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**From:** Moran, Ralph J [/O=MSXBP/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=RALPH.MORAN]  
**Sent:** 24/01/2017 21:04:50  
**To:** Nolan, James [/O=MSXBP/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=James.Nolan]; Brien, Michael P [/O=MSXBP/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Mike.Brien]; Currie, Duncan [/O=MSXBP/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=DUNCAN.CURRIE]; Guido, Robert [/O=MSXBP/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=ROBERT.GUIDO]; Guinn, Shanan [/O=MSXBP/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Shanan.Guinn]; Kolenda, Sally [/O=MSXBP/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Sally.Kolenda]; Milley, Mary [/O=MSXBP/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Mary.Milley]; Stout, Robert [/O=MSXBP/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Robert.Stout]; Stutz, Rachel [/O=MSXBP/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Rachel.Stutz]; Swink, Suzanne [/O=MSXBP/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Suzanne.Swink]; Ung, Poh Boon [/O=MSXBP/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=PohBoon.Ung]; van Hoogstraten, David Jan [/O=MSXBP/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=David.vanHoog]; Williams, Lance [/O=MSXBP/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=E.Lance.Williams]; Wolf, Tom [/O=MSXBP/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Thomas.Wolf]  
**Subject:** RE: Social Cost of Carbon Draft Document

Concur with Paul. Clearly the SCC is different from estimates of market-based abatement cost. The SCC is used to:

- 1) Justify taking action on climate since the SCC (which is meant to represent the damage from 1 ton of carbon) is usually much greater than market-based abatement cost (though some claim the calcs are dubious)
- 2) Unfortunately, in practice, it is also used by enviros and others to justify high-cost, command and control policy – ie if the abatement cost is less than or equal to SCC, the measure should be pursued, even if lower cost policies (like cap and trade) exist.

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**From:** Nolan, James  
**Sent:** Tuesday, January 24, 2017 12:49 PM  
**To:** Brien, Michael P; Currie, Duncan; Guido, Robert; Guinn, Shanan; Kolenda, Sally; Milley, Mary; Moran, Ralph J; Stout, Robert; Stutz, Rachel; Swink, Suzanne; Ung, Poh Boon; van Hoogstraten, David Jan; Williams, Lance; Wolf, Tom  
**Subject:** FW: Social Cost of Carbon Draft Document

Paul Jefferiss' take on BP's shadow price versus a SCC.

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**From:** Jefferiss, Paul H.  
**Sent:** Thursday, January 19, 2017 12:26 PM  
**To:** Nolan, James; Ung, Poh Boon; Stout, Robert; Finley, Mark J  
**Cc:** McMahon, Michael (HSE); Thompson, Armine; Brien, Michael P; van Hoogstraten, David Jan; Mannion, Kathrina  
**Subject:** RE: Social Cost of Carbon Draft Document

Not sure what is meant by our internal cost of carbon. We use a shadow carbon price, which was never intended to reflect the social cost. It was intended to reflect real world carbon prices create by policy in regions that have policy. We have said publicly (in the SR) that “this standard cost is based on our estimate of the carbon price that might be realistically expected in particular parts of the world.” The policy price is the pragmatic result of all sorts of things – political will, abatement cost, reduction goals, etc. and may have little to do with the social cost.

Hope that's helpful.

Paul

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**From:** Nolan, James

**Sent:** 19 January 2017 18:10

**To:** Ung, Poh Boon; Stout, Robert; Jefferiss, Paul H.; Finley, Mark J

**Cc:** McMahon, Michael (HSE); Thompson, Armine; Brien, Michael P; van Hoogstraten, David Jan; Mannion, Kathrina

**Subject:** RE: Social Cost of Carbon Draft Document

Thanks Poh. Will you be adding a bit on how BP derived its internal cost of carbon and why using that internal cost of carbon is not inconsistent with BP opposing the SCC?

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**From:** Ung, Poh Boon

**Sent:** Thursday, January 19, 2017 9:57 AM

**To:** Stout, Robert; Jefferiss, Paul H.; Finley, Mark J

**Cc:** McMahon, Michael (HSE); Thompson, Armine; Brien, Michael P; Nolan, James; van Hoogstraten, David Jan; Mannion, Kathrina

**Subject:** Social Cost of Carbon Draft Document

All – please see attached draft document on the Social Cost of Carbon (SCC) for your review.

It is primarily US focused and includes a draft proposed position statement along with some background on the issue. You'll see 2 options which are rather similar towards the end of the document. Please let Mike McMahon, Armine and me know if you have questions or would like to discuss further. Thanks.

Regards,  
Poh

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