

Stanford
LawSchool

The Climate and Energy Nexus

Michael Wara

Connecting the Dots - 2013

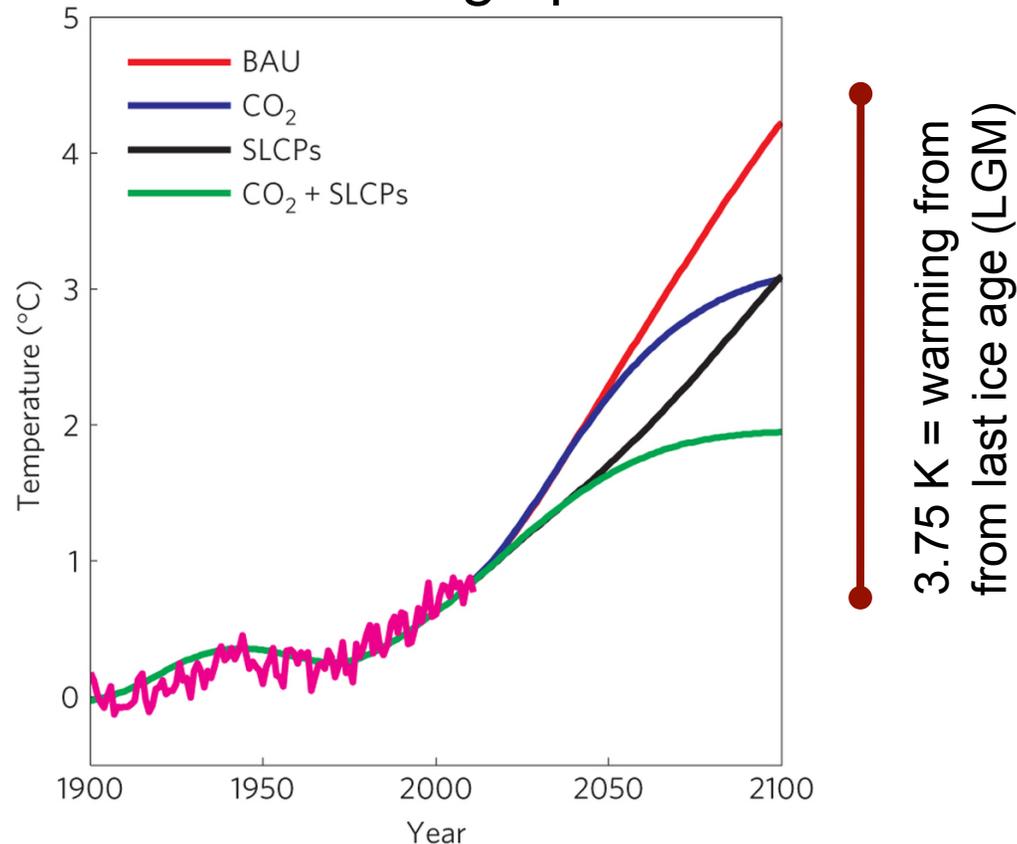
How do we get this...



...without this?

