

Memorandum from the Interagency Working Group on Social Cost of Greenhouse Gases

December 22, 2023

In 2010, the Interagency Working Group on Social Cost of Carbon produced a set of social cost of carbon dioxide (SC-CO₂) estimates for use in regulatory analyses. In May 2013, that working group provided an update of the SC-CO₂ estimates to incorporate new versions of the integrated assessment models used in the peer-reviewed literature. It updated these estimates in November 2013 and July 2015.

In August 2016, the Interagency Working Group on Social Cost of Greenhouse Gases (IWG) published estimates of the social cost of methane (SC-CH₄) and nitrous oxide (SC-N₂O) that were consistent with the methodology underlying the previous SC-CO₂ estimates. Collectively, these estimates are referred to as the social cost of greenhouse gases (SC-GHG). Executive Order 13783 of March 28, 2017 disbanded the IWG. Executive Order 13990 of January 20, 2021 revoked Executive Order 13783, re-established the IWG, and deemed it “essential that agencies capture the full costs of greenhouse gas emissions as accurately as possible, including by taking global damages into account,” to facilitate agencies’ “sound decision-making.” In February 2021, the IWG published interim estimates of the SC-GHG.

Since the research underlying the IWG’s interim estimates was published, there have been a variety of developments in the scientific literature. As agencies consider applying the SC-GHG in various contexts, consistent with OMB Circular No. A-4 and applicable law, agencies should use their professional judgment to determine which estimates of the SC-GHG reflect the best available evidence, are most appropriate for particular analytical contexts, and best facilitate sound decision-making.