

118TH CONGRESS
2D SESSION

S. _____

To require carbon scoring by the Congressional Budget Office.

IN THE SENATE OF THE UNITED STATES

_____ introduced the following bill; which was read twice
and referred to the Committee on _____

A BILL

To require carbon scoring by the Congressional Budget
Office.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Carbon Scoring Act
5 of 2024”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

8 (1) The function of the Congressional Budget
9 Office is to provide the Committee on the Budget of
10 the Senate and the Committee on the Budget of the
11 House of Representatives with information on budg-

1 et authority, outlays, revenues, and changing condi-
2 tions that might impact the Federal budget and the
3 legislative activities of Congress.

4 (2) Unforeseen economic shocks, such as the
5 2008 mortgage crisis and the COVID–19 pandemic,
6 have contributed greatly to the public debt of the
7 Federal Government.

8 (3) Climate change poses systemic risks to the
9 financial system of the United States.

10 (4) The increased severity and frequency of ex-
11 treme weather events caused by climate change costs
12 the United States economy an estimated
13 \$150,000,000,000 every year, and the cost is grow-
14 ing.

15 (5) Predicted economic shocks from climate
16 change could cost the economy of the United States
17 \$14,500,000,000,000 over the next 50 years, reduce
18 the gross domestic product of the United States by
19 10 percent by the end of the century, and add tril-
20 lions of dollars to the public debt of the Federal
21 Government.

22 (6) Current damages associated with climate
23 change are straining the Federal budget and strain-
24 ing insurance and home mortgage markets from
25 California to Florida.

1 (7) The exacerbation of extreme weather,
2 drought, and warming is undermining agricultural
3 yields, the durability of infrastructure, and supply
4 chain reliability, all of which contribute to rising
5 consumer prices.

6 (8) Policies that limit greenhouse gas emissions
7 could offer long-term savings for the Federal budget.

8 **SEC. 3. GREENHOUSE GAS EMISSIONS MODELING CAPAC-**
9 **ITY AND REPORTING.**

10 (a) IN GENERAL.—Section 202 of the Congressional
11 Budget Act of 1974 (2 U.S.C. 602) is amended by adding
12 at the end the following:

13 “(h) GREENHOUSE GAS EMISSIONS MODELING.—

14 “(1) DEFINITIONS.—In this subsection:

15 “(A) DIRECTOR.—The term ‘Director’
16 means the Director of the Congressional Budg-
17 et Office.

18 “(B) GREENHOUSE GAS.—The term
19 ‘greenhouse gas’ has the meaning given that
20 term in section 211(o)(1) of the Clean Air Act
21 (42 U.S.C. 7545(o)(1)).

22 “(2) ESTABLISHING AN EMISSIONS MODELING
23 CAPACITY.—

24 “(A) IN GENERAL.—The Director shall
25 prepare and maintain economic models that can

1 provide estimates of the effect of various poli-
2 cies on greenhouse gas emissions—

3 “(i) for the power sector, by not later
4 than 1 year after the date of enactment of
5 the Carbon Scoring Act of 2024;

6 “(ii) for transportation, by not later
7 than January 1, 2026;

8 “(iii) for industry, by not later than
9 January 1, 2028;

10 “(iv) for buildings, by not later than
11 January 1, 2030; and

12 “(v) for all other emitting sectors, as
13 soon as is practicable.

14 “(B) ANNUAL REPORTS.—Not later than
15 December 31, 2025, and December 31 of each
16 year thereafter, the Director shall publish a re-
17 port that—

18 “(i) provides an overview of the green-
19 house gas emissions modeling capabilities
20 of the Congressional Budget Office;

21 “(ii) discusses any updates made to
22 models related to the greenhouse gas emis-
23 sions estimating function of the Congres-
24 sional Budget Office; and

1 “(iii) discusses how any updates made
2 to models affect the emissions baseline re-
3 quired under paragraph (3).

4 “(C) ONGOING IMPROVEMENT.—The Di-
5 rector shall work to continually improve the ac-
6 curacy and granularity of the economic models
7 described in subparagraph (A).

8 “(D) EXISTING FEDERAL RESOURCES.—In
9 preparing economic models under this para-
10 graph, the Director may, where applicable, con-
11 sider using modeling resources developed by the
12 Federal Government, such as the National En-
13 ergy Modeling System published by the Energy
14 Information Administration.

