



**Synapse**  
Energy Economics, Inc.

## Greenhouse Gas Adder for Use in Determining the 2008 Market Price Referent (MPR)

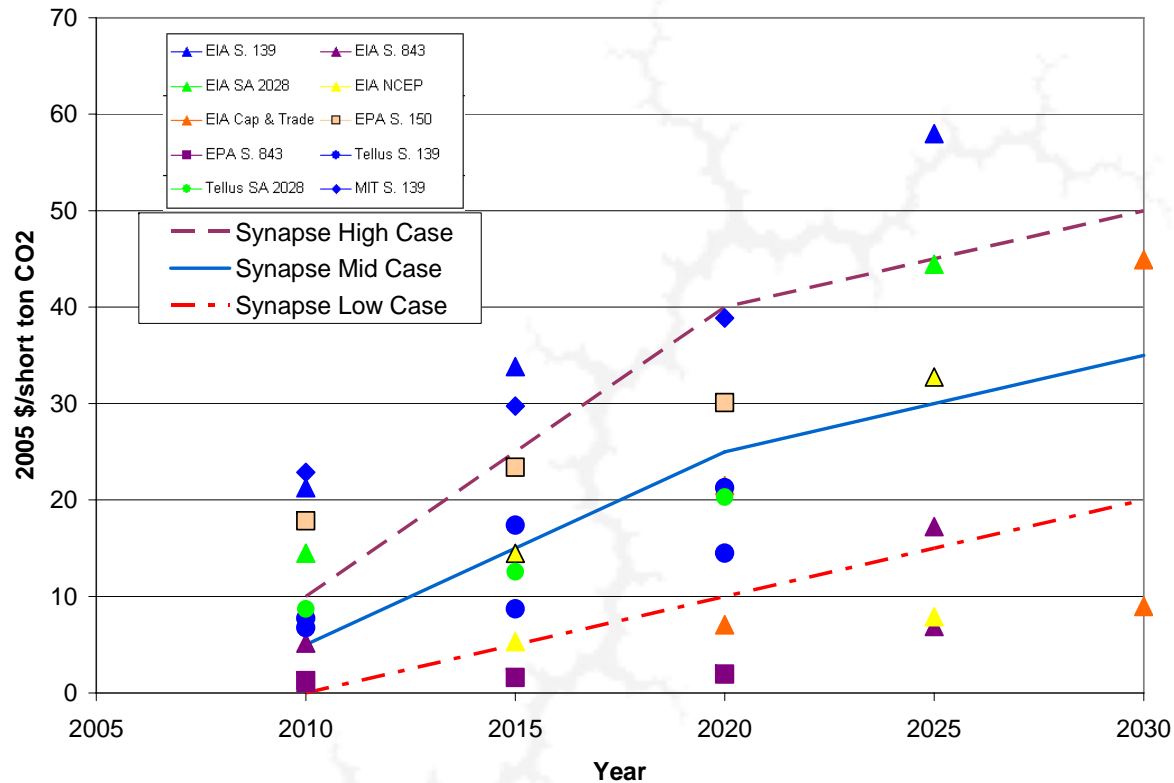
Rulemaking 06-02-012  
March 27, 2008  
Presented by David Schlissel

## Current Synapse CO<sub>2</sub> Price Forecast

- Developed in the Winter and Spring of 2006.
- Based on several factors including analyses of four bills proposed in Congress prior to 2006 and a proposal from the National Commission on Energy Policy.

<b>Policy proposal</b>	<b>Analysis</b>
McCain Lieberman – S. 139	EIA 2003, MIT 2003, Tellus 2003
McCain Lieberman – SA 2028	EIA 2004, MIT 2003, Tellus 2004
Greenhouse Gas Intensity Targets	EIA 2005, EIA 2006
Jeffords – S. 150	EPA 2005
Carper 4-P – S. 843	EIA 2003, EPA 2005

