



# Harvard Model Congress

## Boston 2024

---

# THE SOCIAL COST OF CARBON UPDATE

*By Maeve Brennan*

---

Debates over climate change have continued throughout 2023, as legislators on the state, federal, and global levels worked to propose and enact policies that reduce carbon emissions. At the 2023 United Nations Climate Change Conference (COP28), nearly every participating country agreed to transition away from fossil fuels. However, activists and politicians voiced frustrations with COP28's promises, arguing that the summit lacked a clear call for a fossil-fuel "phase-out" (Chandrasekhar, 2023).

The Biden Administration continues to work to its own goal of net-zero emissions by 2050 through the Inflation Reduction Act (IRA). Under the IRA's extending and expanding tax incentives, US solar capacity increased and electric vehicle sales rose (Boushey, 2023). Recent IRA updates include clean hydrogen tax subsidies, which use tax credits to incentivize the production of hydrogen with solar and wind rather than coal or natural gas ("US Treasury, IRS Unveil Clean Hydrogen Tax Credit," 2023).

A recent White House directive also requires federal agencies to consider the social cost of carbon when buying vehicles, equipment, and other goods. This directive encourages the federal government to shift its fleet of around 600,000 gas-powered vehicles to electric vehicles, and to spend its roughly \$600 billion budget on more environmentally-friendly goods and services. The Biden Administration is also preparing to readjust its calculated social cost of carbon, which is currently at \$51 a ton, to \$190 a ton (Davenport, 2023). This readjustment corresponds with the Environmental Protection Agency's estimation of the social cost of carbon at \$191 a ton.

State legislatures across the US are also working to reduce emissions through various programs, policies, and pledges. Minnesota and Michigan, both controlled by Democratic state legislatures, enacted a clean energy standard that restricts gas in new construction, provides funding for clean energy factories, and boosts electric vehicle production. Other states, such as New Jersey, required automakers to increase sales of zero-emission vehicles (Aton, 2023).

New York also adopted a plan for a cap-and-trade program that mirrors similar initiatives in California, Washington, and Canada. However, the future of the Washington

cap-and-trade program is currently under threat; opponents hope to repeal the initiative, citing high gas prices (Brown, 2023).

The future of US clean energy policies is also currently in flux with the 2024 presidential election approaching. President Biden, the expected Democratic Party nominee, will likely continue and expand his current policies, such as the IRA. Hopefuls for the Republican nomination, however, aim to take climate change policies in another direction. Former President Donald Trump, for example, is expected to advocate for a continuation of his presidential policies, which saw the US withdraw from the Paris Agreement. Other hopefuls, such as Nikki Haley and Chris Christie, emphasize efforts to remove carbon dioxide from the air rather than to reduce carbon emissions (James, 2023).

## BIBLIOGRAPHY

---

- Aton, Adam. “How 2023 Changed the Way States Do Climate Policy.” *E&E News by POLITICO*, 21 Dec. 2023, <https://www.eenews.net/articles/how-2023-changed-the-way-states-do-climate-policy/>.
- Boushey, Heather. “Building a Thriving Clean Energy Economy in 2023 and Beyond.” *The White House*, 19 Dec. 2023, <https://www.whitehouse.gov/briefing-room/blog/2023/12/19/building-a-thriving-clean-energy-economy-in-2023-and-beyond/>.
- Brown, Alex. “The Future of ‘Cap-and-Trade’ Carbon Markets Could Hinge on Washington State.” *Stateline*, 13 Dec. 2023, <https://stateline.org/2023/12/13/the-future-of-cap-and-trade-carbon-markets-could-hinge-on-washington-state/>.
- Chandrasekhar, Aruna. “COP28: Key Outcomes Agreed at the UN Climate Talks in Dubai.” *Carbon Brief*, 13 Dec. 2023, <https://www.carbonbrief.org/cop28-key-outcomes-agreed-at-the-un-climate-talks-in-dubai/>.
- Davenport, Coral. *White House Directs Agencies to Account for Climate Change in Budgets - The New York Times*. <https://www.nytimes.com/2023/09/21/climate/biden-climate-change-economic-cost.html>. Accessed 23 Dec. 2023.
- Lindsay, James. “Campaign Roundup: The Republican Presidential Candidates on Climate Change.” *Council on Foreign Relations*, <https://www.cfr.org/blog/campaign-roundup-republican-presidential-candidates-climate-change>. Accessed 23 Dec. 2023.
- “US Treasury, IRS Unveil Clean Hydrogen Tax Credit.” *Voice of America*, 22 Dec. 2023, <https://www.voanews.com/a/us-treasury-irs-unveil-clean-hydrogen-tax-credit/7409293.html>.