

What would life be like with an Australian emissions trading regime?

Presentation to CEDA

Brisbane – 9th May 2007

E3 International is a niche consultancy delivering pragmatic solutions to the pressures and opportunities arising from market-orientated environmental regulation

- Greenhouse and Climate Change
- Water
- Renewable Energy
- Sustainability and Green Buildings

E³

Environment
Economics &
Ethics



An International Perspective – We are not alone

Chicago Climate Exchange (CCX)

- Est. 2001
- Voluntary Exchange

EU Emissions Trading Scheme (EU ETS)

- Commenced 2005
- Around 12,000 liable parties

Japanese Voluntary Emissions Trading Scheme (JVET)

- Est. 2005
- No major emitter participation

Californian Global Warming Solutions Act (AB32)

- Signed 2006
- ETS with trading links under development

Regional Greenhouse Gas Initiative (RGGI)

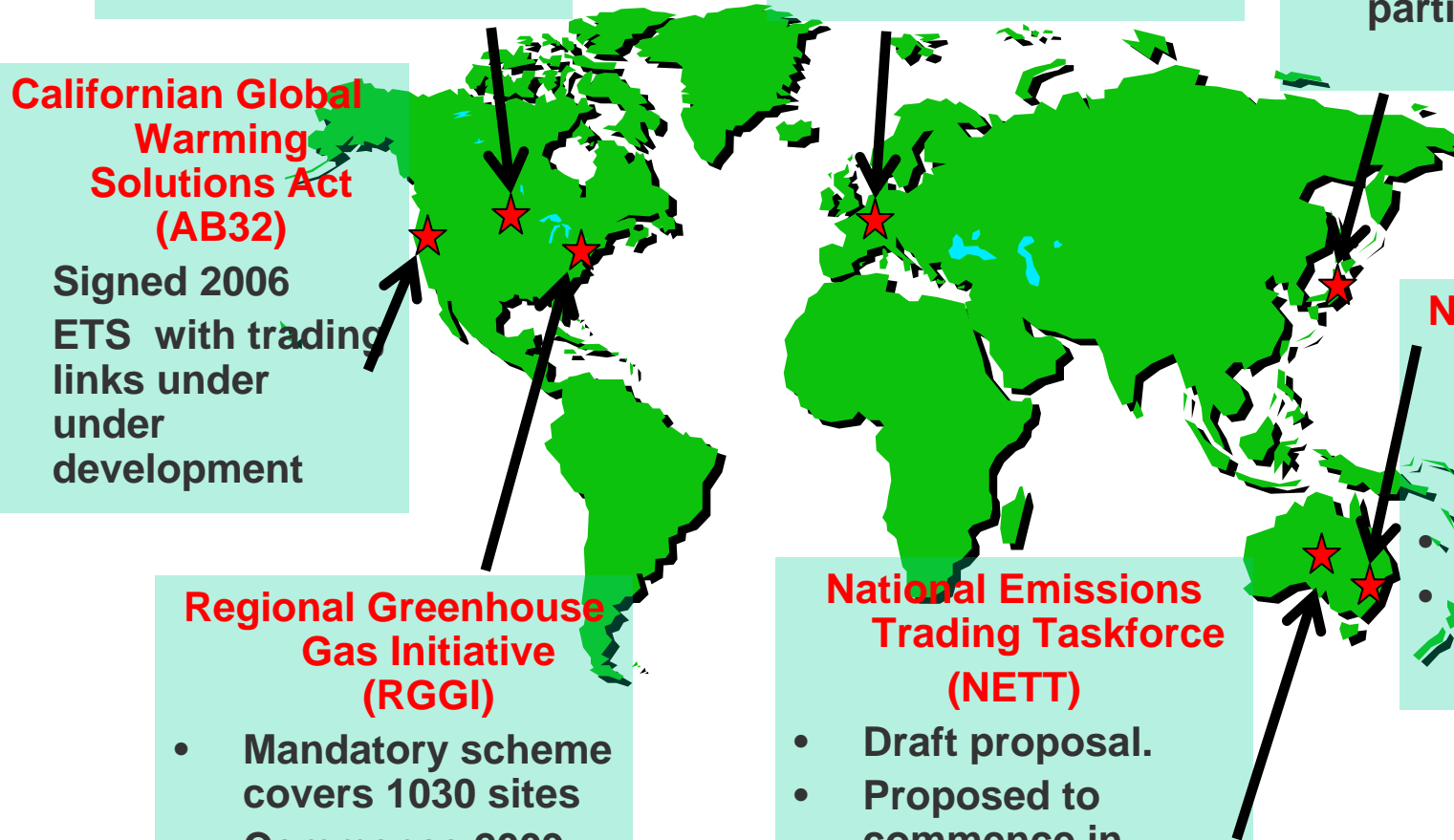
- Mandatory scheme covers 1030 sites
- Commence 2009.

