

Economics for Equity and the Environment Network

Spring 2009 Newsletter

Message from the Director

With a new administration in office and the strong possibility of a national cap and trade system being implemented very soon, E3 Network economists* have certainly kept busy! In the past few months, we've fielded many requests by environmental organizations and the media for advice, testimony, and research on the economic considerations of climate change. This spring's newsletter highlights some of our recent work, including a May 2009 publication by E3 and the Stockholm Environment Institute – U.S. Center on understanding interstate differences in emissions.

*For information on how to join E3's Green Economist Directory and help change the course of environmental policy by translating ideas into action, please see [our website](#).

Real Climate Economics.org

Real Climate Economics.org, a reader's guide to the real economics of climate change, launched in May 2009. While some economists still claim that it is too expensive to take more than small, gradual steps to reduce greenhouse gas emissions, the articles collected on our website demonstrate that there is rigorous economic support for immediate, large-scale policy responses to minimize the risks of climate change.

RealClimateEconomics.org begins with a guide to the peer-reviewed literature, which has played a prominent role in climate debates. In the future, we hope to add coverage of recent policy reports and proposals.

The launch of our website received notable press, including promotion by RealClimate.org and Andrew Revkin of *The New York Times*.

E3 in the News

Kristen Sheeran and *Mindy Luber* from Ceres published "The Cost of Climate Inaction" in *The Washington Post* on May 6, 2009. The piece, which argued that failing to take action on climate change is the costliest option, was praised by 1Sky as a "must-read".

Op-eds, letters, and articles concerning E3 economists appeared in *The Wall Street Journal*, *The New York Times*, *Sustainable Industries*, and *Renewable Energy World*, and in newspapers in Michigan, Montana, California, Pennsylvania, Oregon, and Missouri.

Frank Ackerman presented testimony before the House Committee on Energy and Commerce on "Climate Change: The Costs of Inaction" on April 22, 2009.

James Boyce submitted testimony "Auctioning under Cap and Trade: Design, Participation and Distribution of Revenues" to the Senate Committee of Finance on May 7, 2009

We're on Wikipedia. Search for "Economics for Equity and the Environment Network (E3)" at [Wikipedia.org](#).

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What is good for the environment is good for the people and economic systems it supports.

Summer Interns

Each summer E3 Network pays for graduate students in economics to work with environmental organizations. The organizations benefit from the interns' training in economics and gain a better appreciation for how economics can support environmental protection. Graduate students learn about the real issues confronting the environmental community and explore possible avenues for their research and professional development.

We're pleased to announce the 2009 E3 Network Interns and their placements:

- Robert Hiltonsmith, New School for Social Research – The Trust for Public Lands
- Alejandra Rueda, UC Berkeley Energy and Resources Program – Conservation Strategy Fund
- Scott McConnell, University of Missouri Kansas City – Marine Conservation Biology Institute
- Emily Fischer Ian Strachman, Bard College – Union of Concerned Scientists

Graduate Student Workshop

This past winter, E3 hosted its first graduate student workshop, *In Search of Relevant Environmental Economics: Designing Practical, Just and Sustainable Policy*.

Twenty graduate students from across the country and 13 economists participated in the two-day conference, which explored innovative approaches to understanding the nexus between inequality and environmental degradation, analyzing risk and uncertainty, modeling technical change and preference formation, and designing policy mechanisms that promote sustainability and fairness. The purpose of the workshop was to assist graduate students in developing research programs that have practical policy applications and to demonstrate how their professional studies can contribute to the well-being of society.

We look forward to working with this remarkable group of students again. Stay tuned for information on next year's workshop!

Job Announcement

Environmental Economist, The Nature Conservancy

The Environmental Economist is responsible for providing leadership on applying the economic concepts behind ecosystem services to conservation strategies. S/he will lead efforts to deliver conservation strategies, project design, and "best practices" related to ecosystem services to Conservancy staff in domestic and international programs, and draw on these experiences to support improved strategies, practices, and policies at regional, national and global levels. The preferred locations for this position are Arlington, Virginia or Seattle, Washington.

The Nature Conservancy is the world's leading conservation organization, working in all 50 states and more than 33 countries. Founded in 1951, the mission of The Nature Conservancy is to preserve the plants, animals and natural communities that represent the diversity of life on Earth by protecting the lands and waters they need to survive. To apply for this position, please visit their [website](#), click "How to Apply/View Positions" on the left and then click "View Positions".

Commentary

Excerpt from an article published in *Renewable Energy World*, May 28, 2009

By Frank Ackerman and Kristen Sheeran

Many Americans are fearful that if we reduce our carbon footprint, we will compromise our quality of life. This fear, however, is unfounded as evidence from around the United States demonstrates. U.S. states vary only modestly in average incomes, but have widely differing per capita emissions.

New York, California, Oregon, Vermont, Rhode Island, and Washington have per capita emissions roughly one-half of the U.S. average, and comparable to per capita emissions in Japan, Germany, Belgium, and Denmark. This shows that it is possible to have a U.S. lifestyle, with a European-sized carbon footprint. If all fifty states could match the per capita emissions of these states, we would go a long way toward our national emissions goals.

This point is documented in a recent report by Elizabeth A. Stanton and Frank Ackerman of the Stockholm Environment Institute – U.S. Center and Kristen Sheeran of E3 Network entitled, “Greenhouse Gases and the American Lifestyle: Understanding Interstate Differences in Emissions”. In that report, they analyze interstate variation in per capita emissions from residential energy use and transportation. The differences in state emission rates are the result of many factors, some more controllable than others.

Colder parts of the country face greater heating requirements; hotter regions need more energy for cooling. Residents of rural, low-density states drive more and use more gasoline than those who live in urban, high-density areas. But other factors that affect household emissions are well within states’ control. The extent of public transportation in urban areas varies widely from state to state; the level of gasoline taxes differs as well. Both of these policies have a direct effect on automobile usage and transportation emissions. Reliance on coal power for electricity generation, which varies among states, has a large impact on electricity emissions. Energy efficiency is important too: energy use and emissions can be reduced by better insulation, newer refrigerators and other appliances, and many other measures.

The differences between states should be seen as opportunities, for effective reduction in emissions. To make use of these opportunities, we need smart climate and energy policies. A cap-and-trade program that auctions permits will generate the revenue stream needed to invest in renewable energy technologies, energy efficiency, and assistance to the households most impacted by climate policy. Above all, information about policies that have succeeded in reducing emissions in some states should be circulated nationwide, to demonstrate that it is possible to produce a comfortable American lifestyle with carbon emissions well below average.

Following that example more widely is an important first step on the road to reducing our greenhouse gas emissions to a sustainable level.

The complete report is available for download [online](#).

E3 principles:

A clean and safe environment is a birthright of every person.

Safeguarding the natural environment is inseparable from promoting social justice.

Today's environmental challenges demand new thinking.

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