

From: Ruth Panella [mailto:KennedyPanella@comcast.net]
Sent: Thursday, August 14, 2014 8:25 PM
To: Mirzakhali, Ali (DNREC)
Subject: Please push the EPA to allow a carbon tax in our state

To whom it may concern:

As you begin considering how your state will comply with the Environmental Protection Agency's new regulations for existing power plants, I request that your technical comments to the EPA ask EPA to explicitly allow a carbon tax as a compliance mechanism. This country must make substantial emission reductions from the power sector, and a robust carbon tax should be an option for the state to accomplish this.

Economic models demonstrate that a carbon tax set at a certain price can lead to significant emissions reductions. In order to accomplish this, the price must be meaningful and rise slowly over time. The Energy Information Administration has found that a price on carbon starting at \$25 and rising over time would result in reductions of over 60 percent by 2030. These projections are far greater than the EPA's goal of reducing emissions by 30 percent by 2030, which shows that an individual state would be able to design a carbon tax that would be in compliance with the rule.

Your technical comments should request that the final rule be very explicit that states can use a carbon tax or fee to achieve their emission reduction targets. The rule should first state that the EPA would find a sufficiently robust carbon tax a suitable compliance mechanism. The rule should then provide an analysis on the price that would need to be set to result in the required emissions reductions and a detailed model for how it might work and how it could be administered. This would allow your state to have confidence that a carbon tax set at a sufficient price would satisfy the EPA's requirements for a state implementation plan and allow your state to consider the option fully.

I appreciate you taking the time to review my comments.

Ruth Panella

DE 19810