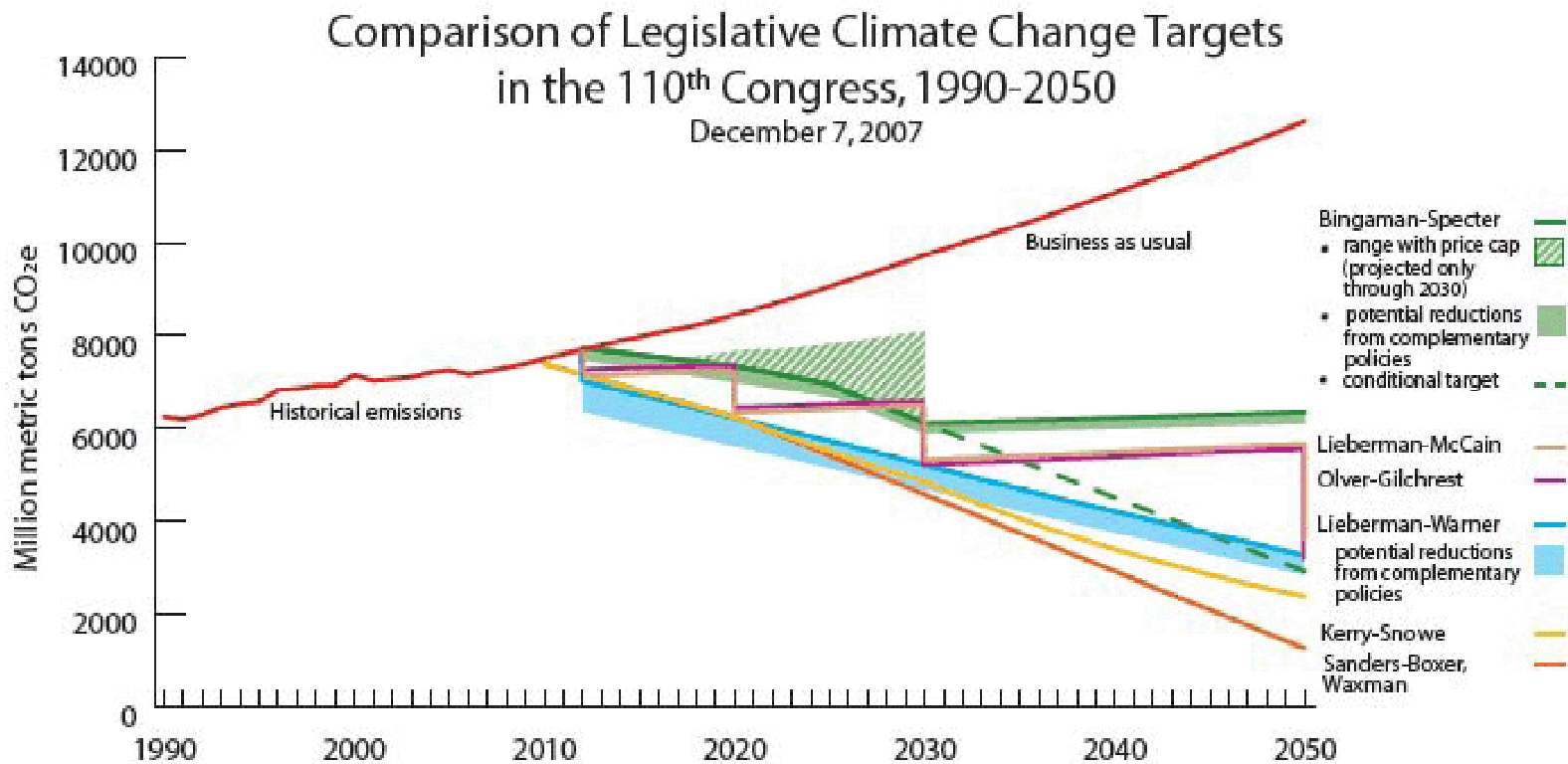
# The Current Synapse CO<sub>2</sub> Price Forecast



