

## Homework #6

### DICE Model

Due: Wednesday (class time), October 31, 2018

Using the DICE model that we downloaded from William Nordhaus' website (version 2016R), determine what impact a reduction in the equilibrium climate sensitivity parameter has on the path of the social cost of carbon. Take Nordhaus' value of 3.1 and reduce it to 2.0 and then 1.0 to determine how a change in this assumption affects policy related to the tax that the government might impose on society. That is, assume the tax will be equal to the social cost of carbon.