Vidit Pokharna

Reading Response 3

The article discovers why it's crucial to get the social cost of carbon right, which is basically the price tag for the damage caused by each tonne of CO2 we pump into the atmosphere. What jumped out at me the most is how the new estimates are way higher than what policymakers have been using. They're saying it's about $185 per tonne, compared to the U.S. government's current number, which is $51. That's a pretty large margin, and it shows just how much we've been underestimating the real, long-term effects of climate change.

Something I hadn't really thought about before was how important the discount rate is in all of this. Rennert and his team make a strong case for using a lower, more realistic rate of 2%, which better reflects where the economy and interest rates are today. It makes you realize that we've been a bit out of touch when it comes to evaluating climate policies. The old models were using higher rates, which made the future impacts seem smaller and less urgent. But with the lower rate, it's a lot clearer just how serious today's emissions will be for the people who come after us.

Another thing that caught my attention is how they use probabilistic modeling instead of just relying on fixed assumptions. They account for many uncertainties, like how population and technology will evolve, which makes their predictions a lot more reliable. It's hard not to come away from this without feeling a sense of urgency. Their findings largely argue that we need to be much more aggressive with climate policies because the cost of inaction is much steeper than we've been led to believe.