

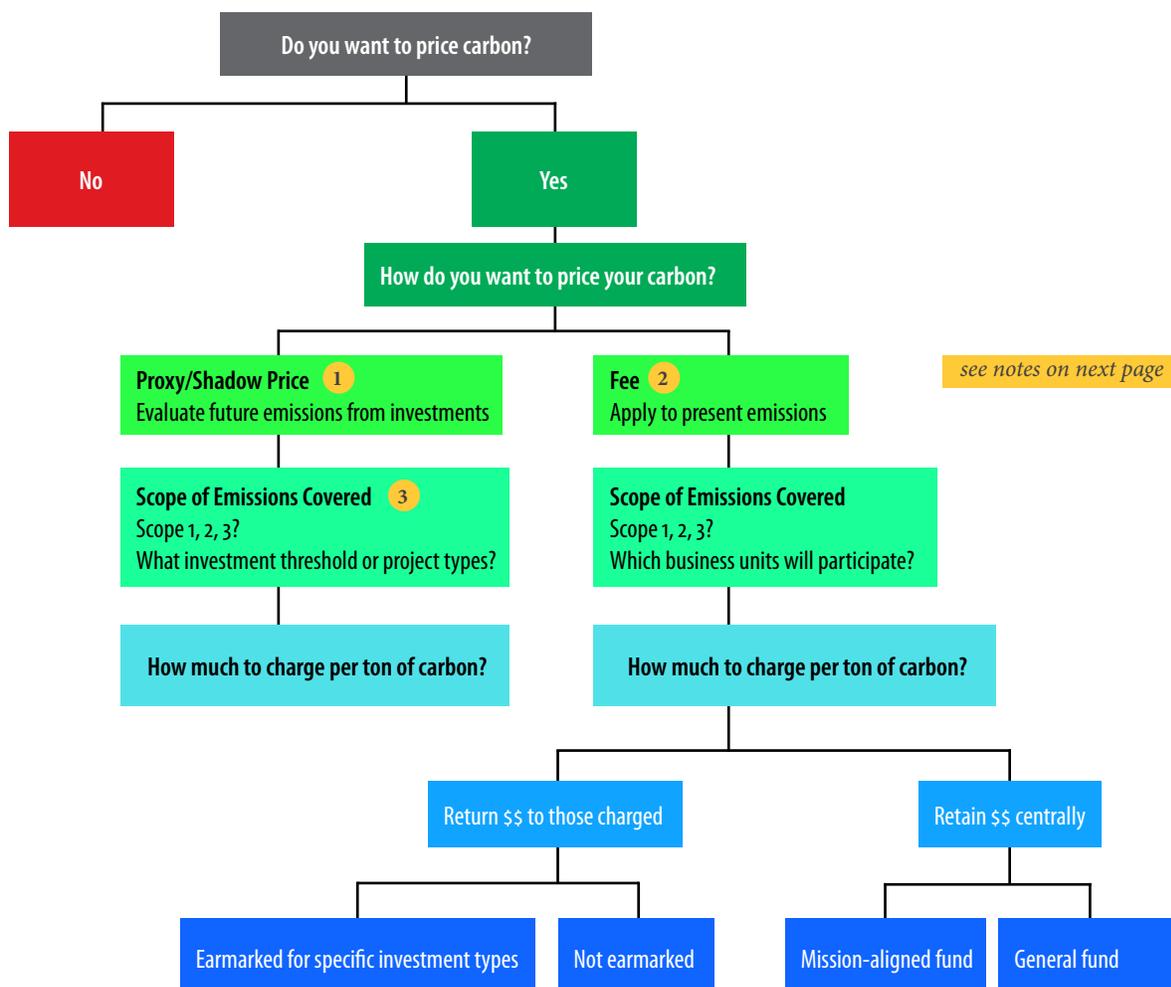
# Internal Carbon Pricing Decision Tree

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Climate leadership takes a variety of forms. One of the most promising is experimenting with carbon pricing. This short visual walks through the most significant options for pricing carbon within an organization. It is a working diagram. For more thorough discussion, and to provide feedback, see the [Internal Carbon Pricing in Higher Education Toolkit](#).

This diagram aims to help those exploring a carbon price at their institution anticipate the major decisions ahead, and to design a deliberative process, with the right skills and perspectives represented, to maximize the chances of success. As the authors of *The Internal Carbon Pricing in Higher Education Toolkit* say in their [Implementation Guide](#), “Policy proposals aimed at institutional change...benefit from the improvement and buy-in that a representative, deliberative process afford. The ideal first step is to convene a group to clarify goals, assess institutional attributes, evaluate potential policy options, design a proposal, and solicit feedback from stakeholders and decision-makers. We recommend an iterative process including, at minimum, representatives from sustainability, facilities, finance, faculty, students, and units that may be subject to a fee.



1. A proxy/shadow price on carbon is a mechanism to reflect potential carbon prices in cost-benefit analyses, and so favor low carbon technologies and investments. With such a price, no money changes hands. For more, see “What is a Proxy Price on Carbon?” in this toolkit.
2. A fee (also called a levy or charge) is a system in which entities pay real funds for carbon emissions. These systems can be designed and implemented in many ways.
3. The [Greenhouse Gas Protocol FAQ](#) explains **scopes 1, 2, and 3** emissions: “The GHG Protocol Corporate Standard classifies a company’s GHG emissions into three ‘scopes.’ Scope 1 emissions are direct emissions from owned or controlled sources. Scope 2 emissions are indirect emissions from the generation of purchased energy. Scope 3 emissions are all indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions.”