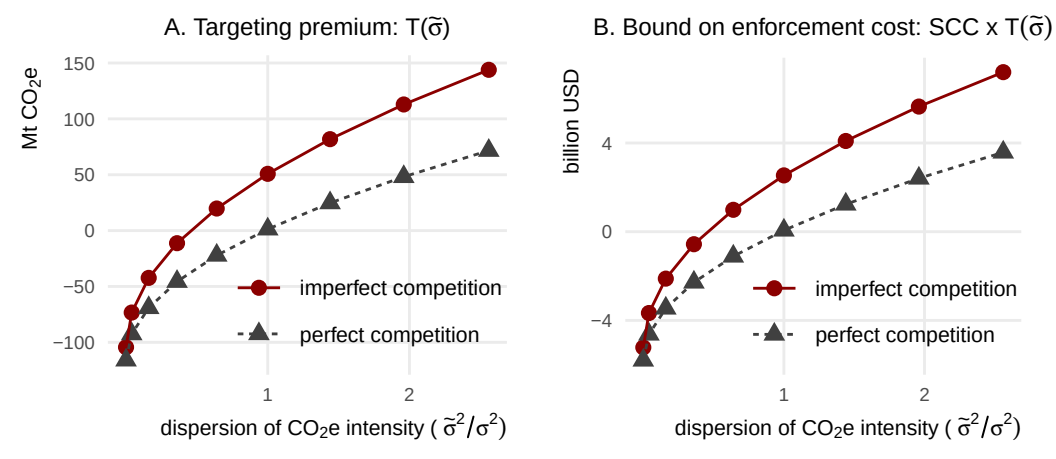
A. Targeting premium: T($\tilde{\sigma}$)
Mt CO_2e
150
100
50
0
−50
−100
1
2
dispersion of CO_2e intensity ($\tilde{\sigma}^2/\sigma^2$)
imperfect competition
perfect competition
B. Bound on enforcement cost: SCC x T($\tilde{\sigma}$)
billion USD
4
0
−4
1
2
dispersion of CO_2e intensity ($\tilde{\sigma}^2/\sigma^2$)
imperfect competition
perfect competition