

Government agencies are struggling with how to fit climate change into the process of environmental review. At one level, this is a no-brainer. Greenhouse gases contribute to climate change, and climate change is the biggest environmental impact of all. But as always, the devil is in the details.

The direct use of fossil fuels resulting from a project should be easy to figure out. Adding the “embodied carbon” in materials is a bit trickier. Going beyond that, there are indirect carbon impacts. For instance, a federal action that decreases soybean acreage in the U.S. could raise the price of soybeans and encourage farmer in Brazil to cut down rain forest in order to plant more beans.

There’s also the question of when a climate impact becomes “significant,” which is the trigger for a full-scale environmental impact statement. From one perspective, almost nothing is significant when measured against total global greenhouse gas emissions. But that’s the wrong perspective.

Think of this from an economic perspective. A relatively conservative estimate of the harm done by a ton of carbon is \$50. Many of us have qualms about whether this economic analysis really captures the dangers of climate change, but at least it sets a floor. By this measure, licensing a single power plant counts as significant.

Here’s the math: The average coal-fired plant emits about 4 million tons of CO₂ per year, which translates into about 1.3 million tons of carbon. And that translates into \$65 million of harm per year, even by the stingiest estimate — which should certainly count as significant. In fact, as economists count these things, this is about the same harm as killing ten people per year!

The Times overlooked another important dimension of NEPA. Besides the effect of federal actions on climate change, we also need to think about the effect of climate change on federal projects. It makes no sense to build a sea wall without taking into account the rising sea level caused by climate change.

It appears that the White House Council on Environmental Quality is getting ready to address these issues. Federal agencies tend to view environmental impact statements as an impediment rather than a way of better understanding their choices. That makes it all the more important for CEQ to push agencies in the direction of broader analysis of climate issues.

Note: this was cross-posted on the Center for Progressive Regulation [site](#).