Climate Change Accuracy: Requirements and Economic Value

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Charney Report, 1979

“In order to address this question in its entirety, one would have to peer into the world of our grandchildren, the world of the twenty-first century.”

Foreword by Vern Suomi

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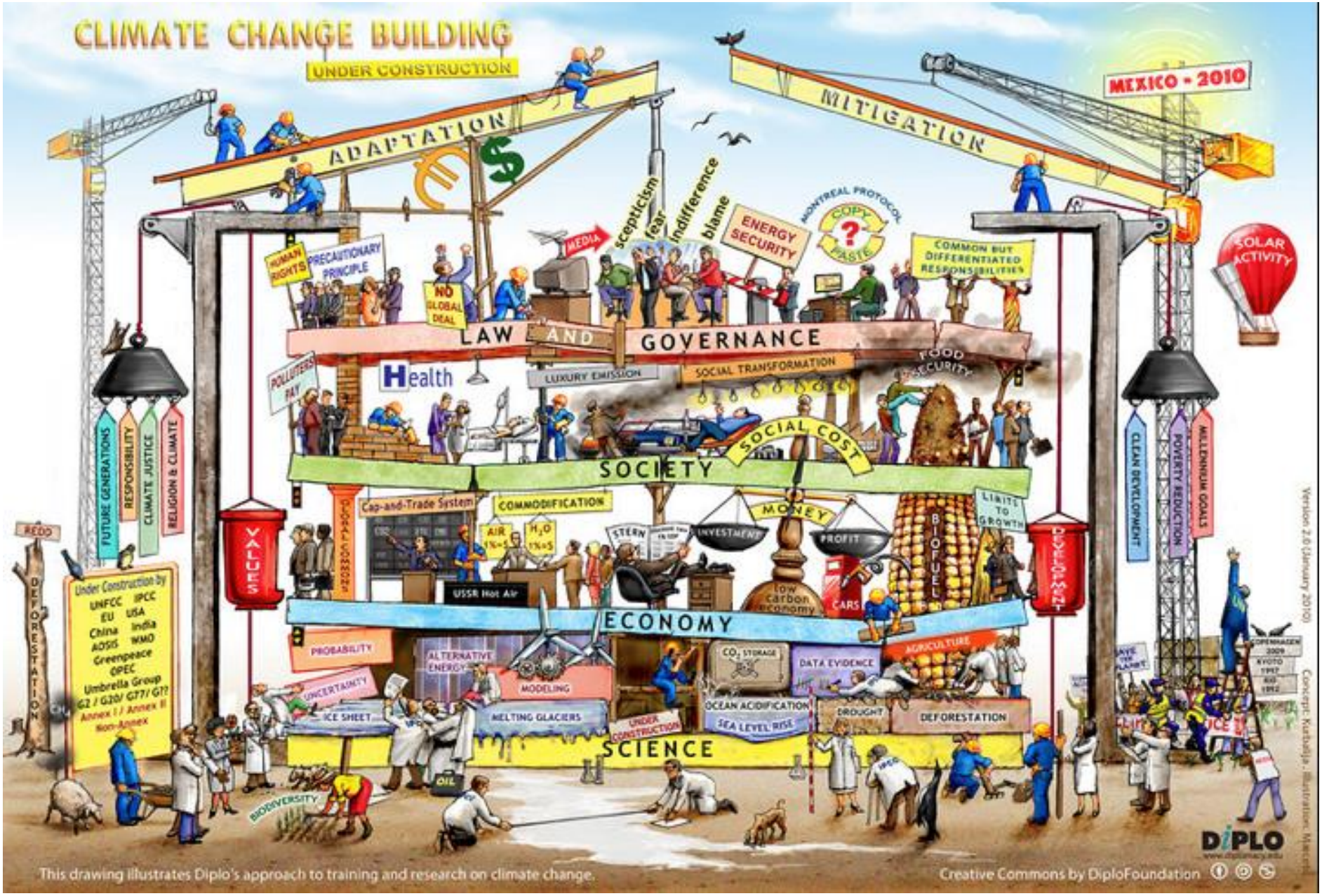
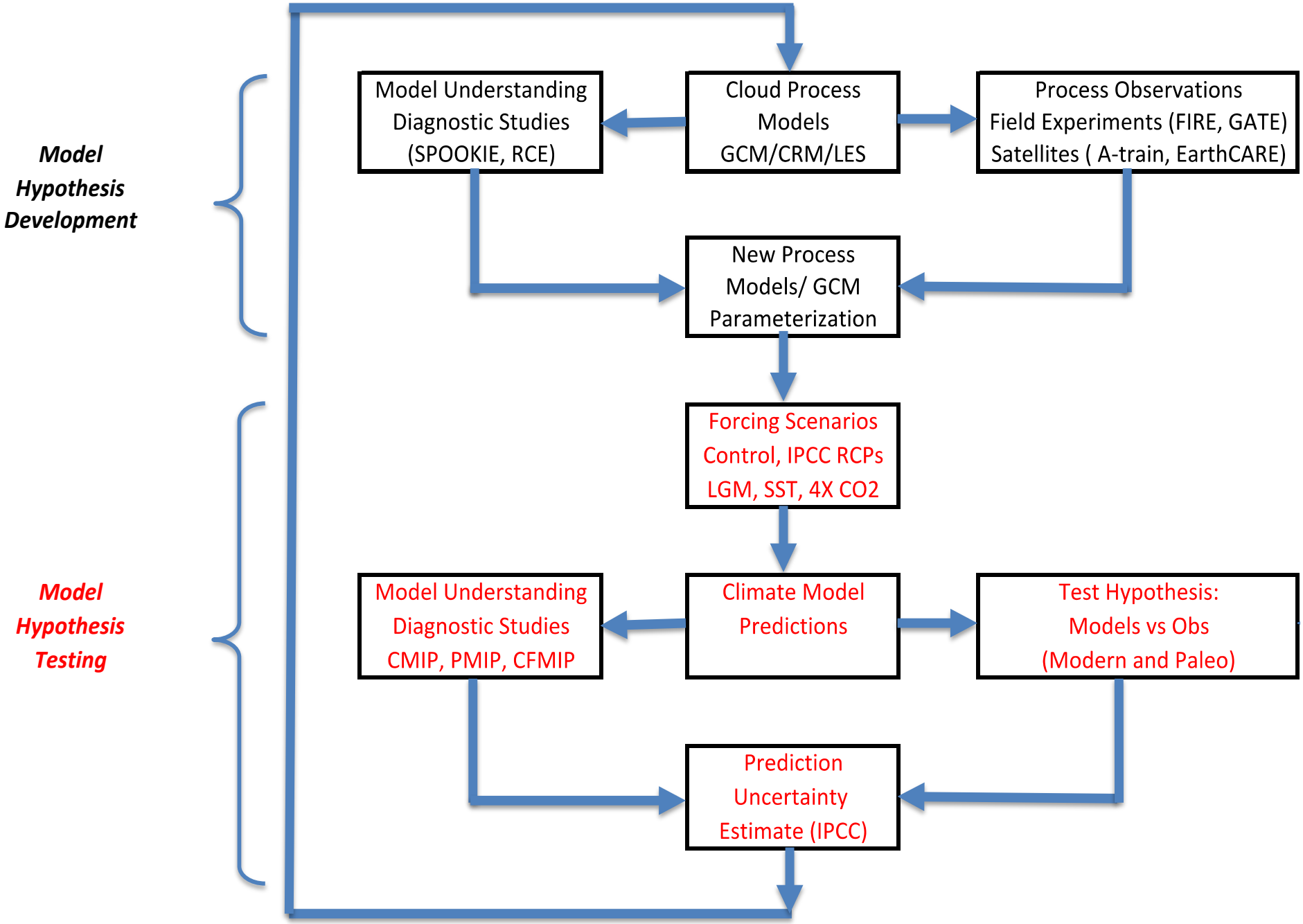
35 Years Later …



