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(Original Signature of Member)

116TH CONGRESS
2D SESSION

H. R. _____

To require the Administrator of the Environmental Protection Agency to conduct a feasibility study regarding the use of the shadow price of carbon in Federal spending decisions to take into account the resulting carbon dioxide emissions, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. BEYER introduced the following bill; which was referred to the Committee
on _____

A BILL

To require the Administrator of the Environmental Protection Agency to conduct a feasibility study regarding the use of the shadow price of carbon in Federal spending decisions to take into account the resulting carbon dioxide emissions, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. FEASIBILITY STUDY REGARDING THE USE OF**
2 **THE SHADOW PRICE OF CARBON IN FEDERAL**
3 **SPENDING DECISIONS TO TAKE INTO AC-**
4 **COUNT THE RESULTING CARBON DIOXIDE**
5 **EMISSIONS.**

6 (a) IN GENERAL.—The Administrator of the Envi-
7 ronmental Protection Agency, in consultation with the
8 Secretary of Energy, the Secretary of the Interior, the
9 Secretary of Transportation, and the Administrator of the
10 General Services Administration, shall conduct a study to
11 determine whether it is feasible for Federal agencies to
12 factor in the shadow price of carbon in their internal deci-
13 sion-making processes for Federal procurement, acquisi-
14 tions, contracting, and other investments.

15 (b) CONTENT.—The feasibility study required by sub-
16 section (a) shall include the following:

17 (1) An assessment of—

18 (A) the use of the shadow price of carbon
19 in the private sector, in States, and in other
20 countries, as relevant; and

21 (B) the ability of Federal agencies to im-
22 plement similar use of the shadow price of car-
23 bon.

24 (2) An assessment of which kinds of Federal
25 expenditures and operations are best suited for
26 shadow pricing.

1 (3) An assessment of whether the shadow price
2 of carbon should be—

3 (A) tied to the social cost of carbon that
4 Federal agencies use to conduct regulatory
5 analyses of economically significant regulatory
6 actions;

7 (B) tied to a path that minimizes the cost
8 of achieving a long-term cumulative emissions
9 goal; or

10 (C) based on some other rationale.

11 (4) An identification and evaluation of any stat-
12 utory, regulatory, or other obstacle to the use of the
13 shadow price of carbon.

14 (c) FINAL REPORT.—Not later than 1 year after the
15 date of enactment of this Act, the Administrator of the
16 Environmental Protection Agency shall—

17 (1) prepare a final report on the results of the
18 feasibility study conducted under subsection (a); and

19 (2) submit to Congress the final report pre-
20 pared under paragraph (1) and any recommenda-
21 tions of the Administrator relating to such results.

22 (d) PUBLIC AVAILABILITY OF DATA.—The Adminis-
23 trator of the Environmental Protection Agency shall make
24 available to the public the final report prepared under sub-
25 section (c).

1 (e) DEFINITIONS.—In this Act:

2 (1) SHADOW PRICE OF CARBON.—The term
3 “shadow price of carbon” means a hypothetical sur-
4 charge to market prices for goods or services that
5 involve significant carbon dioxide emissions in their
6 supply chain.

7 (2) SOCIAL COST OF CARBON.—The term “so-
8 cial cost of carbon” means the social cost of carbon
9 as described in the technical support document enti-
10 tled “Technical Support Document: Technical Up-
11 date of the Social Cost of Carbon for Regulatory Im-
12 pact Analysis Under Executive Order 12866”, pub-
13 lished by the Interagency Working Group on Social
14 Cost of Carbon, United States Government, in May
15 2013, revised in November 2013, or any successor
16 or substantially related document, or any other esti-
17 mate of the monetized damages associated with an
18 incremental increase in carbon dioxide emissions in
19 a given year.