

Tax or Trade: Revisiting the Trade-Offs in Climate Policy Options

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March 2, 2016



IETA
CLIMATE CHALLENGES
MARKET SOLUTIONS

The Carbon Pricing Debate



Tax vs. Trade

Cap and Trade

1. Environmental Certainty
2. Price Uncertainty
3. Fungibility
4. Ambition = Cap

Carbon Tax

1. Price Certainty
2. Environmental Uncertainty
3. Nonfungible
4. Ambition = Price



What is the Point?