National Emissions Trading Taskforce (NETT)

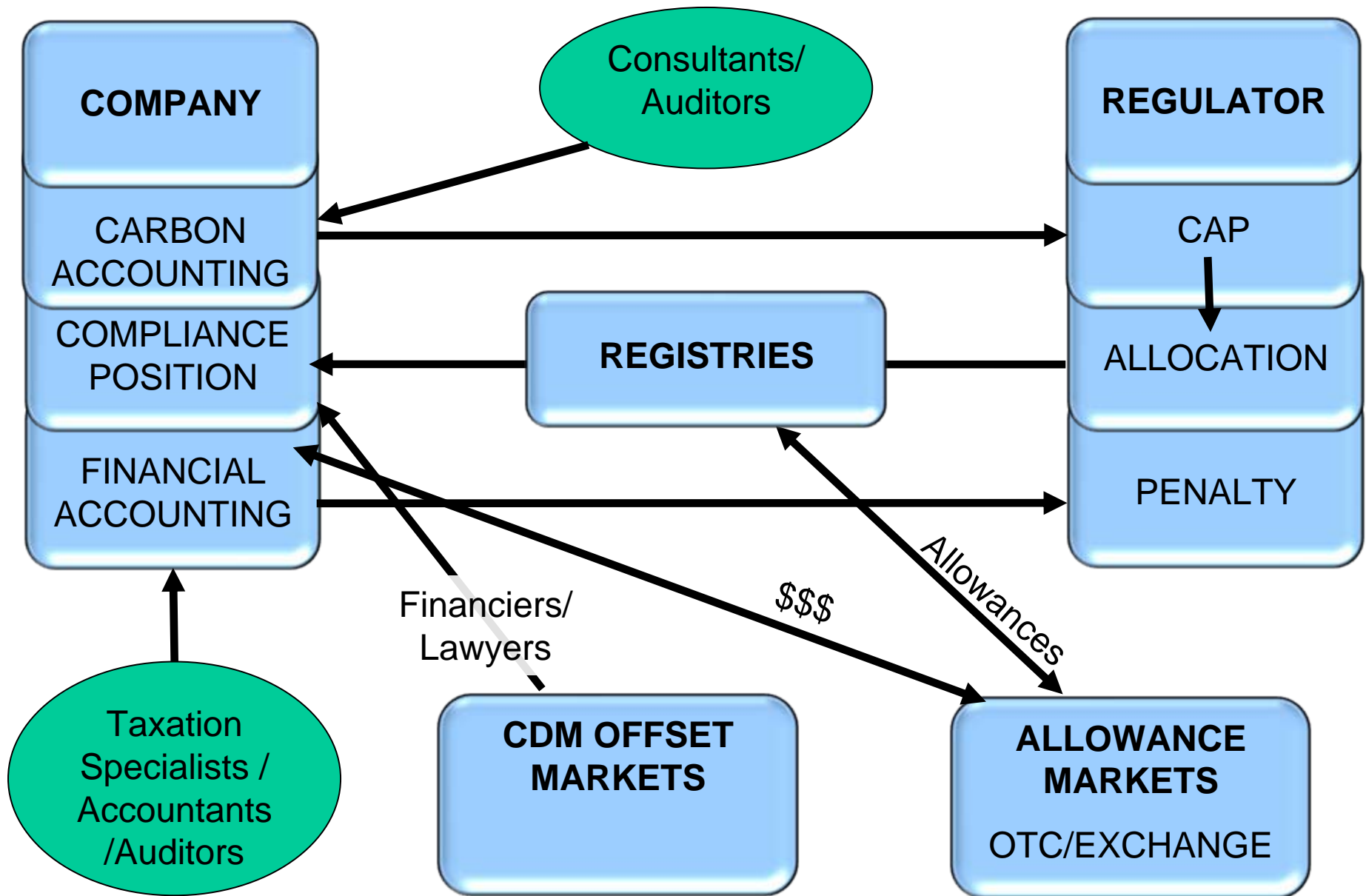
- Draft proposal.
- Proposed to commence in 2010.

