

# GETTING ENERGY PRICES RIGHT

The price of fossil fuels doesn't fully reflect their harmful environmental side effects.

How do we create incentives to help countries fight climate change?

**CARBON PRICING.**

## PRICE IT RIGHT

IF...

Governments put a higher price on carbon-based fuels to promote incentives for using cleaner fuels and saving energy:

THEN...



Expect to see energy demand decline as businesses and households switch to more energy-efficient products.



Expect to see users switch to cleaner fuels (e.g., from coal to natural gas in power generation and from these fuels to zero-carbon fuels—wind, solar, hydro).



Expect to see a reduction in carbon emissions with less reliance on carbon-based fuels.



Expect to see a reduction in local outdoor air pollution which, the World Health Organization says, causes over 3 million premature deaths a year.



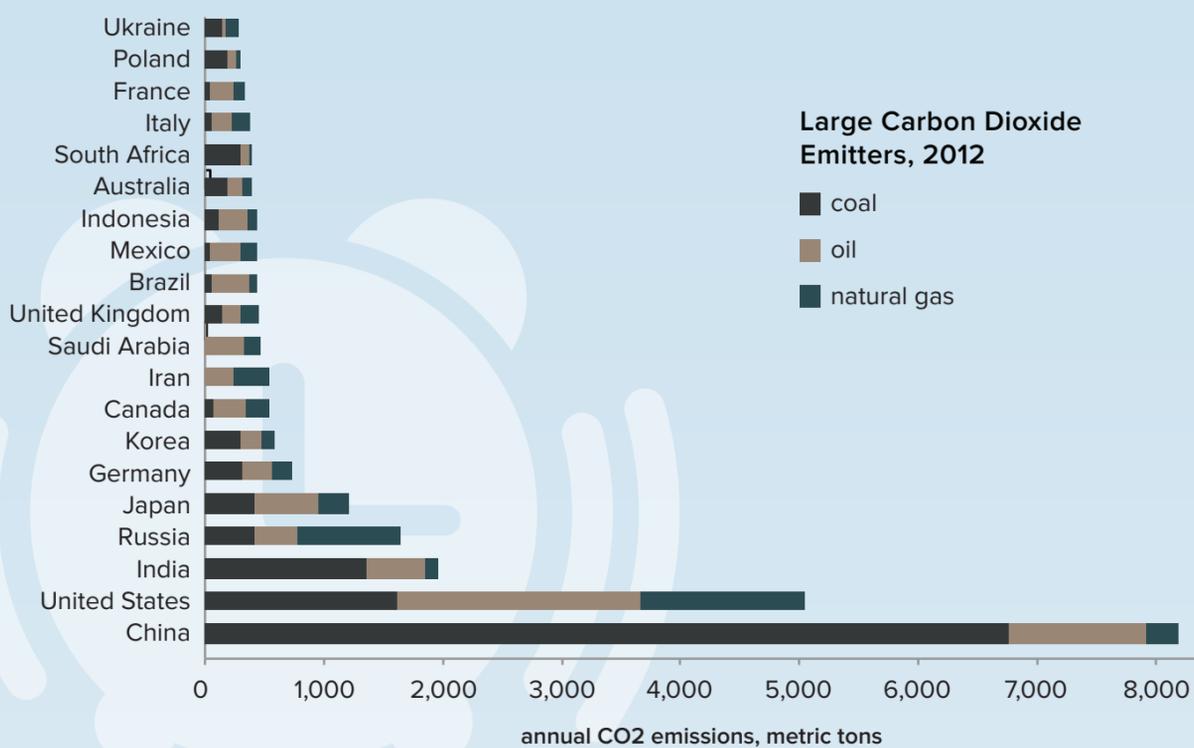
## TAX IT SMART

Pricing carbon **can** be about smarter, more efficient tax systems—higher taxes on fossil fuels mean governments can **lower taxes** on households and businesses.

## DO IT NOW

Governments must seize the momentum from the Paris climate conference and the window of lower energy prices to put a price on carbon pollution reflecting the environmental damage it causes. The longer we wait, the costlier and more difficult it will be for us, or the next generation, to protect the planet.

Getting a few of large emitters on board would really help:



For every ton of CO2 saved from less fuel use, the top 20 emitters would receive, on average, nearly \$60 worth of domestic side benefits.

