

Putting a Value on CO₂

Howard Herzog, MIT

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MIT Coal Study

Finding #1

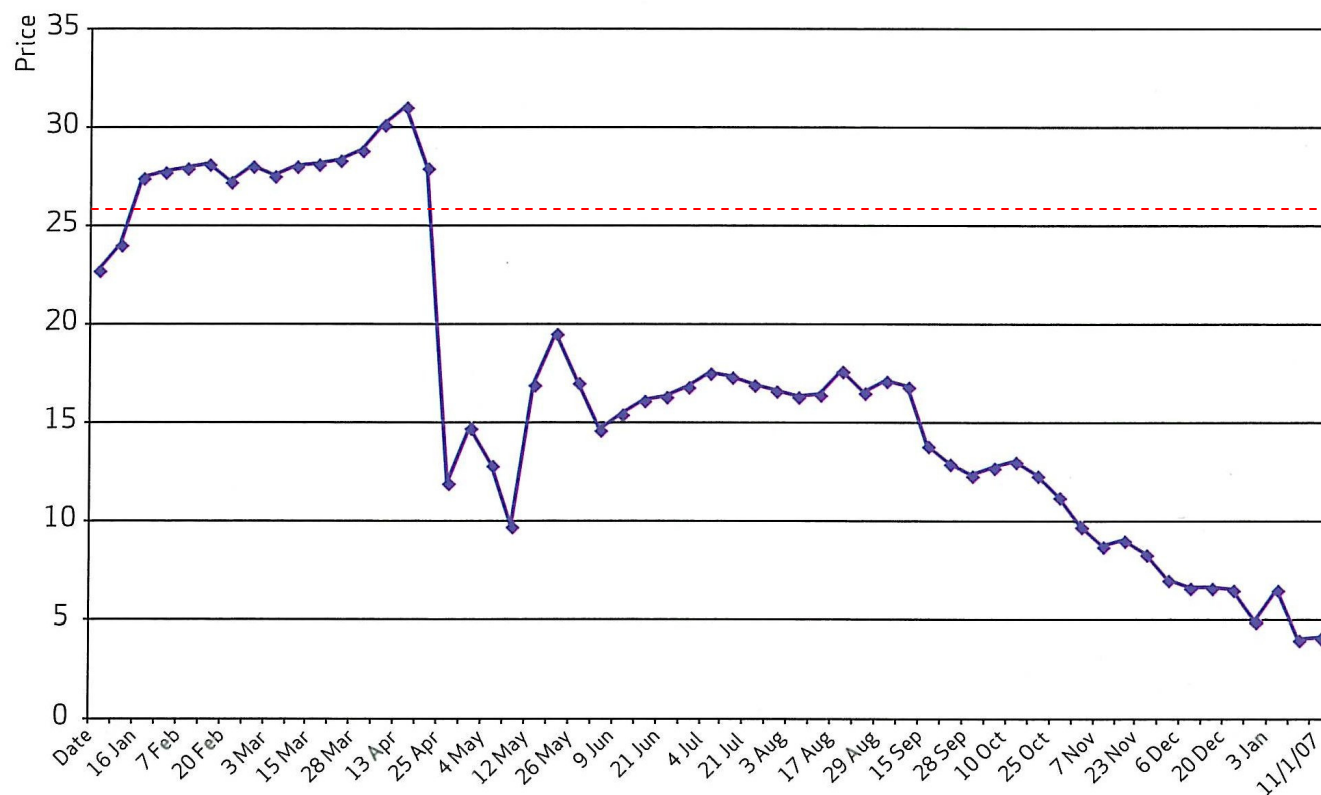
- Although possible in principle, it is very unlikely that any process that produces electricity from coal conversion/combustion with carbon capture will ever be as cheap as coal plants without CO₂ capture. Thus the cost of electricity from coal with capture will be significantly higher than it would be without CCS. Disciplined technology development and innovative advances can, however, narrow the cost gap and deserve support.

IPCC Special Report on CO₂ Capture and Storage

- Energy and economic models indicate that the CCS system's major contribution to climate change mitigation would come from deployment in the electricity sector. Most modeling as assessed in this report suggests that CCS systems begin to deploy at a significant level when CO₂ prices begin to reach approximately 25 - 30 US\$/tCO₂.

Carbon Prices – EU Trading System

Market Price of EU Allowances in €/t, 2006-07



Source: Point Carbon

Policy Vehicles to Put a Price on Carbon

- Carbon Tax
- Cap and Trade System
- Incentives
- Standards