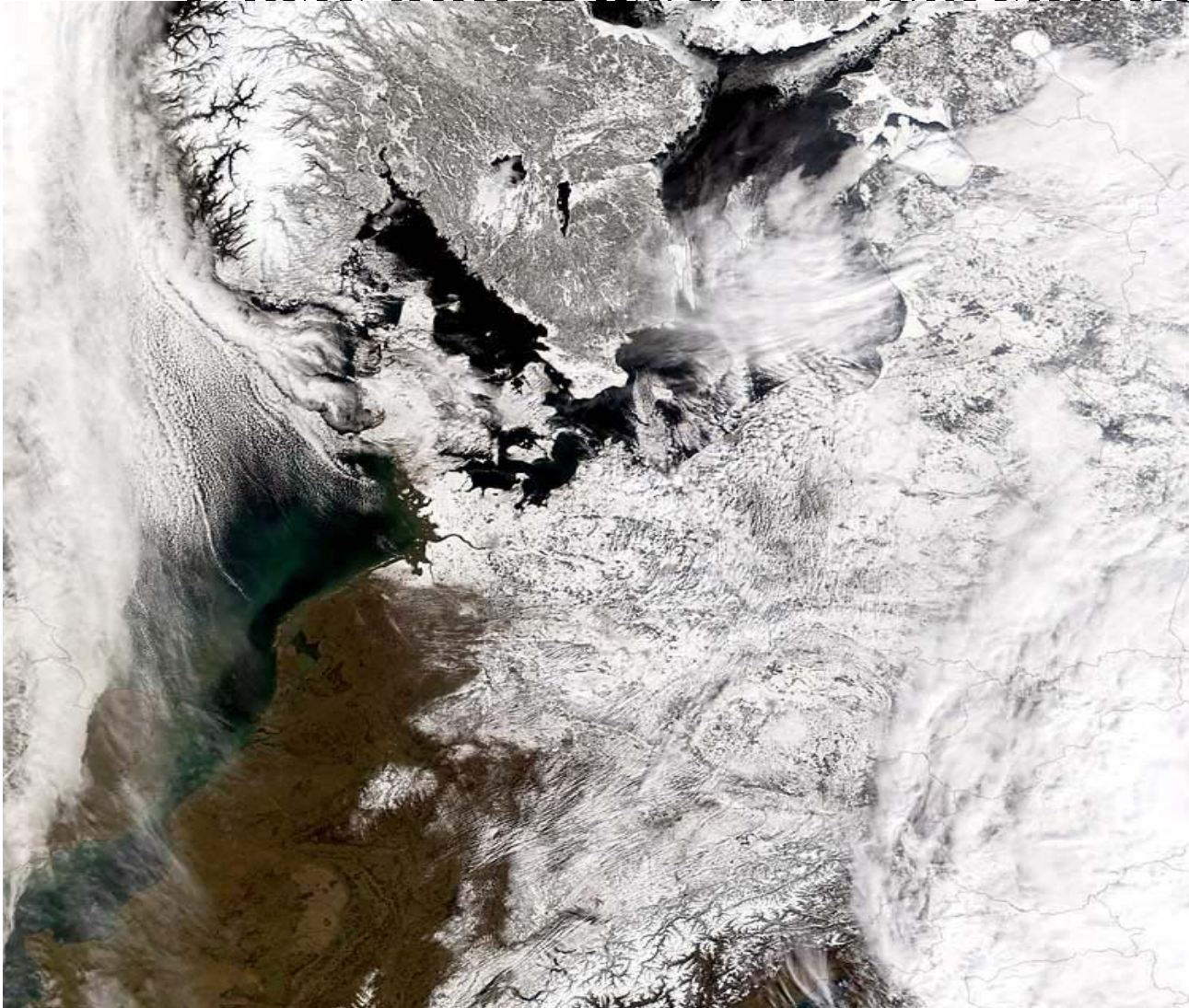


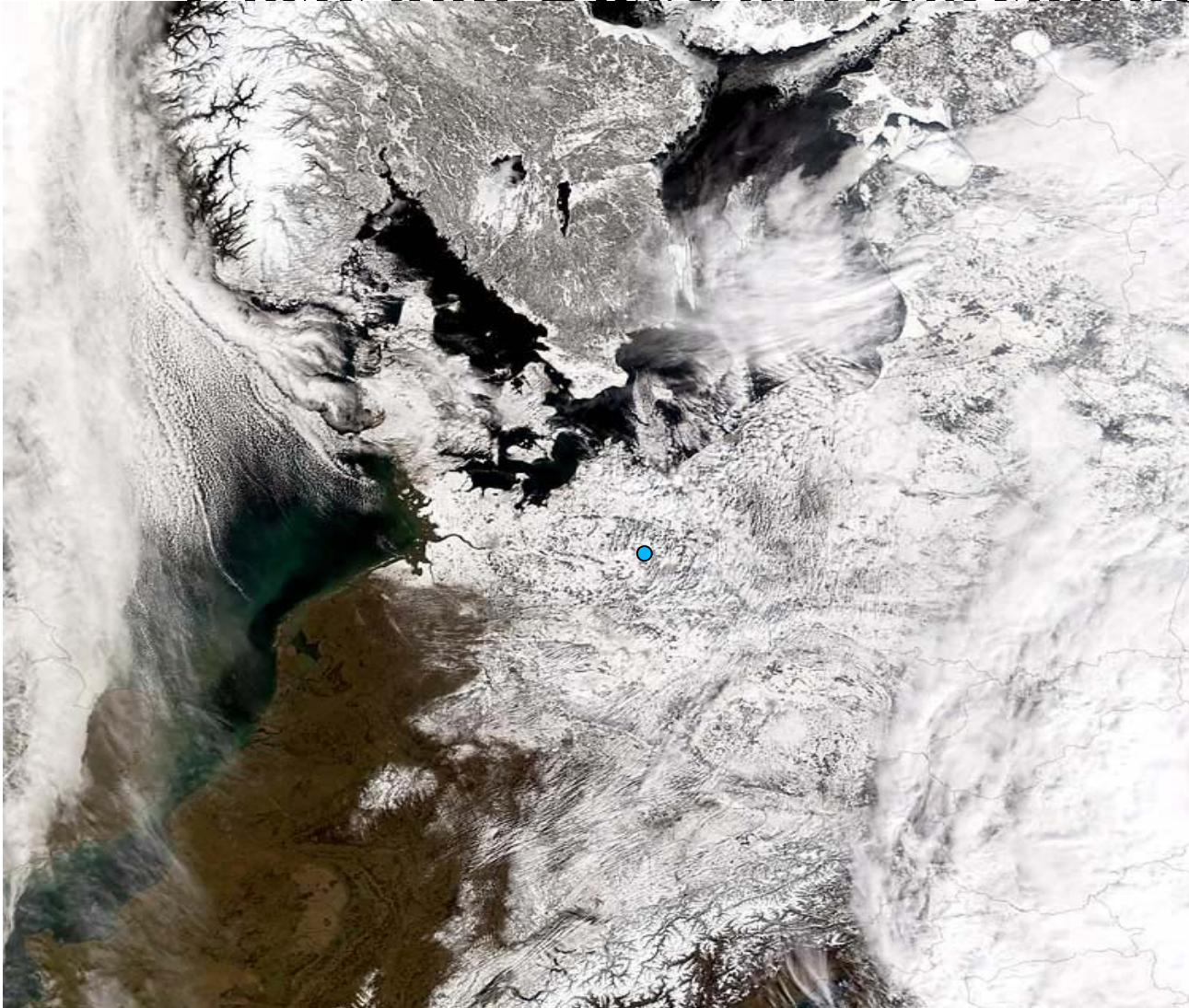
# Discussion of Michel den Elzen's Presentation:

## How to Achieve the 2°C Target: Costs and Risks of Overshooting



# Discussion of Michel den Elzen's Presentation:

## How to Achieve the 2°C Target: Costs and Risks of Overshooting



# Policy-relevant framing

Regional emissions reduction targets for stabilisation / 2°C target

Costs of achieving the targets under various climate policy regimes

Point of departure: current Kyoto regime and mechanisms

# Policy-relevant conclusions?

**Modelling framework resembles a “policy scenario approach”**

No search for “best” policies and instruments to achieve targets

Why not? If costs are already low!

