



WORLD BANK GROUP
Climate Change

Pricing Carbon: is it becoming inevitable?

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Pricing carbon is gaining momentum

Over 20% of global emitters with carbon pricing initiatives implemented or scheduled



■ ETS implemented or scheduled for implementation

■ ETS and carbon tax
■ ETS under consideration

■ Carbon tax implemented or scheduled for implementation

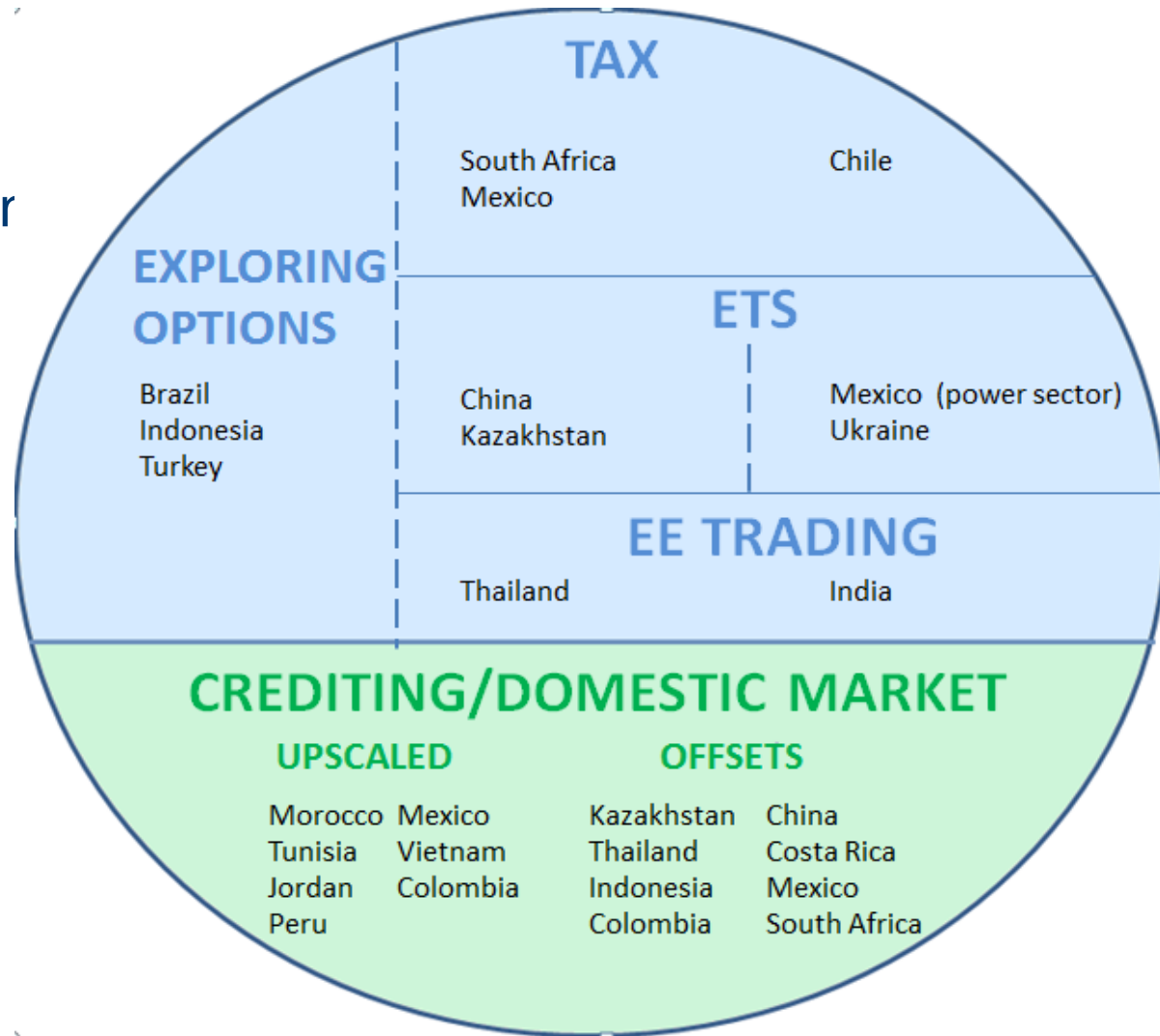
Advancing domestic progress

◆ Building “readiness”