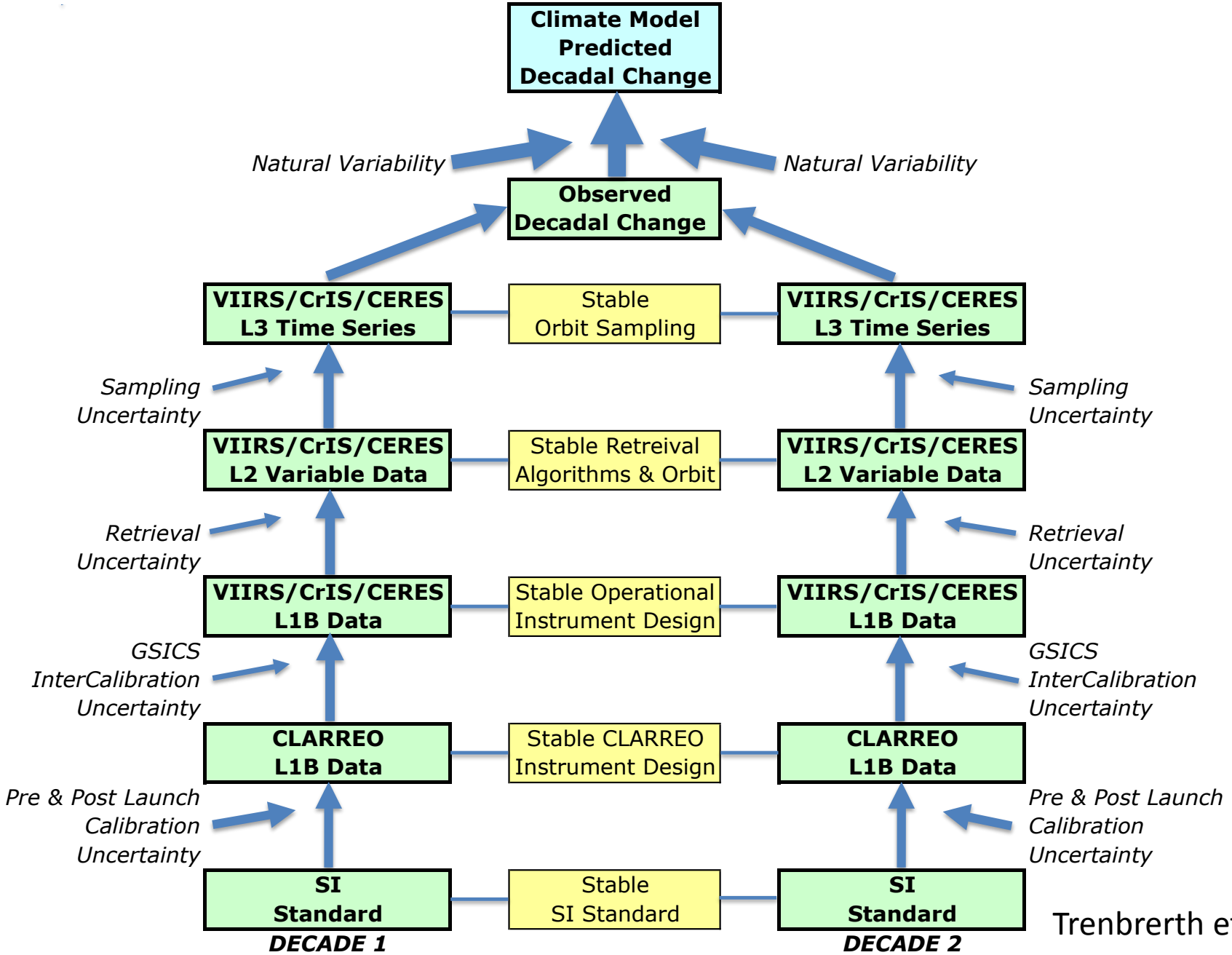
35 Years Later …

35 Years Later … More urgent, but …

- Lack of a climate observing system (vs. weather)
  - Climate is 10x the variables and 10x the accuracy of weather.
- Struggles to get sufficient resources for climate modeling
- Science questions typically qualitative not quantitative
  - Understand and explore vs rigorous hypothesis testing
  - Leads to intuitive “Seat of the Pants” requirements
  - After > 30 years of climate research: time to improve
- *What is the right amount to invest in climate science?*
  - Requires link of science to economics
