


## EMISSION TRADING

# Zero carboneurope

It is only a matter of time

**By Paul Allen**  
 Sustainable Energy Policy Seminar,  
 October 1-5, 2007,  
 Samsø, Denmark

[http://www.inforse.org/europe/seminar07\\_samsø.htm](http://www.inforse.org/europe/seminar07_samsø.htm)

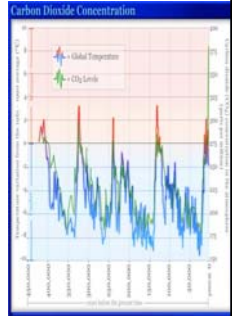


In collaboration with:  
Public Interest Research Centre

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## Climate Change

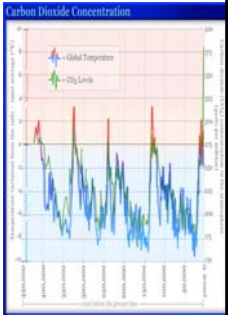
- Even at current atmospheric CO<sub>2</sub>, the earth will continue warming to 2 degrees C and beyond....
- It is an emergency situation !!!
- We must use the most recent climate science to define the required timescale to reach zero carbon emissions



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## Climate Change

- This carbon decent timescale must form the basis of all our policies, including emissions trading
- We must also ask all others to justify their policies with their reading of current climate science
- To be effective policies to 2020 must lay the necessary foundations for what is to come after 2020....
- It is not simply a matter of the most economic technologies is the most financially rewarding locations

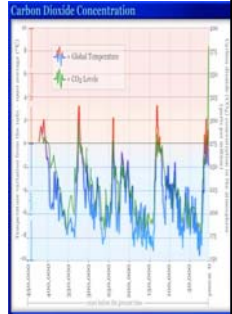



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## