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## OFFICE OF MANAGEMENT AND BUDGET

Technical Support Document: Technical Update of the Social Cost of Carbon for Regulatory Impact Analysis Under Executive Order No. 12866

**AGENCY:** Office of Management and Budget, Executive Office of the President.

**ACTION:** Notice of availability and request for comments.

**SUMMARY:** The Office of Management and Budget (OMB) requests comments on the Technical Support Document entitled *Technical Update of the Social Cost of Carbon for Regulatory Impact Analysis Under Executive Order 12866*, available at:

<http://www.whitehouse.gov/sites/default/files/omb/assets/inforeg/technical-update-social-cost-of-carbon-for-regulator-impact-analysis.pdf>. The Social Cost of Carbon (SCC) is

used to estimate the value to society of marginal reductions in carbon emissions. This Technical Support Document explains the derivation of the SCC estimates using three peer reviewed integrated assessment models and provides updated values of the SCC that reflect minor technical corrections to the estimates released in May of this year.

OMB requests that comments be submitted electronically to OMB by **[insert date 60 days from publication]** through [www.regulations.gov](http://www.regulations.gov).

**DATES:** To ensure consideration, comments must be in writing and received by [insert date 60 days from publication]

**ADDRESSES:** Submit comments by one of the following methods:

- [www.regulations.gov](http://www.regulations.gov): Direct comments to Docket ID OMB- OMB-2013-0007
- Email: [SCC@omb.gov](mailto:SCC@omb.gov)
- Fax: (202) 395-7285
- Mail: Office of Information and Regulatory Affairs, Office of Management and Budget, Attn: Mabel Echols, NEOB, Room 10202, 725 17th Street, N.W., Washington, DC 20503. To ensure that your comments are received, we recommend that comments be electronically submitted.

All comments and recommendations submitted in response to this notice will be made available to the public. For this reason, please do not include in your comments information of a confidential nature, such as sensitive personal information or proprietary information. The [www.regulations.gov](http://www.regulations.gov) website is an “anonymous access” system, which means OMB will not know your identity or contact information unless you provide it in the body of your comment.

For further information, contact: Mabel Echols, Office of Information and Regulatory Affairs, Office of Management and Budget, NEOB, Room 10202, 725 17th Street, N.W., Washington, DC 20503. Telephone: (202) 395-3741.

**SUPPLEMENTARY INFORMATION:** Rigorous evaluation of costs and benefits is a core tenet of the rulemaking process. It is particularly important in the area of climate change. The current estimate of the social cost of CO<sub>2</sub> emissions (SCC) has been developed over many years, using the best science available, and with input from the public.

In February 2010, after considering public comments on interim values that agencies used in a number of rules, an interagency group of technical experts, coordinated by OMB and the Council of Economic Advisers (CEA), released improved SCC estimates. The interagency group estimated the improved SCC values using the most widely cited climate economic impact models. Those climate impact models, known as integrated assessment models, were developed by outside experts and published in the peer-reviewed literature. Recognizing that the models underlying the SCC estimates would evolve and improve over time as scientific and economic understanding increased, the Administration committed in 2010 to regular updates of these estimates.

In May of this year, after all three of the underlying models were updated and used in peer-reviewed literature, and agencies received public comments urging them to update their estimates, the interagency group released revised SCC values. The May 2013 estimates reflect values that are similar to those used by other governments, international institutions, and major corporations. Those estimates have been available for public

comment in several proposed rulemakings since May, and agencies have already received comments that are under review.

The revised Technical Support Document that was issued in November, 2013 is based on the best available scientific information on the impacts of climate change. We will continue to refine the SCC estimates to ensure that agencies are appropriately measuring the social cost of carbon emissions as they evaluate the costs and benefits of rules.

**Request for Comment:** OMB requests comments on all aspects of the TSD

(<http://www.whitehouse.gov/sites/default/files/omb/inforeg/for-agencies/Social-Cost-of-Carbon-for-RIA.pdf>) and its use of integrated assessment models (IAMs) to estimate SCC values to support agency regulatory impact analyses. We are particularly interested in comments on the following topics:

- the selection of the three IAMs for use in the analysis and the synthesis of the resulting SCC estimates, as outlined in the 2010 TSD the model inputs used to develop the SCC estimates, including economic growth, emissions trajectories, climate sensitivity and intergenerational discounting;
- how the distribution of SCC estimates should be represented in regulatory impact analyses; and
- the strengths and limitations of the overall approach (see also the February, 2010 TSD available at <http://www.whitehouse.gov/sites/default/files/omb/inforeg/for-agencies/Social-Cost-of-Carbon-for-RIA.pdf>).

OMB is not requesting comments on the three peer reviewed IAMs themselves; rather we are requesting comments on their use in developing the SCC estimates.

Howard Shelanski

Administrator

Office of Information and Regulatory Affairs

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