It was little noted, but on August 8, 2016, the Chicago-based 7th Circuit U.S. Court of Appeals unanimously upheld the U. S. Department of Energy’s policy of including the social cost of carbon at $36 per metric ton when calculating cost-benefit analyses. (http://thehill.com/policy/energy-environment/290859-court-backs-obamas-climate-change-accounting.) This court ruling is newsworthy because it permits federal agencies to quantify, rather than ignore, the external costs of climate change.

‘$36 per metric ton of carbon dioxide released’ is now the valuation of the hitherto ‘unaccounted for’ social cost of climate change (SC-CO₂). These atmospheric releases are caused by burning carbonaceous materials, including coal, petroleum, natural gas, biomass, wood, ….

Formal acknowledgement that there is a defined social cost to releasing carbon dioxide to the atmosphere should also result in the use of more comprehensive - and humane - accounting by those state and regional entities involved in selecting energy sources for our future. Assuming that our energy administrators and political leaders acknowledge that anthropogenic climate change (APC) is not a hoax and must be accounted for in our energy choices if adverse global effects are to be mitigated, the social costs of anthropogenic climate change must be incorporated into all economic evaluations of our energy portfolios.

What would this mean for Columbia?

Columbia’s Water and Light Department contracts for the purchase of electricity generated from coal and natural gas for most of the City’s energy needs. If the social costs of the carbon dioxide released by our suppliers were included in our energy cost accounting, our utility charges would increase by $34/MWh or 3.4 cents/kWh for burning coal and $20/MWh or 2.0 cents/kWh for burning natural gas.
The energy used in water treatment and distribution is typically 1.5 kWh per thousand gallons. So, the SC-CO$_2$ for our treated drinking water is $51/MG$ or 5.1 cents/thousand gallons. An average residential water bill would increase by 25 cents a month to accommodate this cost.

**Columbia’s Energy Future: A Proposal**

If our community is committed to a goal of achieving social equity, the social costs of the release of carbon dioxide should not simply be ignored as if they were not real. Instead, Columbia’s City Council should sanction a mechanism by which these costs are recovered from water and energy consumers.

These recovered funds could then be applied to provide for the expansion - and municipal ownership - of those energy sources which contribute the least to the production of greenhouse gases. In time, this initiative will enable Columbia to become more self-sufficient so that our utility’s most costly contracts for energy produced from coal and natural gas can be phased out.

If this proposal is adopted, the energy-generating facilities thus developed will remain with Columbia Water and Light as an asset wholly owned by the citizens of Columbia.