

How Much Would it Cost to Close the Paris Emissions Gap?

State Level Impact on Michigan



The Paris Pledge

At the 2015 Paris climate talks, the Obama Administration committed the United States to cutting economy-wide greenhouse gas emissions between 26% and 28% below 2005 levels by 2025, without putting sufficient policies in place to meet that goal.

Mind the Gap

Existing policies would only get only about one-third of way to the Obama Administration's target, leaving nearly two-thirds of the commitment unaccounted for. (Assumes withdrawal of EPA power plant regulations, which account for 13% of the target.)

Getting to Paris from Here

This study was undertaken to assess the impacts of closing that emissions gap, with particular emphasis on the industrial and manufacturing sectors.

Economic Impact

Meeting the Obama Administration's Paris pledge through new industrial regulations will raise energy costs in Michigan, leading to:

- slower economic growth;
- lower demand for goods and services;
- fewer jobs in manufacturing and other industrial and non-industrial sectors; and
- lower household income.

THE BOTTOM LINE

The economic burdens of closing the gap fall disproportionately on industrial states with energy intensive economies, such as Michigan, where manufacturing represents 20% of statewide economic output.

Read the full report, "*Impacts of Greenhouse Gas Regulations on the Industrial Sector*," here: <http://accf.org/2017/03/10/accf-nera-report/>

Closing the Gap

What Meeting the Paris Commitments Would Mean for the Michigan Economy in 2025:



GDP loss:
\$5 billion



Industrial job losses:
13,000



Total job losses:
74,000



Household income:
reduced by \$180



Iron & Steel output:
reduced by 14%



Refining output:
reduced by 9%