Developing Monitoring, Reporting, and Verification of GHG emissions

Strengthening analytical capacities for mitigation objectives and policy options

◆ Designing/ implementing domestic carbon pricing policies



Adding it up: networked carbon markets

- **Risk-based approach to determine the mitigation value of carbon assets in an international carbon pricing framework**
- **International Carbon Reserve**
- **Help in establishing carbon exchange rates across heterogeneous carbon assets**
- **Possible market making function**
- **International Settlement Platform**
- **Track cross-border trades**

Findings from CDP 2013 disclosure

▼ **In the US:** In 2013, 29 US companies – across all sectors of the economy – disclosed that they use an internal price of carbon in their business planning.

▼ **Sectors:** This includes industrial, manufacturing and fossil fuel companies associated with higher emissions profiles.

▼ **Prices:** The disclosed price ranges from US \$6-60 per metric ton.

Figure 1: 29 Companies disclose using an internal price on carbon*

Consumer Discretionary

▼	Delphi Automotive Plc
▼	Walt Disney Company, \$10-20 **

Consumer Staples

▼	ConAgra Foods, Inc.
▼	Wal-Mart Stores, Inc.

Energy

▼	Apache Corporation
▼	BP, \$40
▼	Chevron Corporation
▼	ConocoPhillips, \$8 - 46
▼	Devon Energy Corporation, \$15
▼	Exxon Mobil Corporation, \$60
▼	Hess Corporation
▼	Royal Dutch Shell, \$40
▼	Total, \$34

Financials

▼	Wells Fargo & Company
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Industrials

▼	Cummins Inc.
▼	Delta Air Lines
▼	General Electric Company

Information Technology

▼	Google Inc., \$14
▼	Jabil Circuit, Inc.
▼	Microsoft Corporation, \$6-7 **

Materials

▼	E.I. du Pont de Nemours and Company
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Utilities

▼	Ameren Corporation, \$30
▼	American Electric Power Company, Inc.
▼	CMS Energy Corporation
▼	Duke Energy Corporation
▼	Entergy Corporation
▼	Integrus Energy Group
▼	PG&E Corporation
▼	Xcel Energy Inc., \$20

From the perspective of companies

Many companies stated that addressing climate change will be both a business cost and opportunity, regardless of the regulatory environment.

- Carbon pricing, as a tool to aid preparedness for climate change, is used in many ways.
- The use of a carbon price helps identify revenue opportunities and operational risks, and incentivise energy efficiencies to reduce costs and spur innovation.
- Companies find it useful to employ a carbon price as part of their planning for GHG emissions reduction targets.
- Corporate use of carbon pricing provides investors with an economic valuation of climate-related risks and opportunities and guides capital investment decisions.

Access the report:

[https://www.cdp.net/CDPResults/companies-carbon-pricing-implications-](https://www.cdp.net/CDPResults/companies-carbon-pricing-implications-2014.pdf)

2014.pdf

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What's next

- **UN Climate Summit September 23, New York**
- **50+ governments and 1000+ businesses show support for Price on Carbon Statement**
- **Launch a new government/business leadership group**
- **Design solutions**
 - Support government action in key jurisdictions
 - Explore carbon market linkages
 - Recommend policies
 - Advance internal C pricing in companies

Join the movement to Put a Price on Carbon

<http://www.worldbank.org/en/programs/pricing-carbon>

CURRENT COUNT
20+
countries
200+
companies