15 “(3) EMISSIONS BASELINE.—Not later than
16 February 15, 2025, and February 15 of each year
17 thereafter, the Director shall develop and publish a
18 detailed estimate of greenhouse gas emissions in the
19 United States during the year during which the re-
20 port is issued and each fiscal year thereafter
21 through the last fiscal year covered by the most re-
22 cent baseline prepared in accordance with section
23 257, based on laws enacted through the date of the
24 report and taking into account projected economic
25 factors.

1 “(4) PRIORITIZATION OF GREENHOUSE GAS-
2 SES.—For purposes of economic models, emissions
3 baselines, and greenhouse gas emissions estimates
4 under paragraphs (2) and (3) of this subsection and
5 section 402A, the Director—

6 “(A) shall make best efforts to consider all
7 greenhouse gas emissions for any economic
8 model, emissions baseline, or greenhouse gas
9 emissions estimate prepared on or after the
10 date of enactment of the Carbon Scoring Act of
11 2024; and

12 “(B) shall consider—

13 “(i) carbon dioxide for any economic
14 model, emissions baseline, or greenhouse
15 gas emissions estimate prepared on or
16 after the date of enactment of the Carbon
17 Scoring Act of 2024;

18 “(ii) methane for any economic model,
19 emissions baseline, or greenhouse gas emis-
20 sions estimate prepared on or after Janu-
21 ary 1, 2027; and

22 “(iii) all greenhouse gas emissions for
23 any economic model, emissions baseline, or
24 greenhouse gas emissions estimate pre-
25 pared on or after January 1, 2030.”.

1 (b) EMISSIONS ESTIMATES BY CONGRESSIONAL
2 BUDGET OFFICE.—

3 (1) IN GENERAL.—Title IV of the Congres-
4 sional Budget Act of 1974 (2 U.S.C. 651 et seq.) is
5 amended by inserting after section 402 the following

6 **“SEC. 402A. EMISSIONS ESTIMATES BY CONGRESSIONAL**
7 **BUDGET OFFICE.**

8 “(a) DEFINITIONS.—In this section:

9 “(1) DIRECTOR.—The term ‘Director’ means
10 the Director of the Congressional Budget Office.

11 “(2) EMISSIONS BASELINE.—The term ‘emis-
12 sions baseline’ means an estimate of greenhouse gas
13 emissions prepared under section 202(h)(3).

14 “(3) GREENHOUSE GAS.—The term ‘greenhouse
15 gas’ has the meaning given that term in section
16 211(o)(1) of the Clean Air Act (42 U.S.C.
17 7545(o)(1)).

18 “(4) GREENHOUSE GAS-RELATED PROVISION.—
19 The term ‘greenhouse gas-related provision’ means a
20 provision that meets any of the following conditions:

21 “(A) Creates, raises, or lowers a tax or tax
22 credit on any aspect of fuel production or
23 usage, power production or usage, the emission
24 or capture of a greenhouse gas, or a technology

1 or a direct alternative to a technology that uses
2 fuel.

3 “(B) Otherwise assigns a dollar value to
4 the emission of a greenhouse gas or to the sale
5 or use of a product whose combustion or leak-
6 age leads to an emission of a greenhouse gas.

7 “(C) Sets a performance standard or cap
8 based on—

9 “(i) the emission of a greenhouse gas;
10 or

11 “(ii) the use of a product—

12 “(I) that directly emits green-
13 house gases; or

14 “(II) whose combustion, leakage,
15 or degradation leads to an emission of
16 a greenhouse gas.

17 “(5) RELEVANT COMMITTEES.—The term ‘rel-
18 evant committees’ means the Committee on the
19 Budget of the Senate, the Committee on the Budget
20 of the House of Representatives, the committee of
21 the Senate with jurisdiction of the relevant bill or
22 joint resolution, and the committee of the House of
23 Representatives with primary jurisdiction of the rel-
24 evant bill or joint resolution.

1 “(6) SIGNIFICANT BUDGETARY EFFECT.—The
2 term ‘significant budgetary effect’, with respect to a
3 bill or joint resolution, means that the Director esti-
4 mates the bill or joint resolution will increase or de-
5 crease annual outlays or revenues by not less than
6 \$500,000,000 in any fiscal year covered by the most
7 recent baseline under section 257.