  - Requires thinking outside narrow disciplines
  - Requires arguing for climate science, not our own science

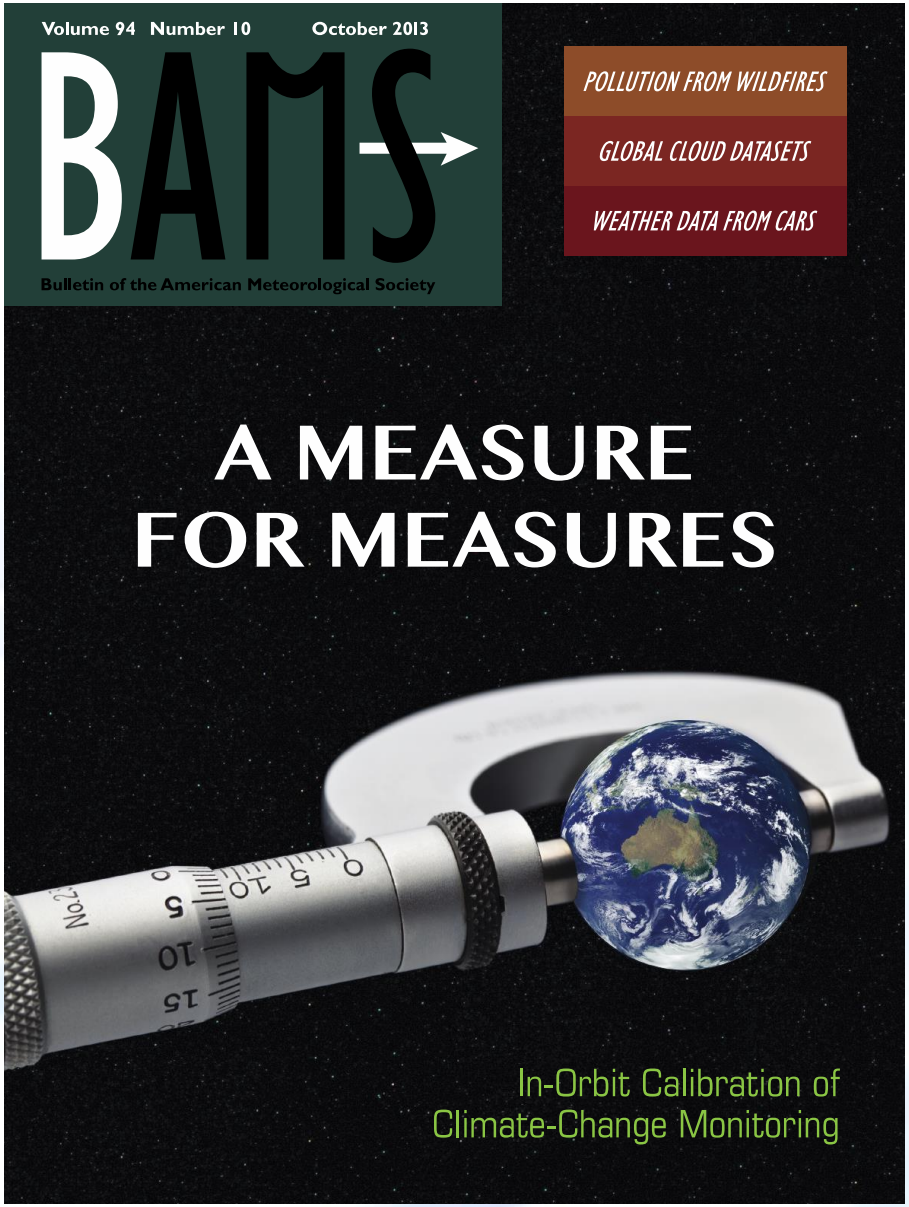

Model Hypothesis Development
Model Hypothesis Testing
Model Understanding Diagnostic Studies (SPOOKIE, RCE)
Cloud Process Models GCM/CRM/LES
Process Observations Field Experiments (FIRE, GATE) Satellites (A-train, EarthCARE)
New Process Models/ GCM Parameterization
Forcing Scenarios Control, IPCC RCPs LGM, SST, 4X CO2
Model Understanding Diagnostic Studies CMIP, PMIP, CFMIP
Climate Model Predictions
Test Hypothesis: Models vs Obs (Modern and Paleo)
Prediction Uncertainty Estimate (IPCC)

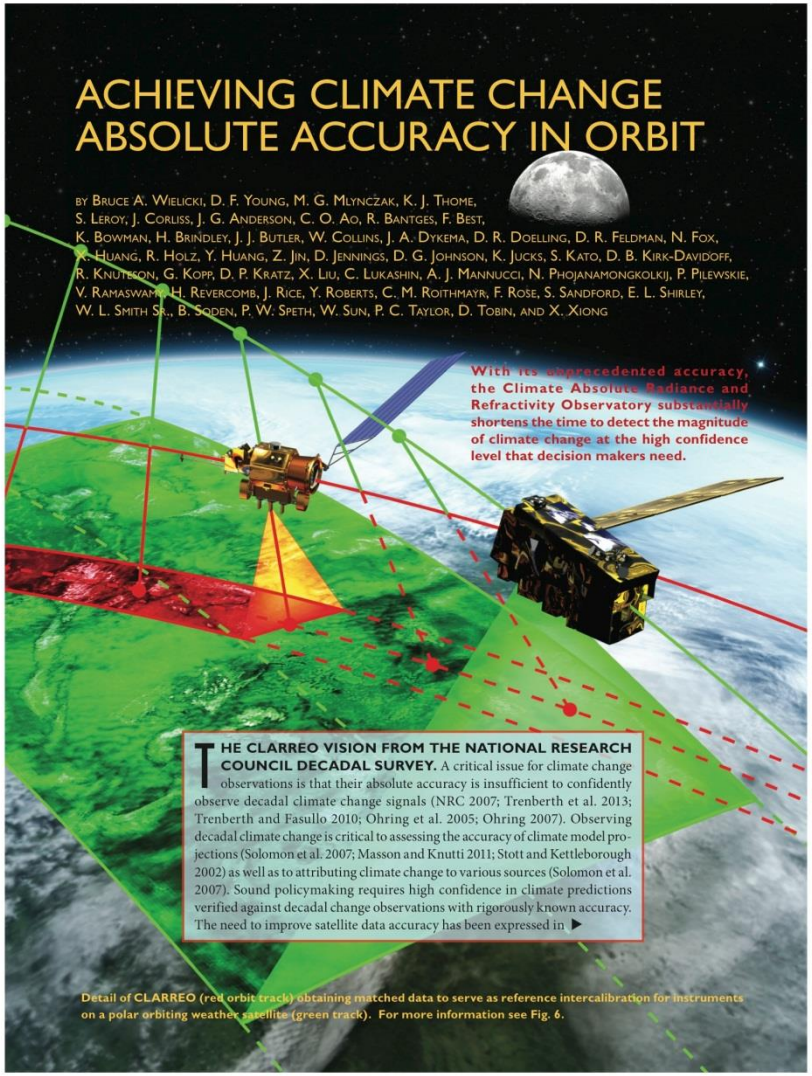
Accuracy of Climate Change Observations & Predictions



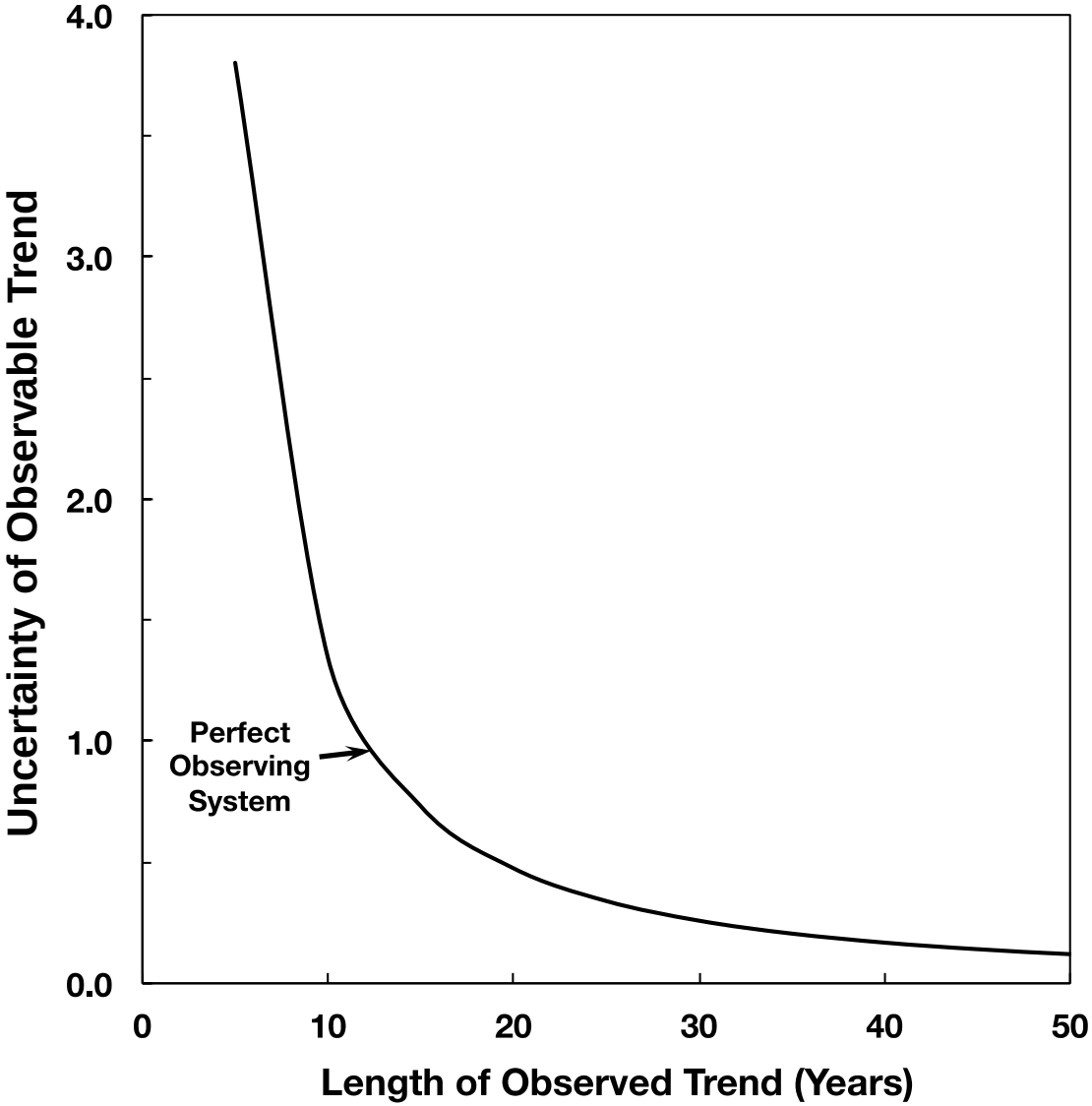
Trenbrerth et al. 2013

BAMS October, 2013





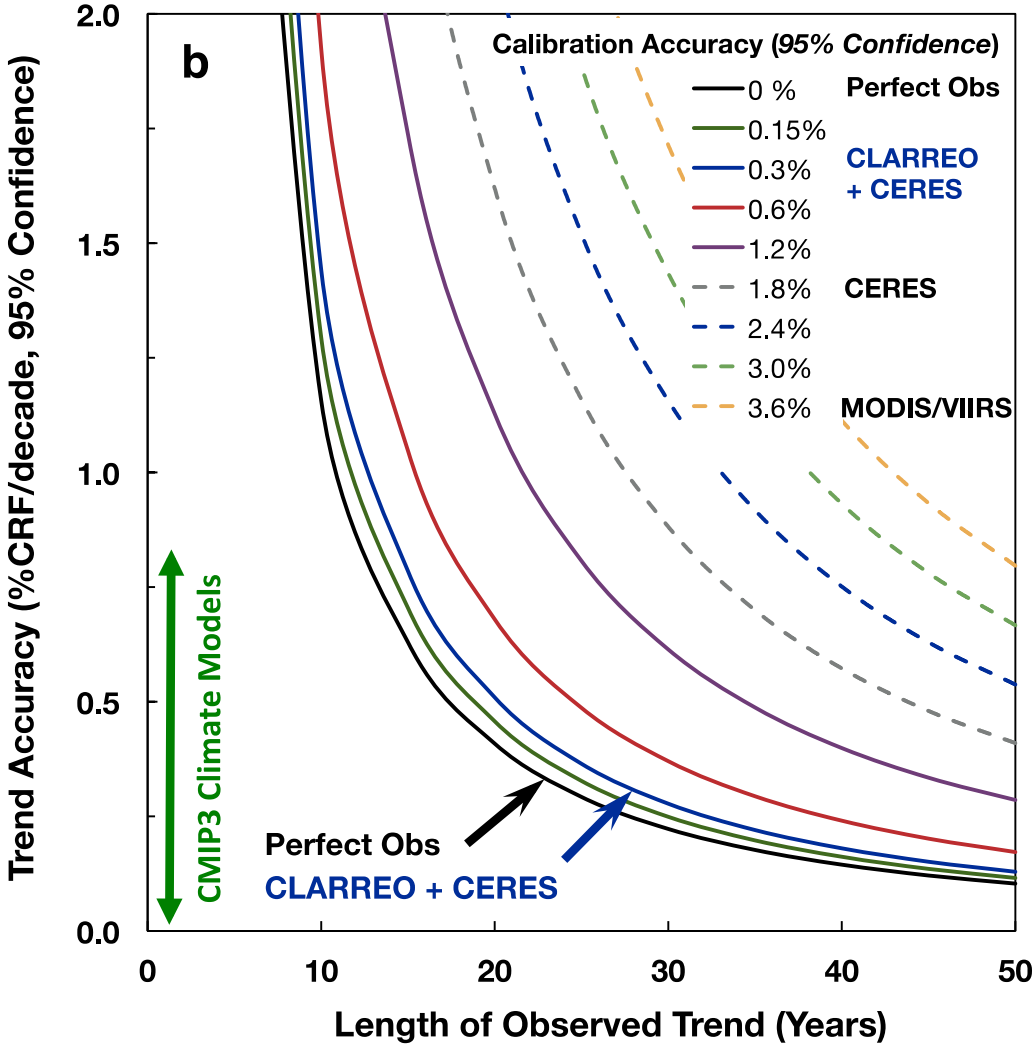
Accuracy Requirements of the Climate Observing System



The length of time required to detect a climate trend caused by human activities is determined by:

- *Natural variability*
- *The magnitude of human driven climate change*
- *The accuracy of the observing system*

Reflected Solar Accuracy and Climate Trends



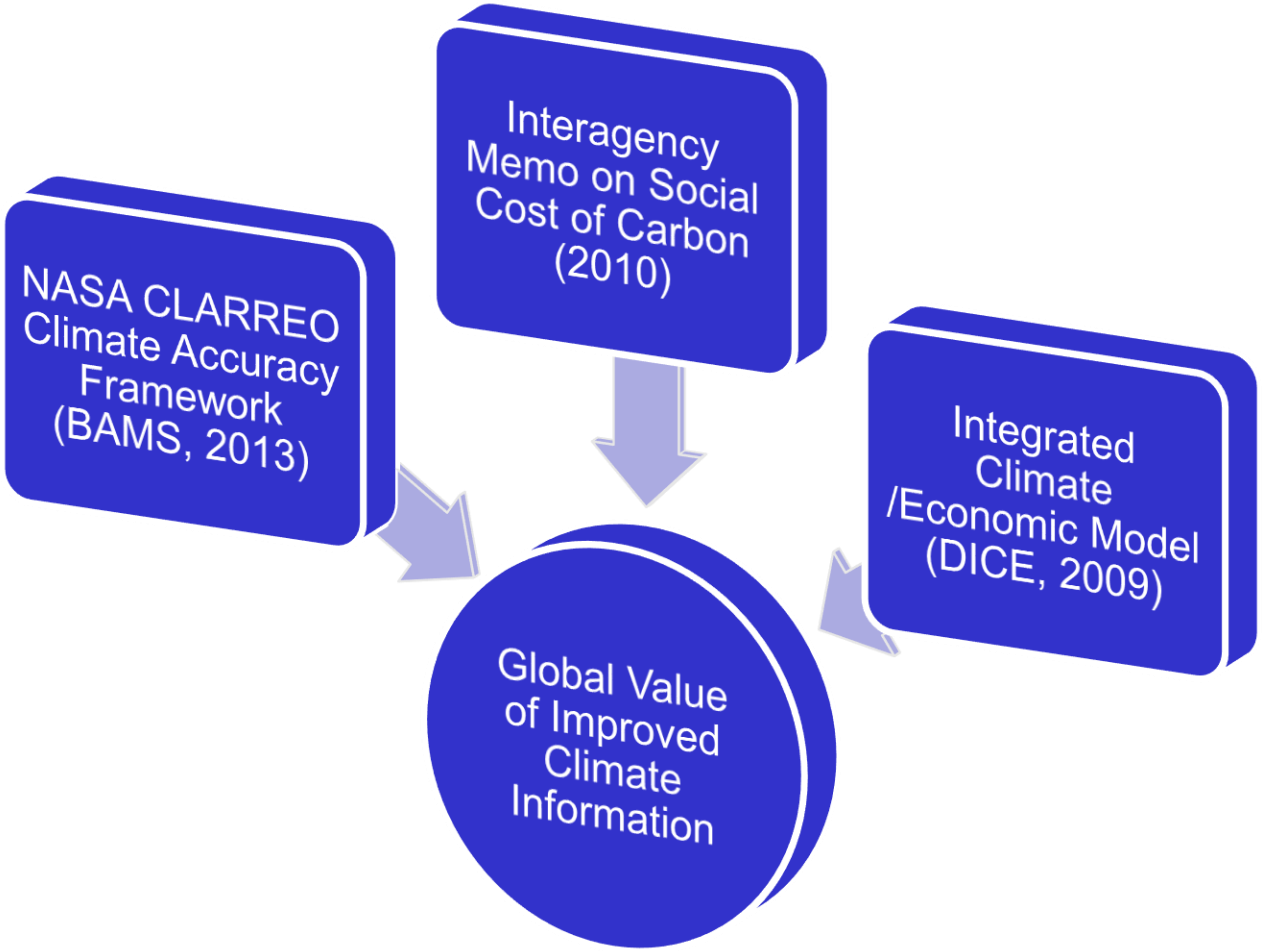
Climate Sensitivity Uncertainty is a factor of 4 (IPCC, 90% conf) which =*factor of 16 uncertainty in climate change economic impacts*

Climate Sensitivity Uncertainty = Cloud Feedback Uncertainty = Low Cloud Feedback = *Changes in SW CRF/decade (y-axis of figure)*

Higher Accuracy Observations = CLARREO reference intercal of CERES = *narrowed uncertainty 15 to 20 years earlier*

Wielicki et al. 2013, Bulletin of the American Meteorological Society

What is the right amount to invest in climate science?



Cooke et al., Journal of Environment, Systems, and Decisions, July 2013, paper has open and free distribution online.

