

## Erratum

The correct sequence of allocations and prices of **Definition 1** in the Appendix should be<sup>1</sup>

$$\{A_t, C_t, C_{A,t}, D_{p,t}, G_t, I_t, K_{t+1}, L_t, M_t, MC_t, p_t^*, p_{Z,t}, q_t, R_t, r_{k,t}, T_t, U_t, w_t, X_t, Y_t, Z_t, \eta_t, \Theta_t, \Pi_t, \Psi_t, \Omega_t\}_{t=0}^{\infty}$$

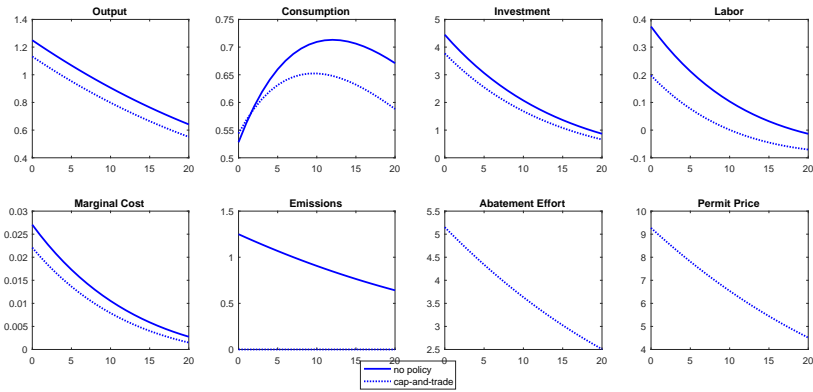
In what follows the correct versions of Figures 1-3 of the paper.<sup>2</sup>

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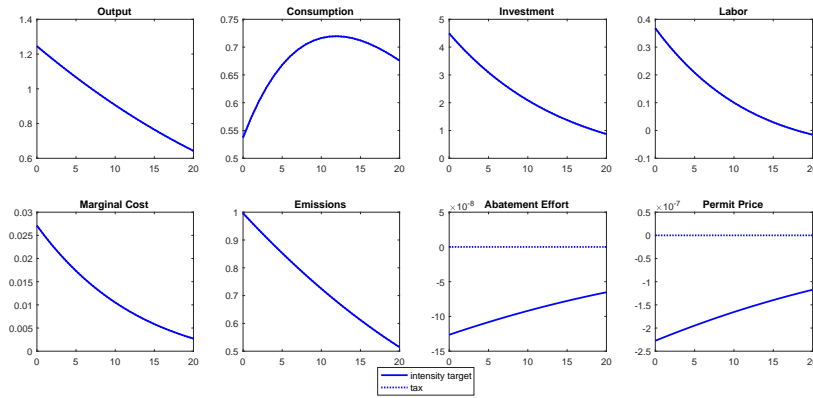
<sup>1</sup>We are really grateful to **Sangki Ahn** for this.

<sup>2</sup>We are really very grateful to **Ghassane Benmir** for having spotted a typo in the original codes.

