Appendix

Create a Function for Marginal Abatement Cost of Sector "A"

Equation for Sector "A"

$$Marginal\ Abatement\ Cost(A) = -8.6444767 + 0.5768419(Tons\ of\ Abatement)$$

Create a Function for Marginal Abatement Cost of Sector "B"

Equation for Sector "B"

$$Marginal\ Abatement\ Cost(B) = 9.3176977 + 0.1987443(Tons\ of\ Abatement)$$

Create a Function for Marginal Abatement Cost of Sector "C"

Equation for Sector "C"

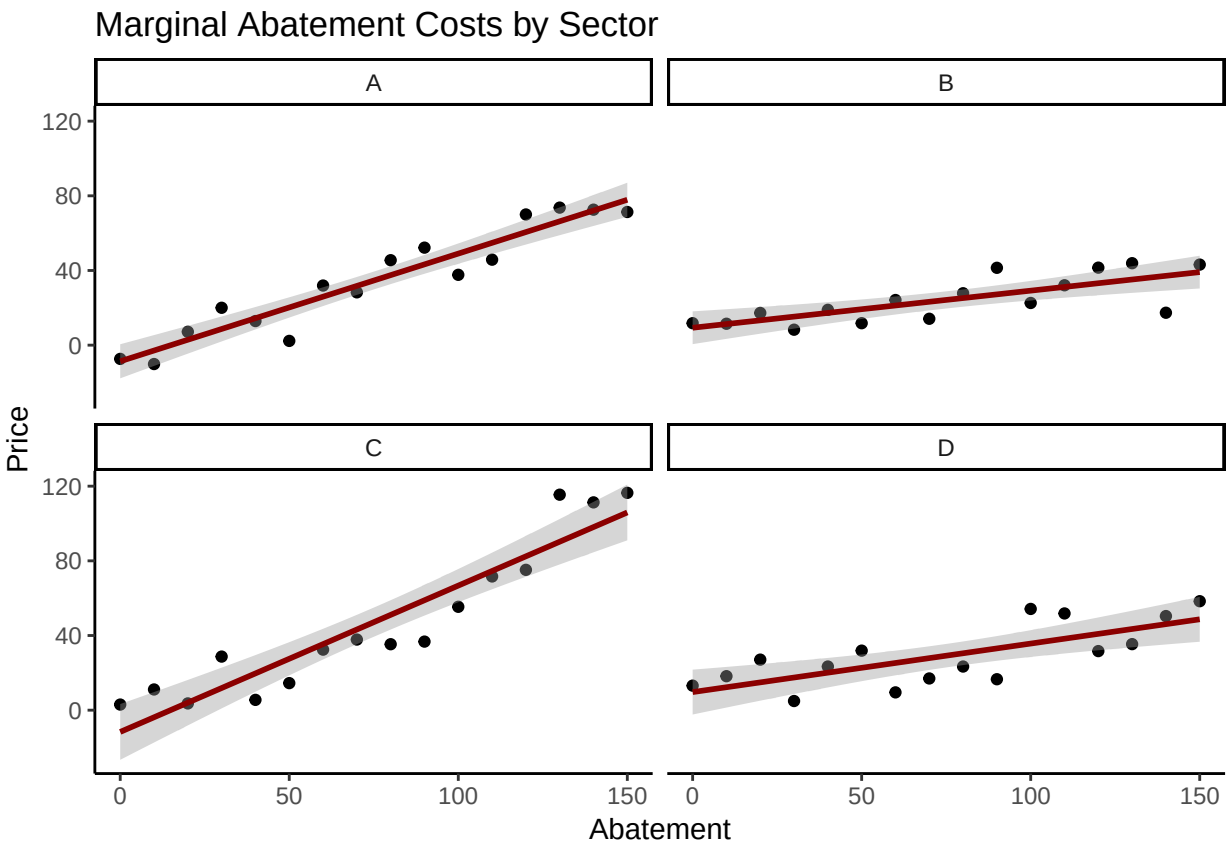
$$Marginal\ Abatement\ Cost(C) = -11.6550307 + 0.7838266(Tons\ of\ Abatement)$$

Create a Function for Marginal Abatement Cost of Sector "D"

Equation for Sector "D"

$$Marginal\ Abatement\ Cost(D) = 9.6875061 + 0.2599275(Tons\ of\ Abatement)$$

Create a Plot for All of the Sectors



Create a Table of Regression Results

```
##
## Table 1: Marginal Abatement Cost Regression Results
## ================================================================
##                                    Dependent variable:
##                                -----------------------------------
##                                  MC_A      MC_B      MC_C      MC_D
##                                  (1)       (2)       (3)       (4)
## ----------------------------------------------------------------
## Abatement                      0.577***  0.199***  0.784***  0.260***
##                                (0.048)   (0.046)   (0.079)   (0.064)
##
## Constant                       -8.644*   9.318**   -11.655    9.688
##                                (4.257)   (4.091)   (6.963)   (5.606)
##
## ----------------------------------------------------------------
## Observations                     16        16        16        16
## R2                              0.910     0.566     0.875     0.543
## Adjusted R2                     0.904     0.535     0.866     0.511
## Residual Std. Error (df = 14)   8.917     8.569     14.584    11.742
## F Statistic (df = 1; 14)      142.288*** 18.291*** 98.214*** 16.661***
## ================================================================
## Note:                                  *p<0.1; **p<0.05; ***p<0.01
```

Derive Demand Curves and WTP at Current Levels of Emissions

Graph all Demand Curves