NSW Greenhouse Gas Abatement Scheme (GGAS)

- Est. 2003
- World's first mandatory ETS



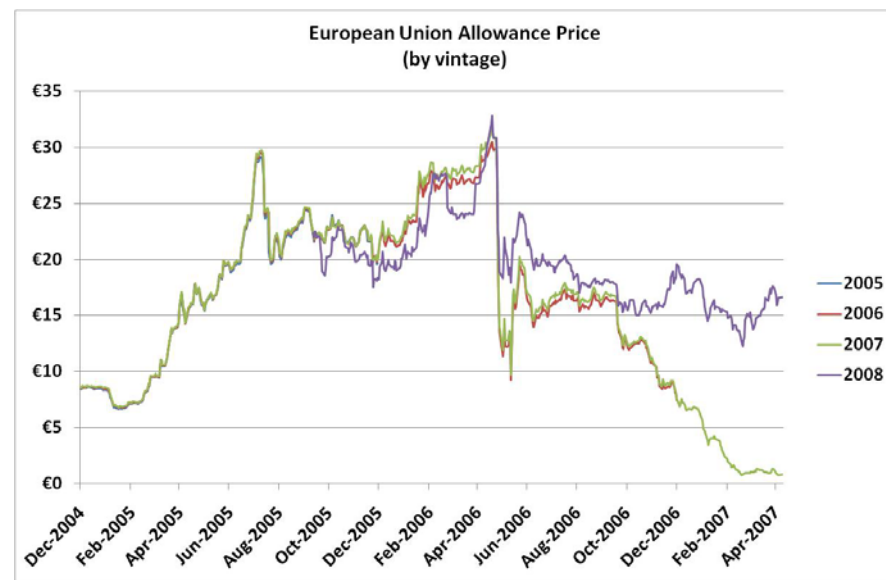
The Framework Comprises of Many Elements



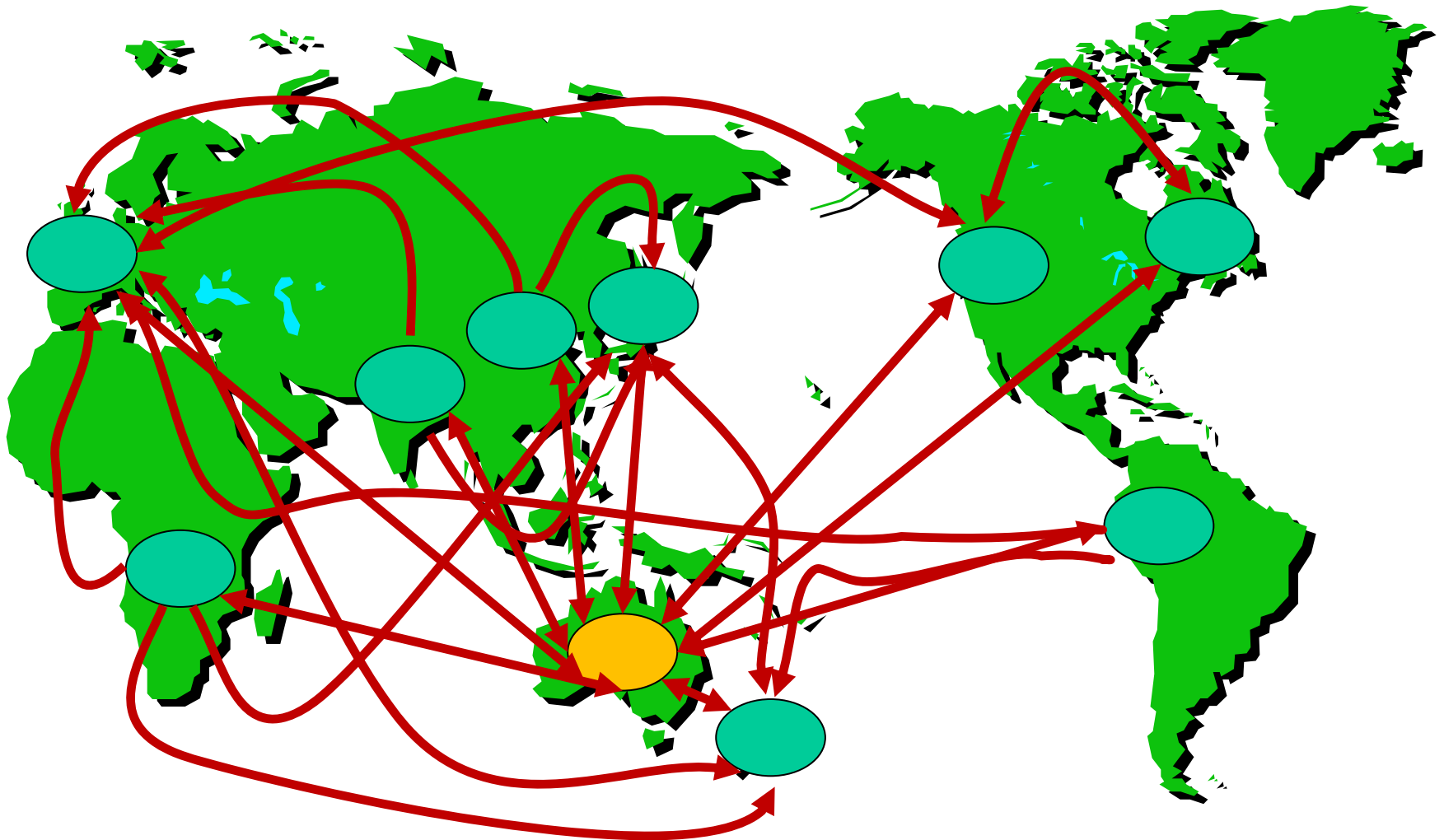
- By sector – some winners / some losers
- By country – some involved / others not
- By business – some winners / some losers