# Policy-relevant conclusions?

**Modelling framework resembles a “policy scenario approach”**

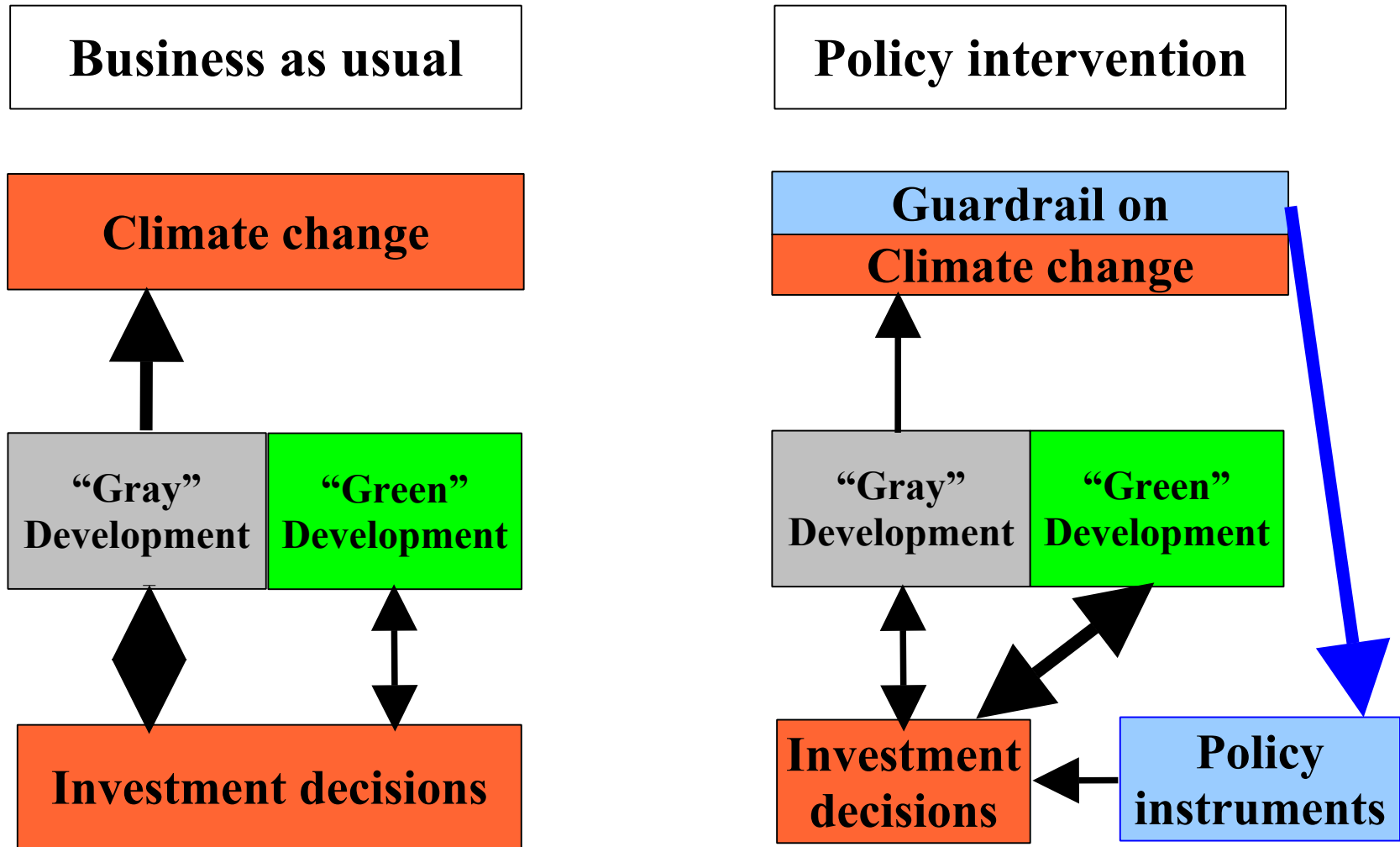