**Synapse's Levelized Carbon Price Forecast (2005\$/ton)**

Low Case	Mid Case	High Case
\$7.80	\$19.10	\$30.50

# Bills in Current US Congress



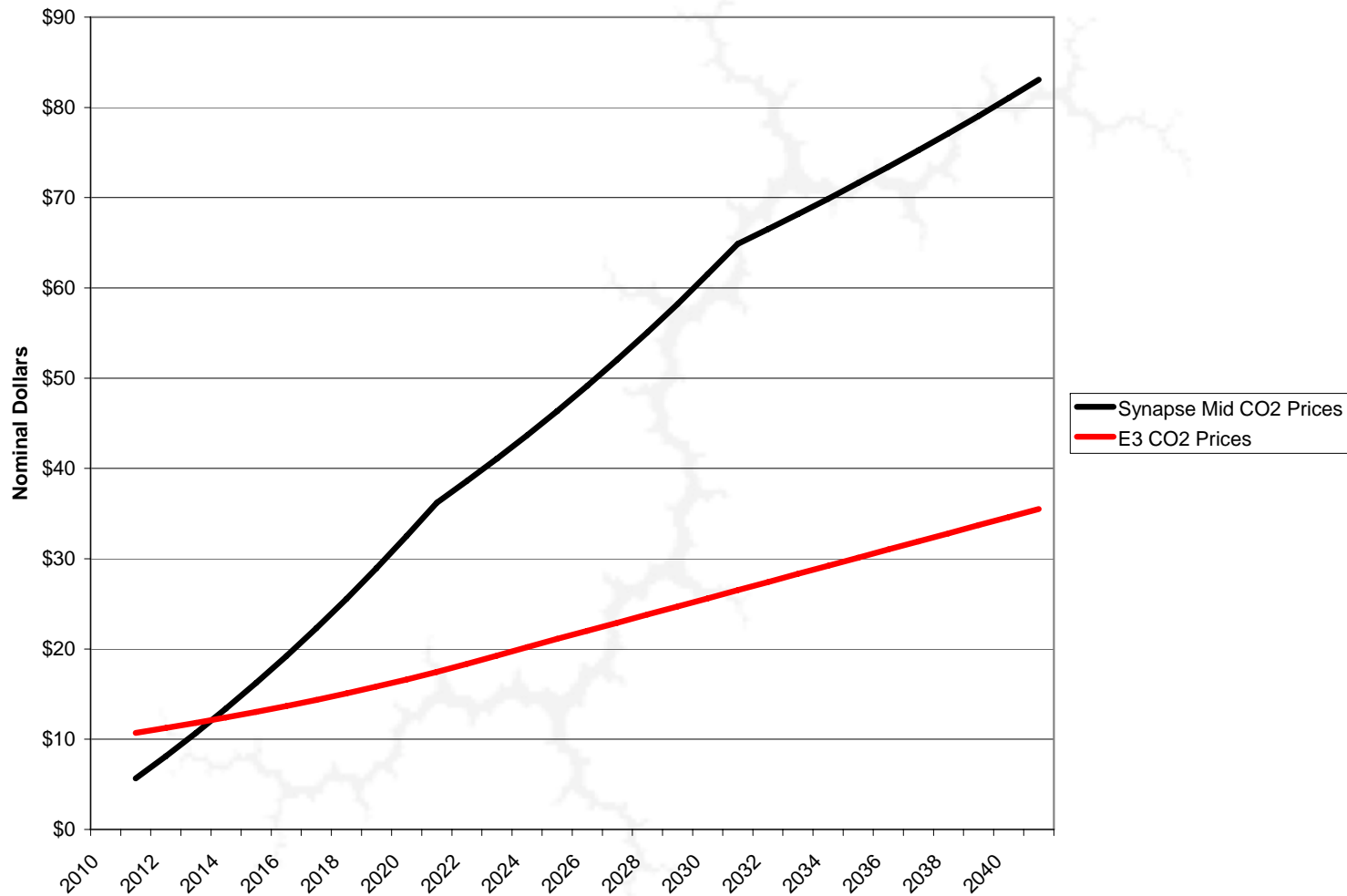
WORLD RESOURCES INSTITUTE

For a full discussion of underlying methodology, assumptions and references, please see <http://www.wri.org/usclimatetargets>. WRI does not endorse any of these bills. This analysis is intended to fairly and accurately compare explicit carbon caps in Congressional climate proposals. Data post-2030 may be derived from extrapolation of EIA projections.

