



Social Cost of Greenhouse Gases – Updated Interim Estimates – Costs are Increasing

By: [Nicole Blevins](#)

Pursuant to Executive Order (EO) 13990, Protecting Public Health and the Environment and Restoring Science to Tackle the Climate Crisis, the Interagency Working Group on Social Cost of Greenhouse Gases (IWG) released its interim social [cost estimates](#) for carbon, methane, and nitrous oxide, which are significantly higher than the estimates used by the Trump Administration.

These new social cost estimates are important to industry because they will be used in the cost benefit analysis for new regulations and as justification for regulations that are more expensive to implement. The interim cost estimates will be used on various regulations that EO 13990 directed agencies to reconsider such as EPA's methane emissions regulations. In addition, the Biden Administration will likely use of the social cost estimates more broadly including increased use in National Environmental Policy Act (NEPA) reviews at the project level, consistent with the Obama Administration's [guidance](#) on evaluating GHGs in NEPA reviews.

The interim social cost estimates revert to the values used by the Obama Administration, adjusted for inflation. They are significantly higher than the estimates used by the previous administration. For example, the social cost of 2020 carbon emissions, using a 3% discount rate, increased from \$7 per ton under the previous administration, to \$51 per ton. Unlike the estimates used by the Trump Administration, the interim estimates account for global damages and use the lower discount rates previously established by the IWG. These changes account for the increased cost.

The IWG will evaluate the current science for each component of the social cost of GHG modeling in preparation for publishing updated social cost estimates by January 2022. The IWG will soon issue a Federal Register notice with a detailed set of requests for public comments.

For additional information about the social cost of GHGs, please contact [Nicole Blevins](#) or [Bret Sumner](#).