EU ETS Market outcomes to date:

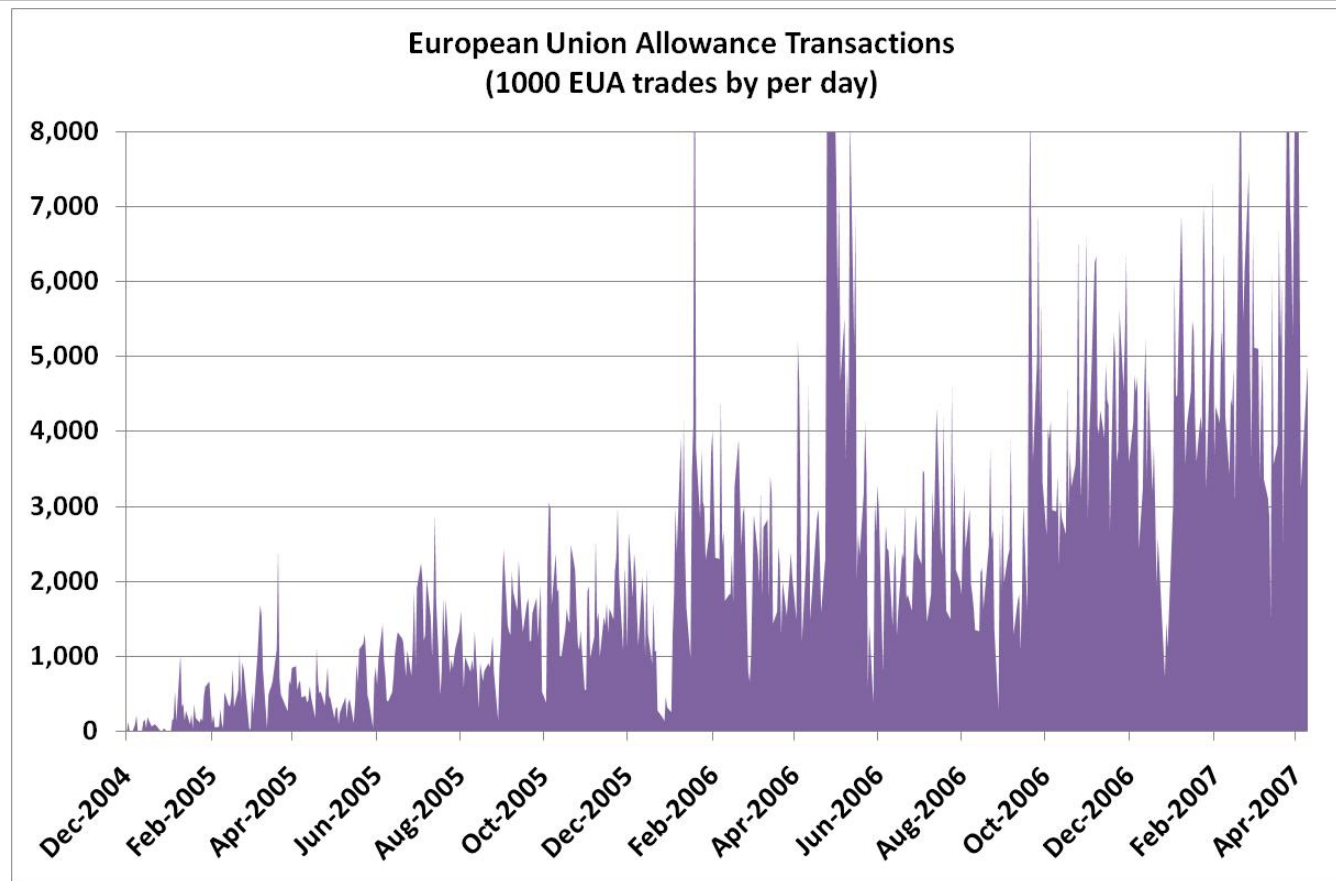
- Supply of allowances depends on willingness of Member States to give generous allocations.
- Govts' allocated more allowances than were required.
- All attention is allocations for second phase (2008-2012) as the primary driver for allowance and CER/ERU price.



Interaction is inevitable



- **Services will need to be developed overnight from nothing to fully fledged market with exchanges, registries, lawyers, accountants, auditors, consultants, taxation etc**



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Carbon Market & Regulatory Impact