VOI Estimation Method

BAU Emissions

↓

Climate Sensitivity

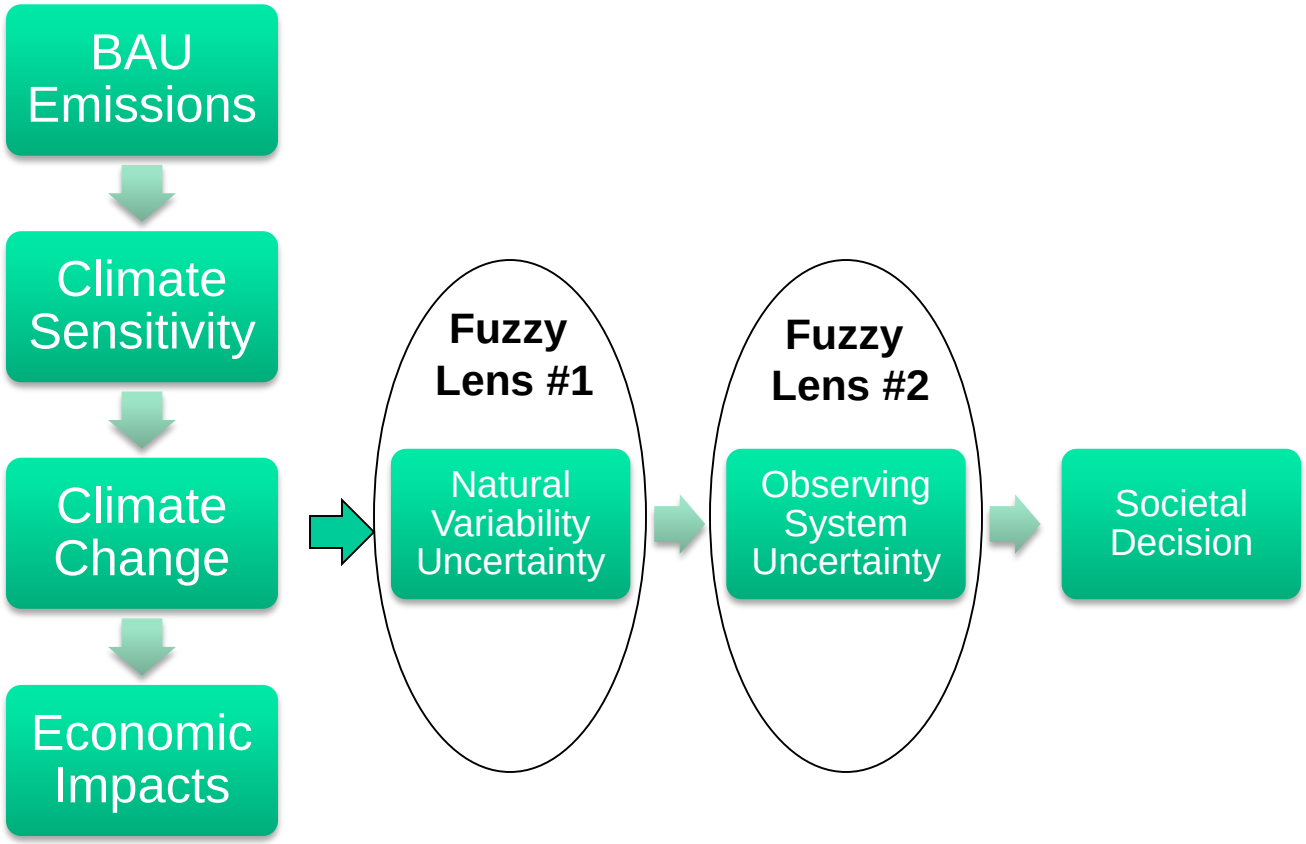
↓

Climate Change

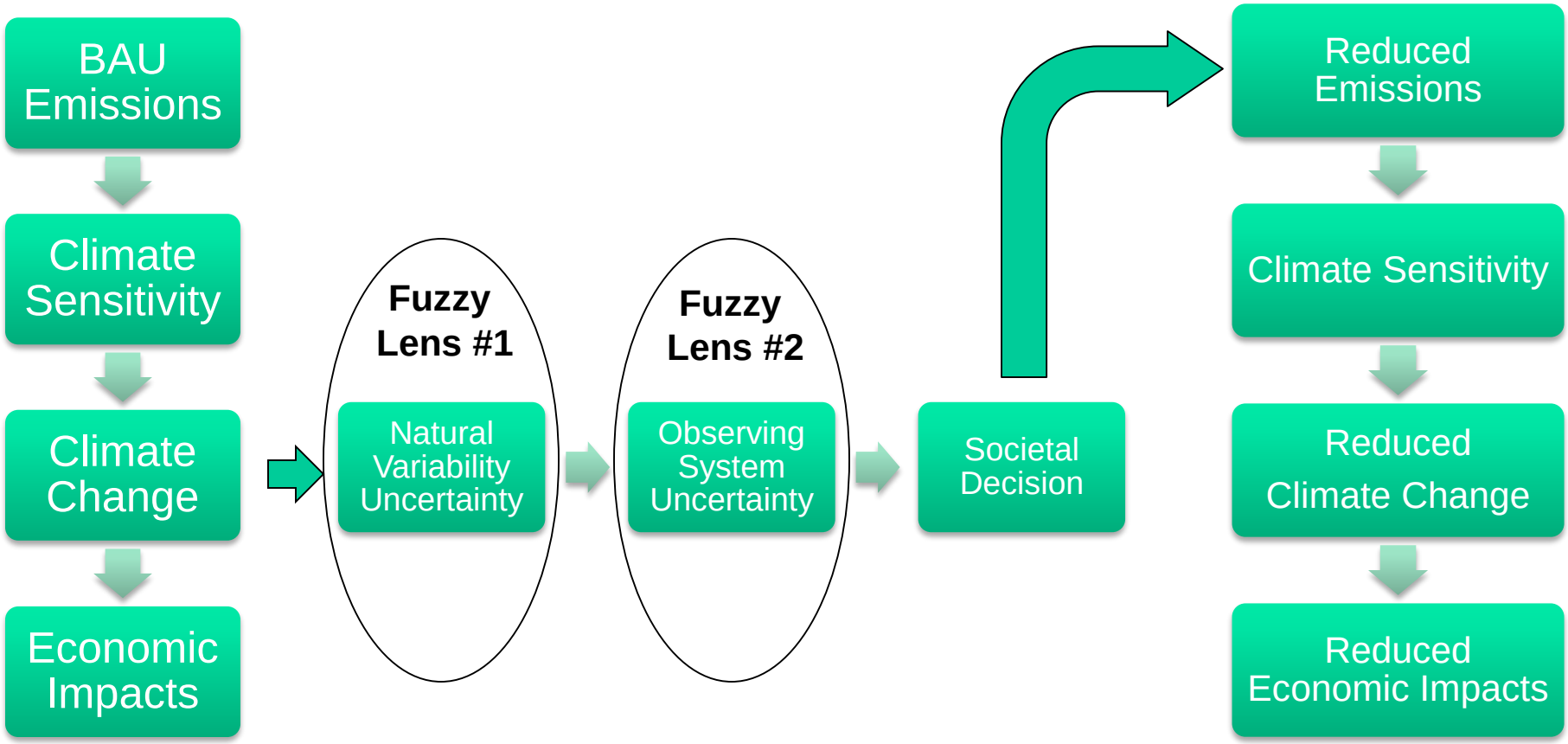
↓

Economic Impacts

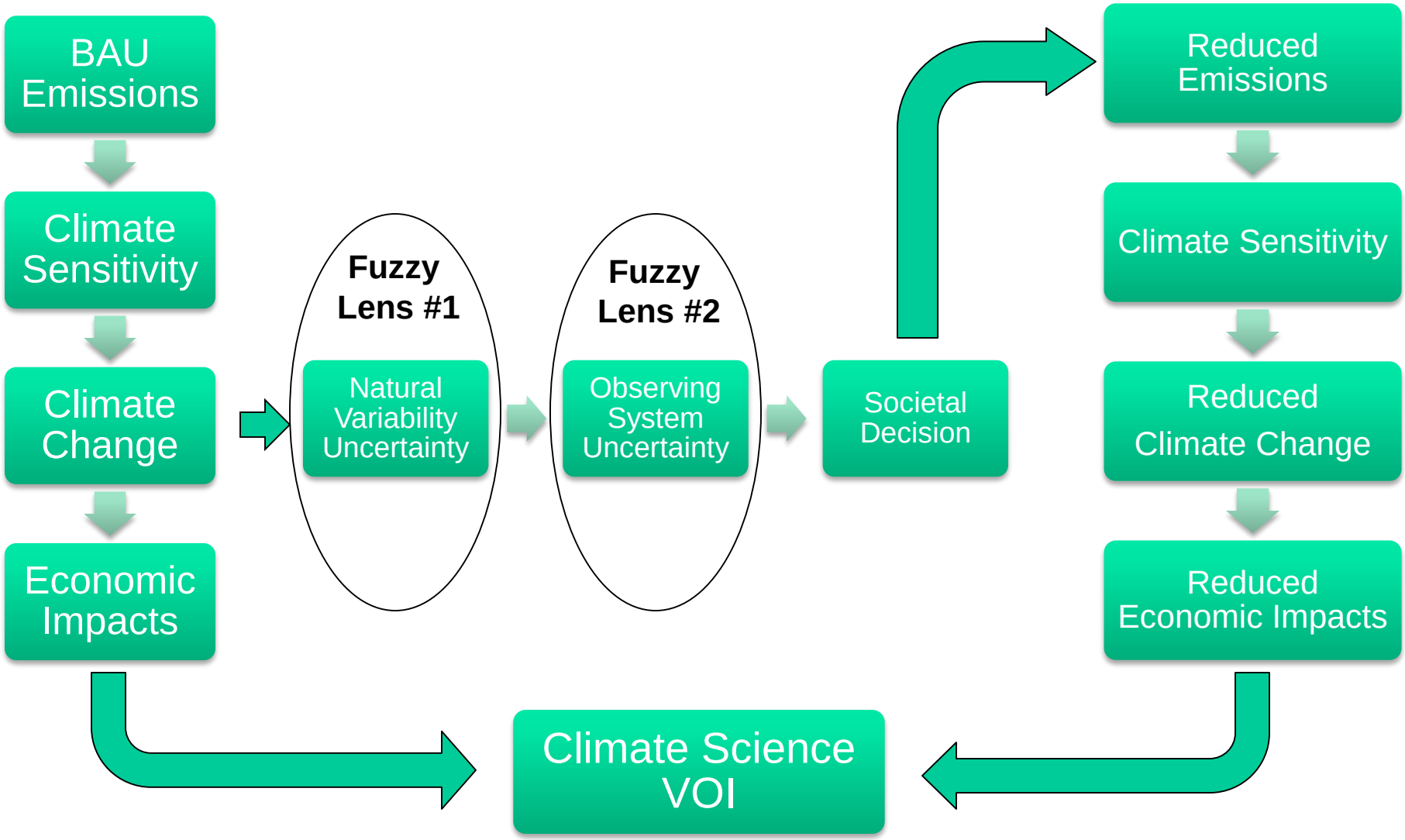
VOI Estimation Method



VOI Estimation Method



VOI Estimation Method



Economics: The Big Picture

- World GDP today ~ $70 Trillion US dollars

- Net Present Value (NPV)
  - compare a current investment to other investments that could have been made with the same resources

- Discount rate: 3%
  - 10 years: discount future value by factor of 1.3
  - 25 years: discount future value by factor of 2.1
  - 50 years: discount future value by factor of 4.4
  - 100 years: discount future value by factor of 21

- Business as usual climate damages in 2050 to 2100: 0.5% to 5% of GDP per year depending on climate sensitivity.

VOI vs. Discount Rate

Run 1000s of economic simulations and then average over the full IPCC distribution of possible climate sensitivity

Discount Rate	CLARREO/Improved Climate Observations VOI (US 2015 dollars, net present value)
2.5%	$17.6 T
3%	$11.7 T
5%	$3.1 T

Additional Cost of an advanced climate observing system: ~ $10B/yr worldwide
Cost for 30 years of such observations is ~ $200 to $250B in NPV
For a payback ratio of ~ $50 per $1 invested

Even at the highest discount rate, return on investment is very large

Suggested Directions

- Quantitative Science Questions
  - Hypothesis Tests not “improve and explore”, think Higgs Boson
- Observing System Simulation Experiments (OSSEs)
  - Improve observing system requirements
  - Move from “base state” to “climate change” climate model tests
- Higher Accuracy Observations for Climate Change
  - See BAMS paper for example: broadly applicable
- Economic Value of Improved Climate Observations and Models
  - See J. Env. Sys. Decisions paper for example: broadly applicable

At our current pace, its seems unlikely that we will understand climate change even after another 35 years.

We lack a climate observing system capable of testing climate predictions with sufficient accuracy

We cannot go back in time and measure what we failed to observe.