8 “(7) SOCIAL COST OF A GREENHOUSE GAS.—
9 The term ‘social cost of a greenhouse gas’ means the
10 monetary value of the net harm to society from
11 emitting a metric ton of a greenhouse gas into the
12 atmosphere in a given year, as determined by the
13 Director based on the best and most recent science
14 that, for carbon dioxide, methane, and nitrous oxide,
15 is not less than the amounts listed for those gases
16 using a near-term Ramsey discount rate of 2 percent
17 in the report of the Environmental Protection Agen-
18 cy entitled ‘Report on the Social Cost of Greenhouse
19 Gases: Estimates Incorporating Recent Scientific
20 Advances’, dated November 2023.

21 “(b) ESTIMATES.—

22 “(1) IN GENERAL.—To the extent practicable,
23 the Director shall prepare and submit to the rel-
24 evant committees a greenhouse gas emissions esti-
25 mate with respect to any bill or joint resolution or-

1 dered reported by a committee of the Senate or the
2 House of Representatives—

3 “(A) that—

4 “(i) would have a significant budg-
5 etary effect; and

6 “(ii) contains 1 or more greenhouse
7 gas-related provisions; or

8 “(B) for which the Director previously esti-
9 mated the effects of the greenhouse gas-related
10 provisions of the bill or joint resolution.

11 “(2) CONTENTS.—A greenhouse gas emissions
12 estimate under paragraph (1) with respect to a bill
13 or joint resolution shall—

14 “(A) provide an estimate of the effects of
15 each greenhouse gas-related provision in the bill
16 or joint resolution on greenhouse gas emissions
17 with respect to the year during which the green-
18 house gas-related provision takes effect and
19 each fiscal year covered by the most recent
20 emissions baseline, including an estimate of the
21 change in greenhouse gas emissions relative to
22 the most recent emissions baseline;

23 “(B) provide an estimate of the climate-re-
24 lated costs or savings of each greenhouse gas-
25 related provision in the bill or joint resolution,

1 which shall be calculated as the sum of the
2 products obtained by multiplying the change in
3 the emission of each greenhouse gas relative to
4 the most recent emissions baseline, as described
5 in subparagraph (A), by the social cost of the
6 greenhouse gas during the year of the change;

7 “(C) include commentary on the expected
8 effects of the greenhouse gas-related provisions
9 on greenhouse gas emissions after the end of
10 the period described in subparagraph (A); and

11 “(D) include commentary, to the extent
12 practicable, on the effects of the greenhouse
13 gas-related provisions on global greenhouse gas
14 emissions.

15 “(3) INCLUSION IN REPORT.—If the Director
16 timely submits to a committee of the Senate or the
17 House of Representatives estimates and commentary
18 under this subsection with respect to a bill or joint
19 resolution containing 1 or more greenhouse gas-re-
20 lated provisions, the committee shall include the esti-
21 mates and commentary in the report accompanying
22 the bill or joint resolution, if the committee submits
23 such a report.

24 “(4) ESTIMATES REGARDING OTHER LEGISLA-
25 TIVE PROVISIONS.—To the extent practicable, upon

1 a request by the Chairman of the Committee on the
2 Budget of the Senate or the Committee on the
3 Budget of the House of Representatives, the Direc-
4 tor shall publish a greenhouse gas emissions esti-
5 mate in accordance with this subsection with respect
6 to any legislative provision.

7 “(5) ESTIMATES WHILE DEVELOPING MOD-
8 ELS.—If the Director determines that a reported bill
9 or joint resolution for which a report is required
10 under paragraph (1) contains 1 or more greenhouse
11 gas-related provisions that primarily affect the
12 greenhouse gas emissions of a sector for which the
13 Director has not yet developed an economic model
14 under section 202(h)(2), the Director shall—

15 “(A) omit those greenhouse gas-related
16 provisions from the greenhouse gas emissions
17 estimate of the Director;

18 “(B) indicate in the greenhouse gas emis-
19 sions estimate that the Director made that de-
20 termination; and

21 “(C) include in the greenhouse gas emis-
22 sions estimate the reasons for that determina-
23 tion.

24 “(c) MANDATORY APPROPRIATION.—In addition to
25 amounts otherwise made available to the Director, there

1 are appropriated for each of fiscal years 2025 through
2 2034 to the Director, out of any money in the Treasury
3 not otherwise appropriated, \$20,000,000 to carry out this
4 section and section 202(h). Amounts appropriated under
5 this subsection shall remain available until expended.”.

6 (2) CONFORMING AMENDMENT.—The table of
7 contents in section 1(b) of the Congressional Budget
8 and Impoundment Control Act of 1974 is amended
9 by inserting after the item relating to section 402
10 the following:

“Sec. 402A. Emissions estimates by Congressional Budget Office.”.