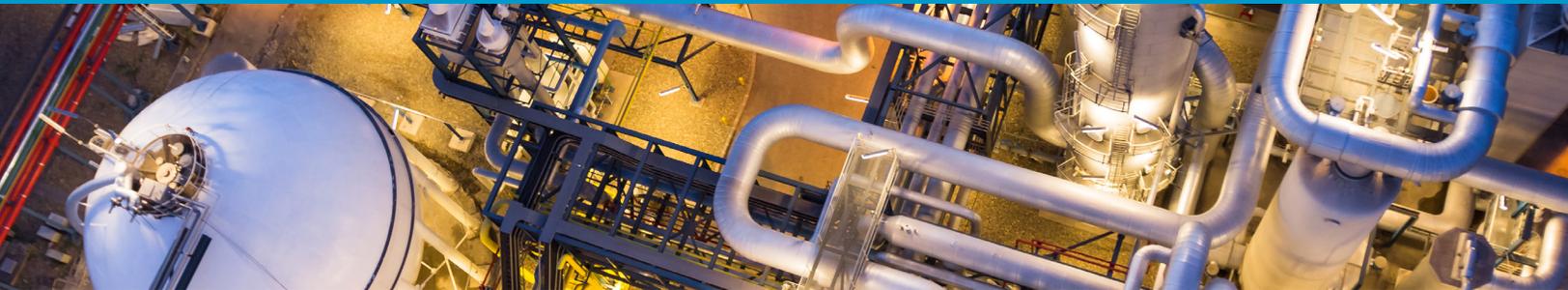




Economy-wide Carbon Price:

The Least-Cost Path to Reduce Carbon Emissions

Achieving a lower-carbon economy requires effective, efficient solutions that do not unduly burden consumers or impede the reliability of our power grid, while allowing for continued competition and innovation. When it comes to decarbonizing the power sector, policies that focus on reducing emissions while ensuring reliable and least-cost solutions will yield the most effective results to meet the growing demand for electricity. A ***national, economy-wide carbon price*** will send the right signals to reduce emissions while helping to keep electricity affordable, reliable and innovative.



EPSA and our member companies – America’s competitive power suppliers – support efforts to address climate change through transparent, open, and nondiscriminatory competitive markets that allow all resources to compete to reduce emissions while prioritizing reliability.

Competitive electricity markets produce billions in consumer savings annually and have driven clean energy investment. These markets are a powerful foundation to encourage least-cost generation, integrate new technology, and foster the innovation needed to meet future energy challenges.

Economy-Wide Carbon Price

A national, economy-wide price on carbon is the preferred policy tool to reduce emissions.

Policies that regulate carbon directly result in the lowest-cost emissions reductions, per a recent [report by Energy + Environmental Economics \(E3\)](#). Top economists, policy experts, business leaders and advocates across the globe agree that carbon pricing is the most cost-effective way to swiftly reduce emissions on a wide scale. This approach is reinforced by several other E3 studies that examined decarbonization pathways in [California](#) and [New England](#). Both concluded that an economy-wide carbon price can achieve emissions goals at the least cost.

To learn more about America’s competitive electric future, visit www.epsa.org.

The Electric Power Supply Association (EPSA) is the national trade association representing America’s competitive power suppliers. EPSA members provide about 150,000 MW of reliable and competitively priced electricity from environmentally responsible facilities using a diverse mix of fuels and technologies including natural gas, wind, solar, hydropower, geothermal, storage, biomass, and coal. EPSA seeks to bring the benefits of competition to all power customers. Learn more at www.epsa.org and connect with us on [LinkedIn](#) and Twitter [@EPSAnews](#).

E3 estimates that applying a \$10/ton carbon price in the PJM footprint could reduce emissions by 50%, or 200 MMT, from 2005 levels by 2030 at a minimal cost – achieving \$2.8 billion in annual savings compared to a fragmented state-by-state policy approach.



A Growing Call

There is growing consensus from a variety of [stakeholders](#) including energy producers and suppliers, industry participants, [economists](#), and policymakers that market-based solutions such as carbon pricing are the most effective way to achieve deep decarbonization without sacrificing economic growth.

As EPSA members continue to invest in more efficient and cleaner power generation technology, including renewables, many have long-supported market-based mechanisms such as carbon pricing, and have adopted emissions reductions and clean energy targets, as well as joined coalitions with similar goals.

We are committed to helping policymakers and all stakeholders find competitive, reliable and more affordable solutions to reduce emissions.