## Bills in Congress vs. California GHG Policy

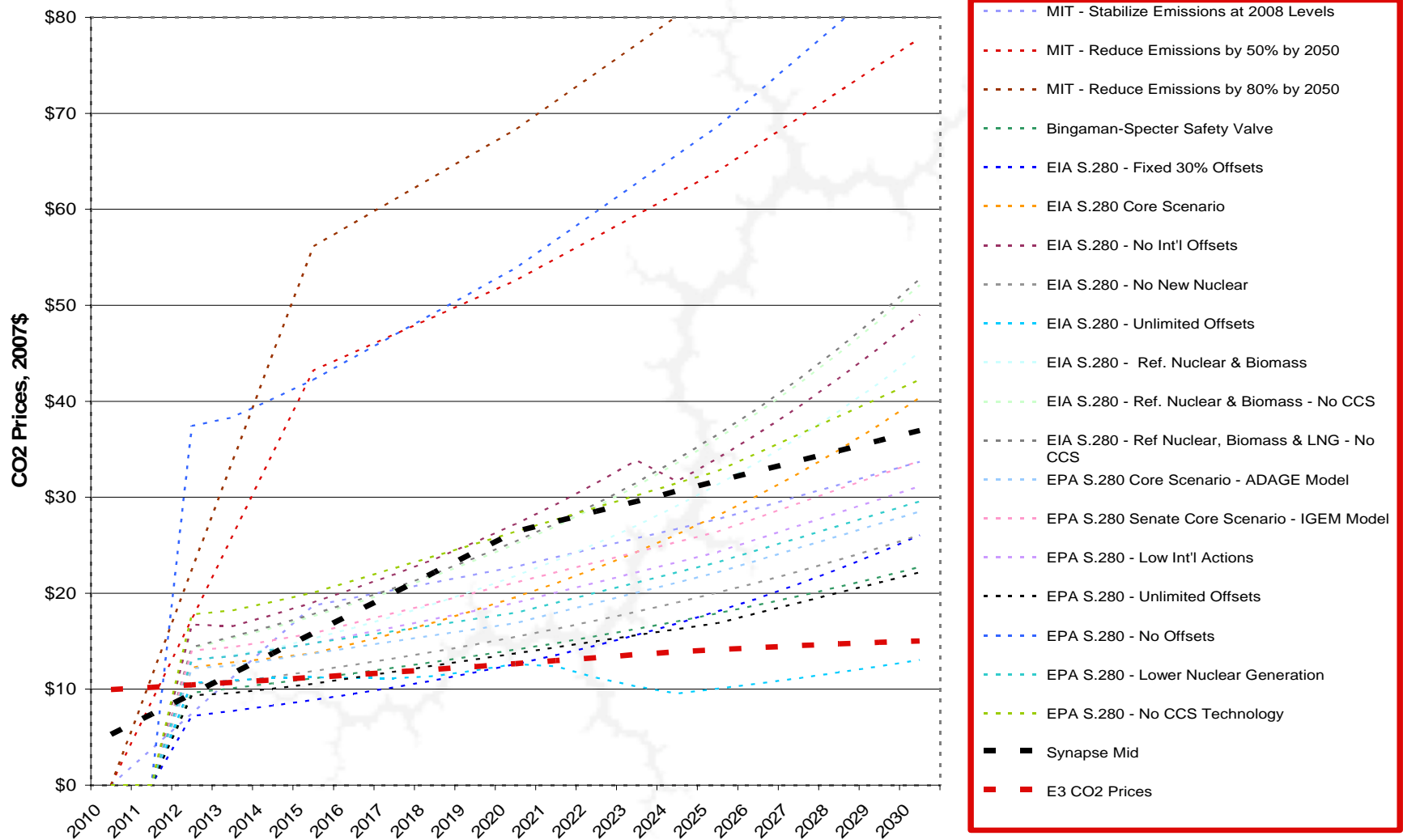
- Executive Order S-3-05 – by 2020 reduce GHG emissions to 1990 levels; by 2050 reduce GHG emissions to 80% below 1990 levels.
- AB No. 32 – Reduce GHG emissions to 1990 levels by 2020.
- McCain-Lieberman – S.280 – GHG emissions at 1990 levels by 2020.
- Bingaman-Specter – S. 1766 – 2006 GHG emission levels by 2020; 1990 levels by 2030.
- Lieberman-Warner – S. 2191 – 1990 GHG level by 2020; 85% below 1990 level by 2050.

