

Headline: New model for carbon taxes aims for net-zero emissions

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The new carbon tax price could encourage companies and governments to boost investment in renewable energy. Image: [IStock.com/powerofforever](https://www.istock.com/powerofforever).

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Researchers from Columbia University's Earth Institute have published an article in the academic journal *Nature Climate Change* last Aug. 17 proposing a new model for the calculation of carbon taxes, which aims to achieve an equilibrium between carbon dioxide emitted and CO<sub>2</sub> absorbed by the planet by 2050.

Carbon taxes for individuals and businesses calculated on the basis of the social cost of emissions already exist in many countries. However, the researchers behind this new study argue that this method of calculation is no longer adequate to address the scale and complexity of climate change.

Zero-net emissions is the critical global objective

Internationally established for the first time by the Paris Agreement in 2015, the bid to achieve net-zero carbon emissions is increasingly critical as the world approaches the year 2050. This goal aims to create an equilibrium between anthropogenic emissions of greenhouse gases and the absorption capacity of the planet.

Researchers at Columbia University's Center for Global Energy Policy hope that their new model for the calculation of carbon taxes will be adopted by states and provide the basis for political decisions in the fight against global warming. Specifically, they have presented three pathways that states may follow to achieve net-zero emissions in 2040, 2050 or 2060.

New CO<sub>2</sub> prices

According to the new model, the tax per metric ton of carbon emissions that needs to be levied from 2025 should be \$32 dollars (or approx. P1,500) to reach the target in 2060, \$52 dollars (or approx. P2,500) to reach the target in 2050, and \$93 dollars (or approx. P4,500) to reach the target in 2040.

For Jason Bordoff, a professor at Columbia University and the founder of the Center for Global Energy Policy, this new model is essential to help reduce pollution and encourage green energy-related innovation.

Compared to the prices currently applied by some countries, these figures are not much higher. In Europe, among the 17 countries that have already implemented carbon taxes, Sweden leads the field with a rate of 120 euros (or approx. P6,800) per metric ton of CO<sub>2</sub> as opposed to around 44 euros (or approx. P2,500) in France.

The main author of the research further explains that another important aim of the study is to dispel the idea that carbon taxes will never be high enough to be effective. CC

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