

At A Glance

Environmental Economics

Our Practice

NERA economists are widely recognized as leading experts in environmental economics. We offer policy advice and analysis based on sound economic principles and innovative economic models and techniques. Our clients include government agencies and ministries, intergovernmental organizations, individual companies, and industry organizations across a range of sectors around the world. NERA helps clients with policy design and advice, policy analysis (for example in regulatory and legislative settings), natural resource valuation, and environmental and human health damage assessment.

We perform a variety of types of policy analysis for our clients, including construction of marginal cost curves in permit and product markets, analysis of allocation issues in permit markets, cost-benefit analysis, cost-effectiveness analysis, and evaluation of market and distributional effects. Our analysis relies on relevant technical expertise—we often work with technical and scientific experts—and takes into account economic behavior and institutional considerations.

Our insights build on expertise gained as faculty members at leading universities and at various government agencies, including the President's Council of Economic Advisors, US Environmental Protection Agency, the World Bank, the US Department of Transportation, the UK Department of Transport and HM Treasury, and the National Bureau of Economic Research. Our perspectives have been published in top industry periodicals including *The Electricity Journal*, *American Economic Review*, *California Agriculture*, *Transportation Research*, *Land Economics*, and *The Review of Economics and Statistics*.

Our Focus

In Business: NERA helps companies better understand the costs and benefits of environmental regulations and pending legislation as well as the effects of possible alternatives. By analyzing the benefits and costs of various options, we help our clients determine the most economically efficient approach to complying with appropriate environmental regulations. NERA also models the effects of environmental regulations to understand how market behavior will affect both environmental and economic outcomes. NERA provides direct experience with the regulatory process that can be helpful in understanding the implications of alternative

policies. We also help businesses estimate potential environmental damages and clean-up costs to guarantee adequate insurance.

In Government: Our economic analyses help government officials understand how different policy choices and designs influence the effectiveness of alternative environmental, health, and safety policies and regulations. We provide expert testimony and workshops in various proceedings involving environmental policy. NERA experts have designed and evaluated emission trading programs and other innovative approaches

to environmental regulation that achieve environmental objectives in a flexible and economically efficient way.

In the Courtroom: Civil and criminal litigation concerning environmental liabilities often involve complex economic or financial issues. NERA assists companies and counsel by providing objective analysis, expert testimony, and a wide variety of support services. Our ability to present analyses in understandable terms contributes to effective pre-trial activities and testimony. We prepare analyses and present them in court in support of litigation or as information for settlement proceedings. Our worldwide network of experts enables us to support companies with international operations.

Key Areas of Expertise

Survey Research

Obtaining accurate data directly from firms or consumers can be crucial in evaluating the effects of environmental policies. NERA has been involved in the administration and review of numerous industry surveys on the costs of environmental compliance. Many of NERA's surveys involve sensitive company information such as production costs and price forecasts. We recognize the confidentiality needs of our clients and produce reports that evaluate key issues without disclosing the confidential data of individual companies.

Statistical Analysis

Environmental regulation imposes costs on manufacturers that can lead to price increases. NERA economists are highly trained in executing and reviewing econometric studies that evaluate policy effects. These include price elasticity studies, which estimate the impact of price changes on a company's sales, as well as econometric estimates of other market effects such as the use by consumers of substitute products.

Regional Economic Modeling

Pollution control policies can have impacts far beyond the intended sphere of regulation. NERA has broad experience in using regional economic models to forecast the effects of environmental regulation on critical economic variables such as employment, regional growth, and per capita income. We use several types of methodologies, including a state-of-the-art regional economic model (REMI) and the widely-employed IMPLAN, to evaluate the economic and socioeconomic impact of pollution control policies.

Client Experience

Environmental and Economic Impacts of Proposed Greenhouse Gas Emissions Regulations in California

NERA performed a comprehensive evaluation of proposed greenhouse gas regulations, assessing the effects on the composition of the state's vehicle population and the resulting effects on overall vehicle emissions and the state's economy.

Cost-Benefit Analysis of Fish Protection Alternatives, Multiple Power Stations

NERA has evaluated the costs and benefits of alternative cooling water intake technologies (including wet, wet/dry hybrid, and dry cooling towers) for various northeast utilities. NERA has also assisted utility clients in evaluating proposed changes in the US EPA's regulations.

Economic Assessments of Alternative Emission Standards for Snowmobile Engines

NERA was retained by the International Snowmobile Manufacturers Association to analyze alternative emission standards for snowmobile engines proposed by the US EPA. The final report submitted to EPA and OMB officials evaluated the cost-effectiveness of three emission standards, estimated their long-term effect on the snowmobile industry, and quantified the monetary value of the associated emission benefits.

About NERA

NERA Economic Consulting (www.nera.com) is a global firm of experts dedicated to applying economic, finance, and quantitative principles to complex business and legal challenges. For over half a century, NERA's economists have been creating strategies, studies, reports, expert testimony, and policy recommendations for government authorities and the world's leading law firms and corporations. With its main office in New York City, NERA serves clients from more than 25 offices across North America, Europe, and Asia Pacific.

Contacts

Dr. David Harrison Jr.

Managing Director
Co-Chair, Environment Practice
+1 617 927 4512
david.harrison@nera.com

Dr. Anne E. Smith

Managing Director
Co-Chair, Environment Practice
+1 202 466 9229
anne.smith@nera.com