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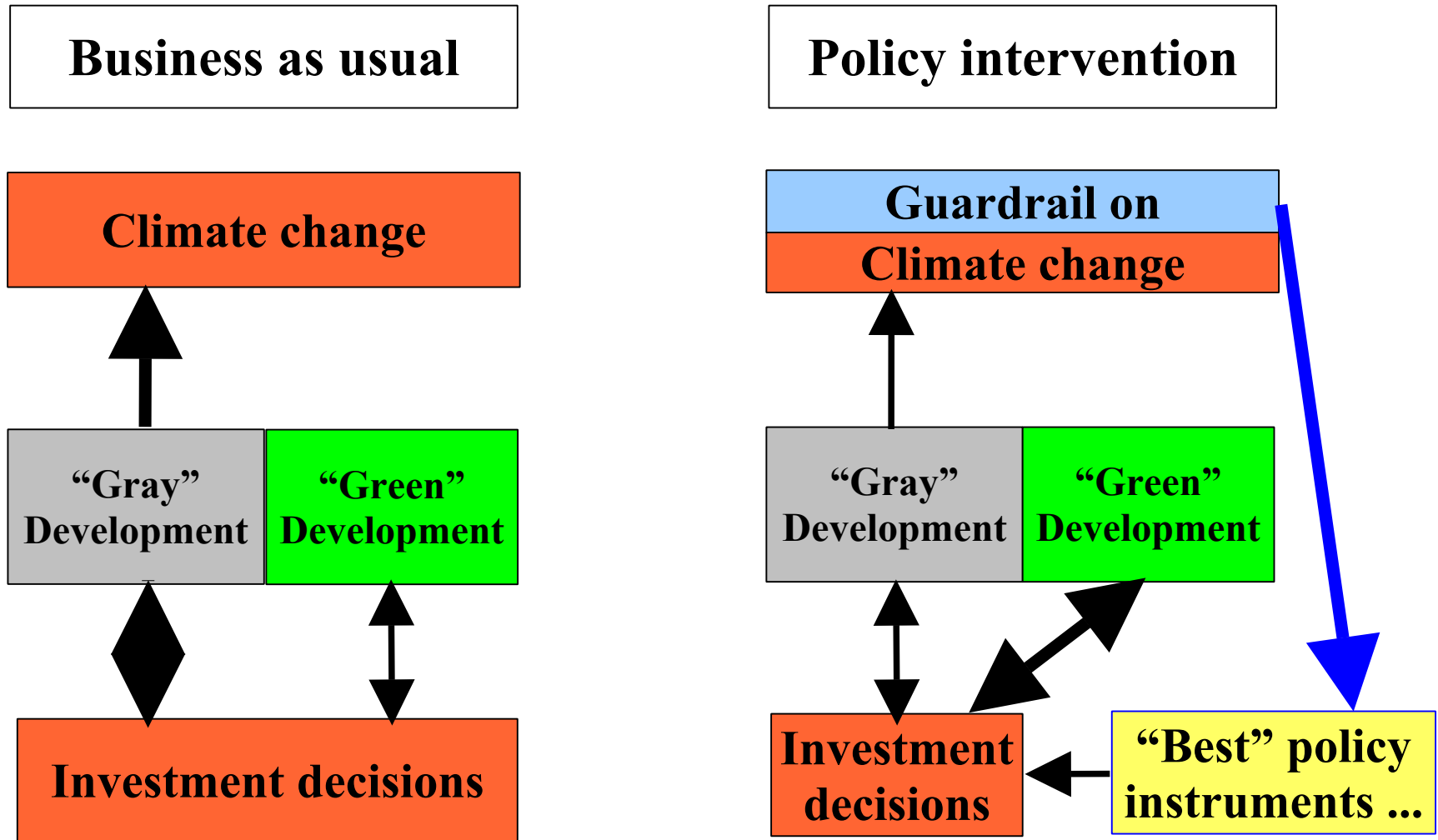
But even as a “policy scenario approach” ...

