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On January 16, Ranking Member of the Senate Environment and Public Works Committee David Vitter (R-LA) received a letter from the Environmental Protection Agency (EPA) explaining the Obama Administration's new definition of the social cost of carbon (SCC). In 2013, the Administration raised the SCC estimate from \$24 per ton of CO₂ released into the atmosphere (a 2010 estimate) to \$33 per ton. Lost agricultural output, increased energy use, impacts to human health, and property damage, among other adverse climate-related effects, factored into the elevated cost.

The EPA letter was in response to a June 2013 letter from Sen. Vitter and other Republican senators who questioned the process for recalculating the SCC. The SCC is used in cost-benefit analyses for CO₂ regulation and there are concerns that the increased estimate could produce added costs for industry and consumers.

The EPA reply stated, "The SCC imposes no cost, but instead, allows the benefits of emissions reductions to be compared to the costs of mitigation policy within cost-benefit analyses." According to the EPA, versions of the SCC have been used in regulation of light duty vehicles, sewage sludge incinerators, and a 2012 utilities air toxics rule.

Source: E&E Daily; Senate Energy & Public Works Committee, Minority web page