Figure 1: Impulse Responses to a Technology Shock

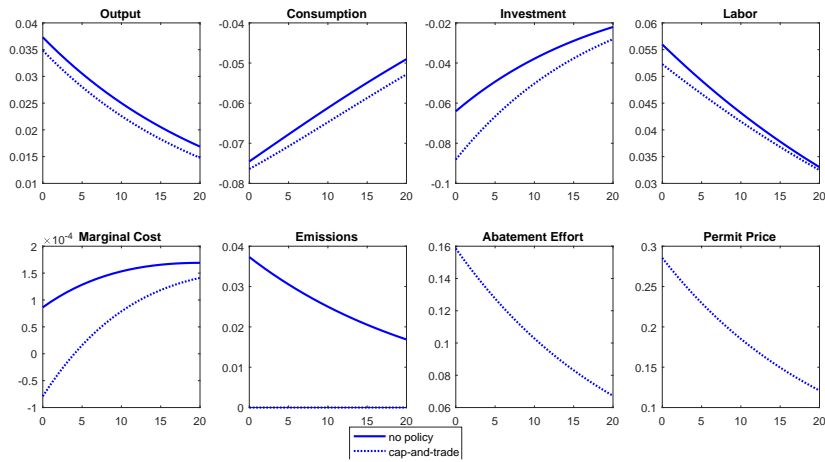


(a) No Policy and Cap-and-Trade

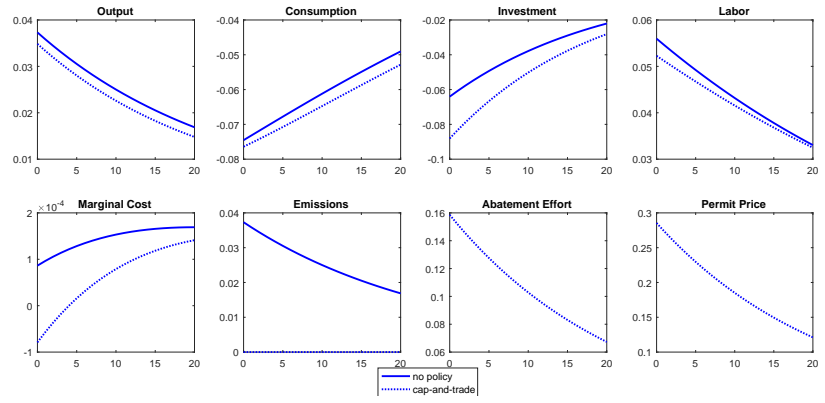


(b) Tax and Intensity Target

Figure 2: Impulse Responses to a Public Consumption Shock

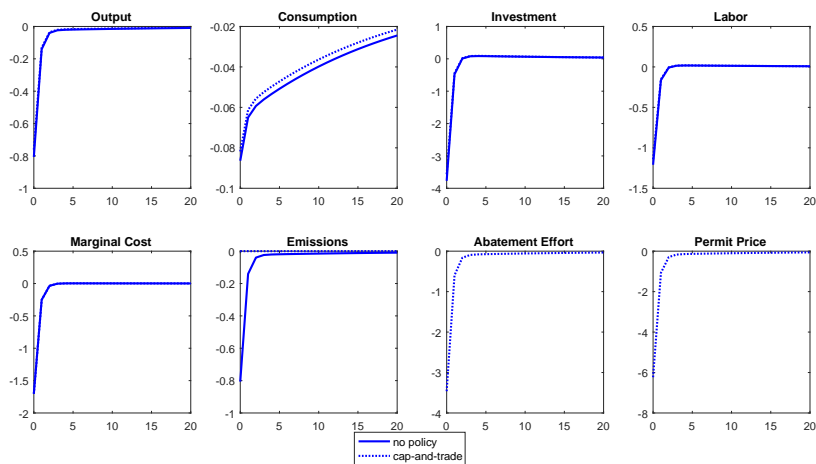


(a) No Policy and Cap-and-Trade

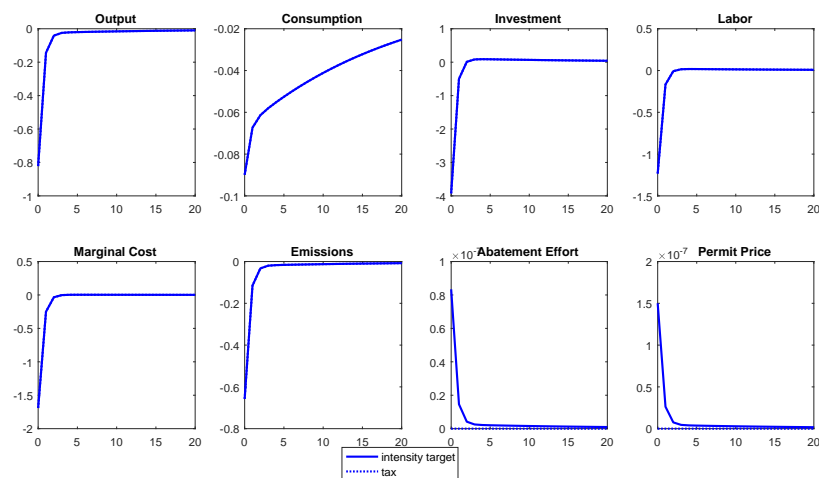


(b) Tax and Intensity Target

Figure 3: Impulse Responses to a Monetary Policy Shock



(a) No Policy and Cap-and-Trade



(b) Tax and Intensity Target