... is it meaningful?

# The scope of the challenge

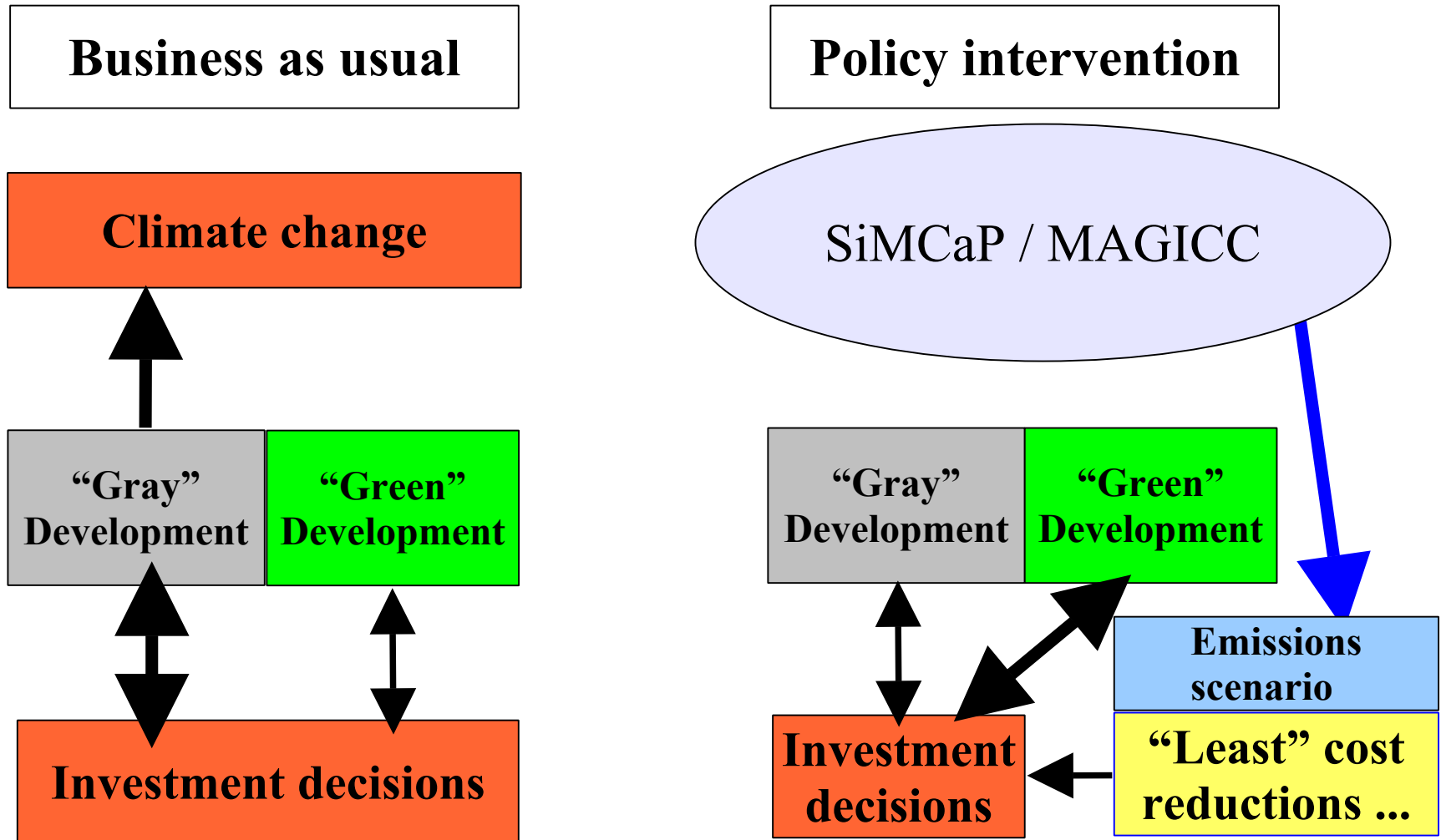


# The scope of the challenge



... that minimise welfare losses compared to BAU

... reduced to an “emissions policy scenario”



... that minimise reduction costs compared to BAU

... further reduced to something inconsistent?

**Business as usual**

**Policy intervention**

Exogenous  
business as usual path  
from Model A

SiMCaP / MAGICC

Underlying  
assumptions  
from Model B

**Marginal  
abatement  
cost curves**

**Emissions  
scenario**

**“Least” cost  
reductions ...**

... that minimise reduction costs compared to what?

# Problems of this approach

## **BAU and policy intervention analysis in different models**

Costs of policy intervention difficult to evaluate

## **Use of abatement cost curves**

Underlying assumption may not be valid for policy intervention case

Incapable of capturing intertemporal nature of investment decisions  
(which may reduce costs further)