*Detailed Instructions for Study Questions:*

During the live sessions, Professor Stavins will randomly select participants to share their answers for each Study Question. Study Questions are based closely on the recorded lectures. We suggest that you:

* Read the Study Questions once, *prior*to viewing the recorded lectures;
* Have the Study Questions available for reference *while*you view the recorded lecture;
* Prepare notes for yourself in response to each question *after*viewing the lecture – in case you wish to respond during the live session (or are called upon to do so!). (NOTE: You will not be required to submit written responses at any time during the week.)
* Refer to the MS PowerPoint presentations as needed. For each recorded Lecture by Professor Stavins, you will find two PDF versions of his slides: one in color, one slide per page; and one in black and white, two slides per page, for easy printing.
* Discuss your thoughts and notes on the study questions with your fellow-Study-Team members each morning before the live sessions.
* Read the Study Questions once, *prior* to viewing the recorded lectures;
* Have the Study Questions available for reference *while* you view the lecture;
* Prepare notes for yourself in response to each question *after* viewing the lecture – in case you wish to respond during the live session (or are called upon to do so; at the beginning of each Session, Professor Stavins will randomly select participants to share their answer for each Study Question.)
* NOTE: Tuesday - Friday, you should *further prepare responses collaboratively, with colleagues in your Study Teams*.
* You will not be required to submit written responses at any time during the week.
* Refer to Professor Stavins' MS PowerPoint presentations as needed. For each recorded lecture by Professor Stavins, you will find his slides on the same canvas page as the recorded lecture.

**Session 3: Fundamentals of Climate Policy Instruments**

1. Describe the spatial and temporal dimensions of pollutants.
2. What is one important reason why it is difficult to determine the *efficiency* of an environmental policy?
3. Do you have anything more to say today about the appropriate uses of cost effectiveness and efficiency in evaluating environmental policies? (See question 8 in Session 2.)
4. What are two conditions for a cost-effective policy?
5. What are the two main types of “command and control” environmental policies?
6. What are the two main types of carbon-pricing policies?
7. Question quoted from slide 10: Is there a way the government can achieve the **environmental objective**, do it **cost-effectively**, but **without information**about firms’ abatement costs?
8. What are some weaknesses of a third type of carbon-pricing system – an emissions-reduction-credit system (or offset system)?

**Session 4: Carbon Pricing Instruments**

NOTE: For a number of the following questions, you may wish to include materials from the Session 3, as well as Session 4.

1. Why do many policy analysts favor carbon pricing over “command-and-control” climate-change-policy systems, particularly for large, complex economies?
2. What are the basic consequences of carbon pricing for the three main fossil fuels: coal, natural gas, and oil – and for renewable energy sources?
3. Which sectors will be most affected by carbon pricing policies? How might the answer to this question change as the cap decreases or the tax increases, over time?
4. Compare and contrast the two main types of carbon-pricing systems – including reference to key design features/elements. What are some advantages and disadvantages of each? Why does Professor Stavins say that hybrid policy systems provide the opportunity for a *continuum* of policy choice, rather than a *dichotomous* policy choice? (Note: you may wish to draw on materials from Session 3, as well.)
5. How can carbon pricing be made more politically acceptable? Related: Discuss the competitiveness impacts of carbon pricing and how these might be addressed. How does the “free allocation” of emissions allowances affect competitiveness (hint: the last is a bit of a trick question!)?
6. In practice, how should the cap be set in a cap-and-trade regime relative to business-as-usual (BAU) emissions in order for emissions to actually decrease?