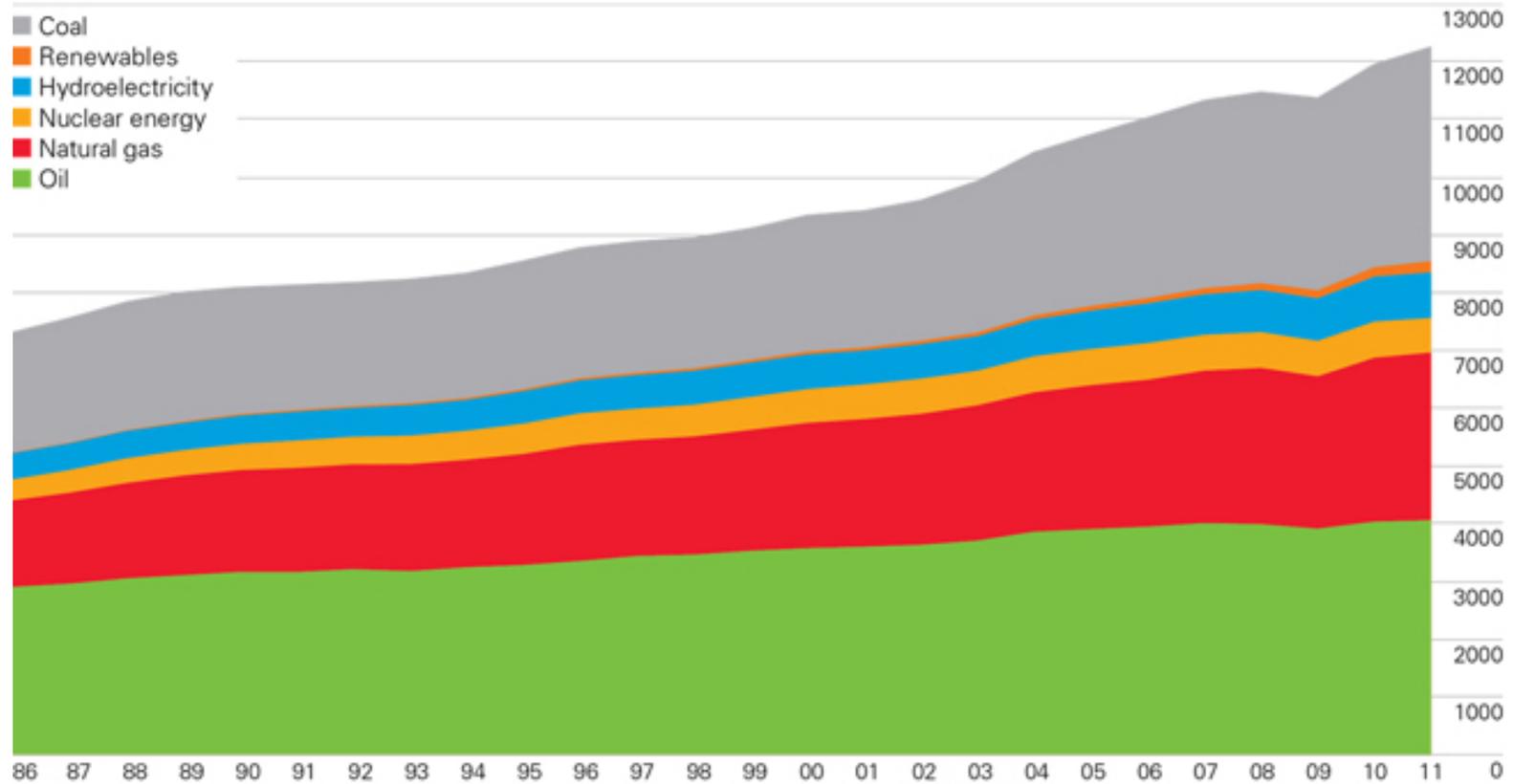


The do nothing option...



Hu et al., Nature Climate Change, 2013;
Shakun et al., Nature, 2012.

Connecting the Dots 2013. Michael Wara

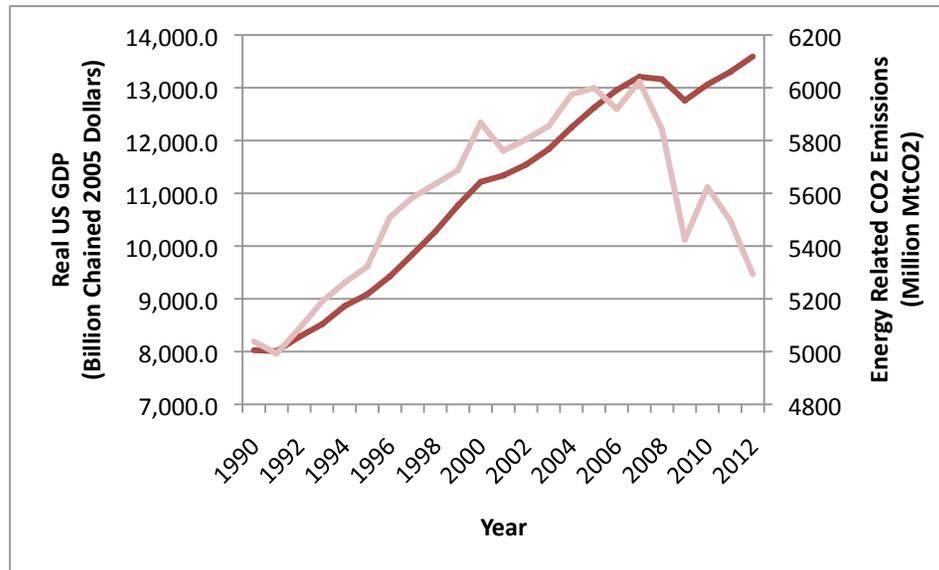


BP, 2013

- Facts on energy have radically changed
- New US role in global energy markets
- Implications for US climate policy