# Synapse Mid vs. E3 CO<sub>2</sub> Prices

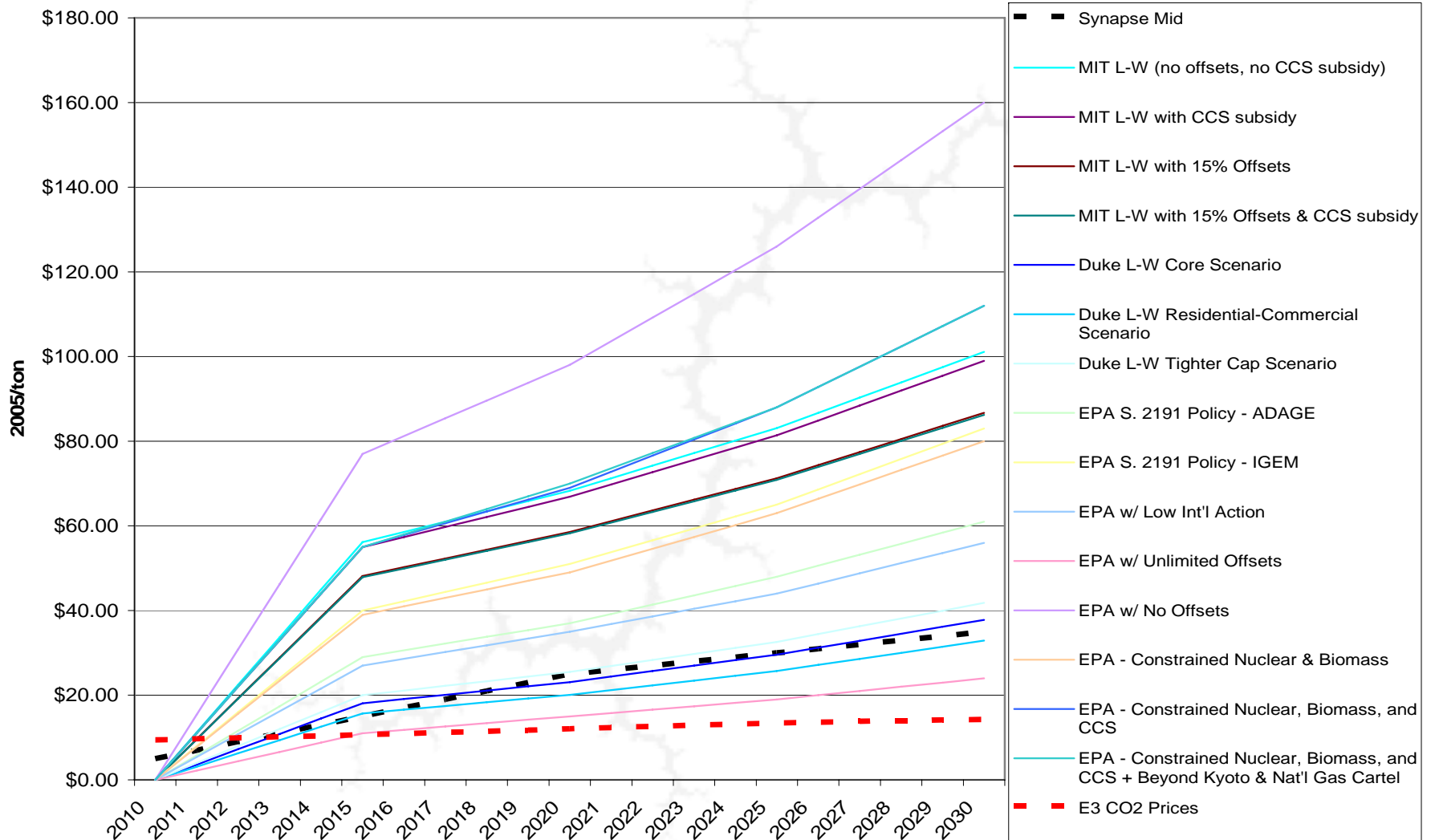




# Synapse Mid and E3 CO<sub>2</sub> Prices vs. Analyses of Current Proposals in Congress (1)



# Synapse Mid and E3 CO<sub>2</sub> Prices vs. Analyses of Current Proposals in Congress (2)





# CO<sub>2</sub> Prices in Levelized 2007\$

