

Value of Carbon Reduction

CLCPA requires DEC, in coordination with NYSERDA, to establish a Value of Carbon as an evaluation tool for agency decision making

- Describe damages and marginal abatement cost approaches
- Consider a range of discount rates, including zero
- Consider the social cost of carbon in other jurisdictions
- Provide values for non-CO₂ greenhouse gases

Target timeline of milestones to meet CLCPA deadline

Milestone	Date
Stakeholder conference	July 2020
Public comment period ends	November 27, 2020
Final released (CLCPA requirement)	January 1, 2021

Draft Value of Carbon Guidance

The proposed guidance:

- > Provides background on different ways to value greenhouse gas emissions reductions
 - Damages approach and marginal abatement cost
- > Recommends the U.S. Interagency Working Group's (IWG) damages-based value of carbon, also referred to as the social cost of carbon, as appropriate for most agency decision making
- > Considers a range of discount rates, including zero
 - Recommends 1%-3% (\$421-\$53 per ton of CO₂ in 2020 dollars)
 - Seeking comment on central value of 2% or 2.5% (\$125 or \$79 per ton of CO₂ in 2020 dollars)
- > Discusses how to value non-CO₂ greenhouse gases
 - Values are provided for CO₂, NO₂ and CH₄, as per IWG
 - Values for other gases will be added as the research evolves
 - CLCPA 20-yr GWP does not change these values
- > Details specific considerations for State agencies on how to use a damages-based approach

This guidance is not a regulation and does not set a carbon price nor impose any fees.

DEC Draft Value of Carbon Guidance

> Purpose

- The CLCPA directs DEC to establish a value of carbon for use by State agencies by January 1, 2021 (Section 75-0113)
- Value of Carbon is tool for state agencies to aid decision-making and assessment of the value of actions to reduce greenhouse gas emissions.
- A guidance is appropriate for providing instructions to State staff and revised to address myriad needs

> Use

- State agencies may utilize the Value of Carbon to aid many forms of decision-making related to permitting, environmental review, rulemakings, funding, procurement, etc.
- Guidance does not create a price, fee, or compliance obligation.
- The guidance assesses the value of avoided emissions for each gas. Gases do not need to be converted to carbon dioxide equivalents.