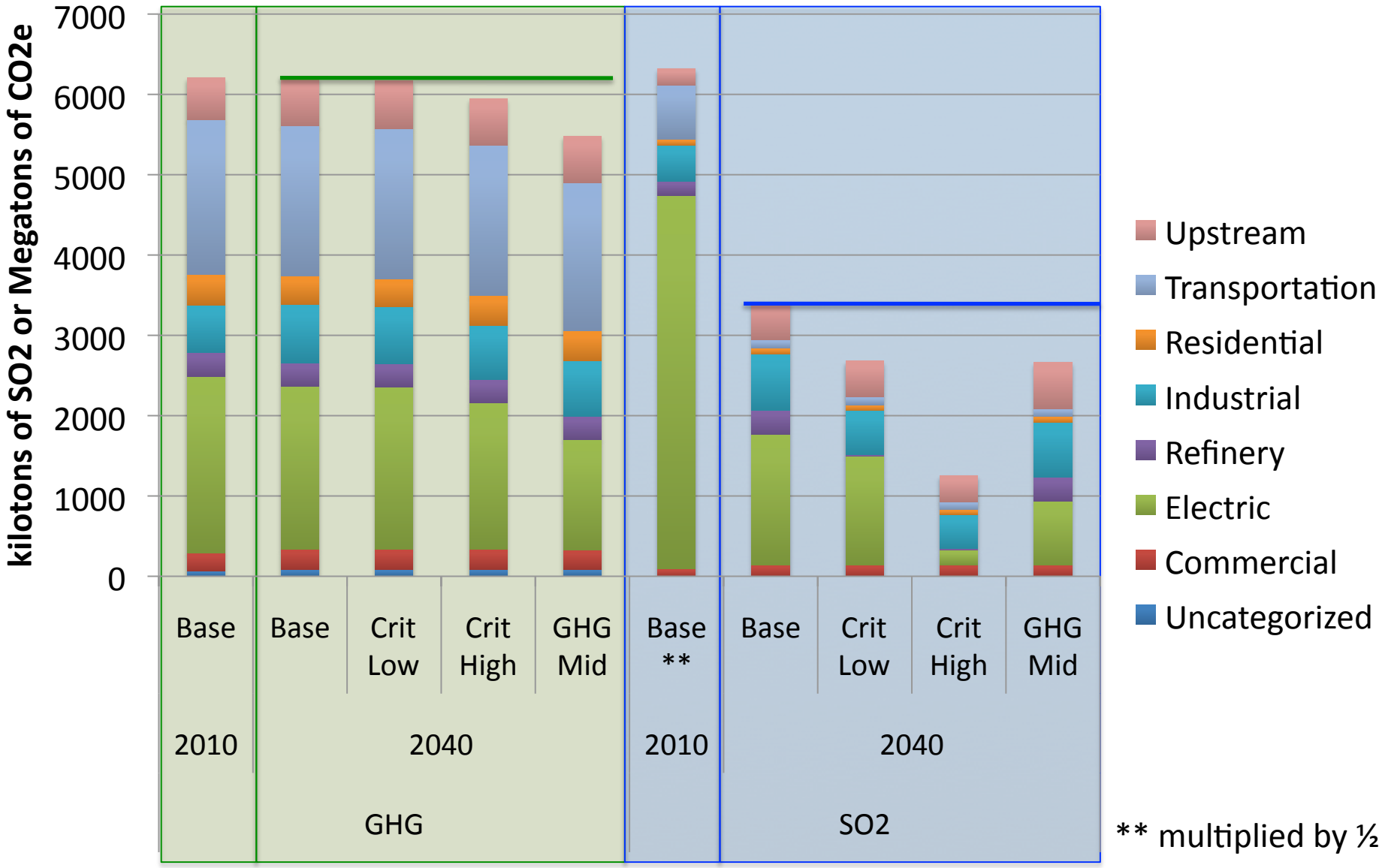


MARKAL/TIMES Energy System Model



MARKAL determines the least cost way to meet energy demand

U.S. Emissions



** multiplied by ½

Emissions Reductions

- Fuel Use changes
  - Less coal
  - More natural gas
  - More biomass with GHG fees
- Control Devices Used
  - Criteria pollutant control devices
  - Carbon capture not used
- Efficiency
  - Used more for GHG fees

References

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