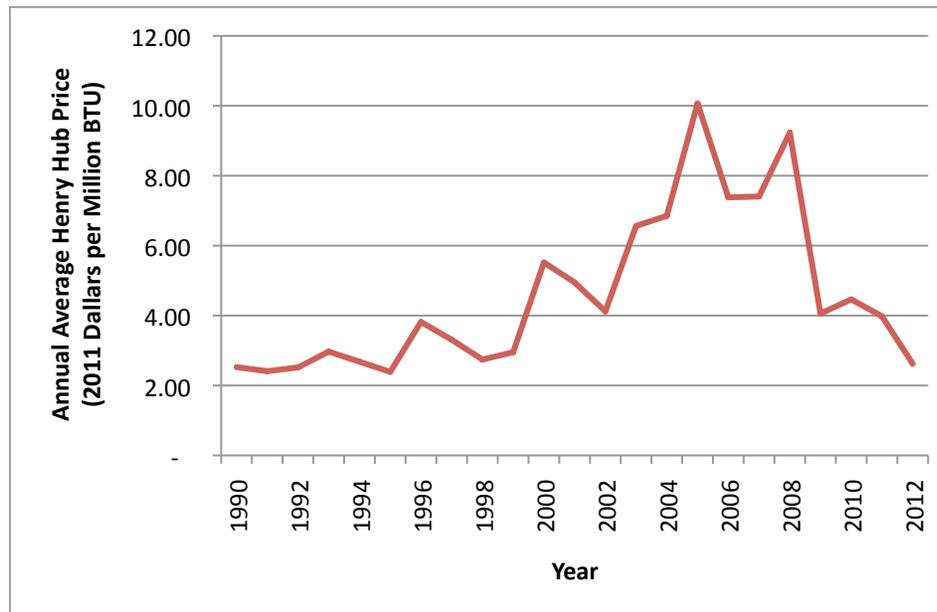


The economy - emissions disconnect



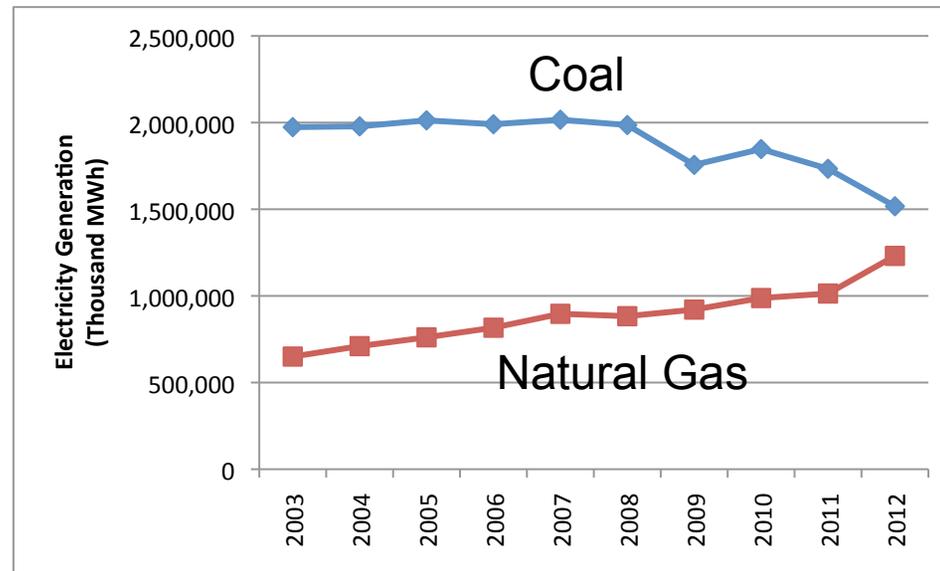
Data: EIA, BEA

US natural gas prices



Data: EIA

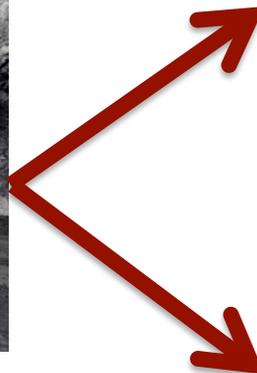
Coal versus Gas Fired Electric Generation



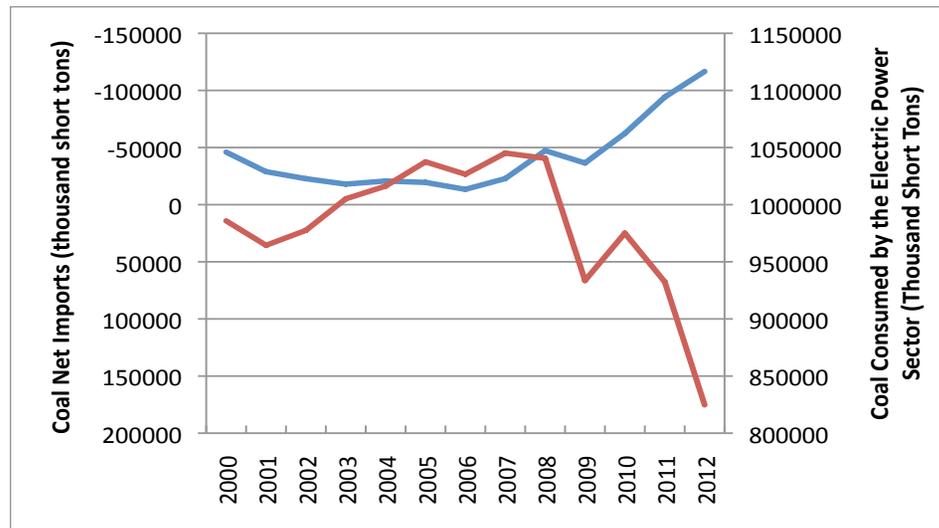
Data: EIA

And then what happens?

US Role in Global Energy Markets



US Coal: Net imports vs power sector



Data: EIA

- CAFE standards, EPA regulation under CAA
- Waxman-Markey redux?
- Current carbon tax proposals

Top down



versus



Bottom up

BTAs on imported goods

versus

Tax rebates on exported fuels



1. Facts on US energy have changed
 2. New US role in global energy markets
- ➔ New thinking on US climate policy needed