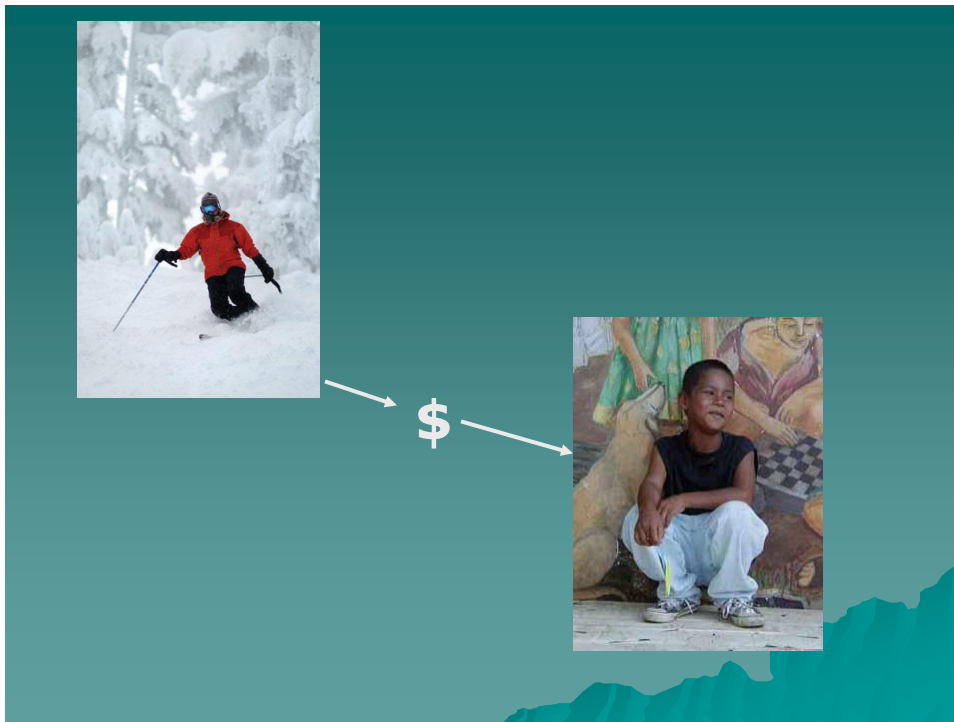


ECONOMIST





		US	
		Reduce emissions	Don't reduce emissions
R O W	Reduce emissions	US: Benefits = 50, Costs = 30, Net benefits = 20 ROW: Benefits = 50, Costs = 30, Net benefits = 20 World: Net benefits = 40.	US: Benefits = 35, Costs = 0, Net benefits = 35 ROW: Benefits = 20, Costs = 45, Net benefits = -25 World: Net benefits = 10.
	Don't reduce emissions	US: Benefits = 20, Costs = 45, Net benefits = -25 ROW: Benefits = 35, Costs = 0, Net benefits = 35 World: Net benefits = 10.	US: Benefits = 0, Costs = 0, Net benefits = 0 ROW: Benefits = 0, Costs = 0, Net benefits = 0 World: Net benefits = 0.

Household Sector (Total Emissions = 140)

1. Improved lighting and appliance efficiency, 25 tons, \$15 per ton.
2. Increase passenger vehicle mileage, 25 tons, 25\$ per ton.
3. Energy refits of existing residential structures, 25 tons, \$35 per ton.
4. Installation of passive solar heating systems, 25 tons, \$45 per ton
5. Installation of PV and small scale hydro residential electrical generation, 25 tons, \$55 ton

Electrical Generation Sector (Total Emissions = 140)

1. Increase generation efficiency, 25 tons, \$30 per ton.
2. Increase transmission efficiency, 25 tons, \$40 per ton.
3. Switch to wind power, 25 tons, \$50 per ton.
4. Switch to nuclear power, 25 tons, \$60 per ton.
5. Sequester carbon, 25 tons, \$70 per ton.



Policy Options Score Sheet

Option: Feature:	Energy policy with targeted strategies	Carbon tax	Cap and Trade
Political appeal	High	Very Low! (It's that T word!)	Low, but changing?
Efficiency	Low	High	High
Cost uncertainty	Moderate	Low	High
Mitigation effect uncertainty	Moderate	High	Low
Incentives for cost reducing innovation	Low/moderate	High	High
Effect of lowering cost on level of mitigation	Low	High	High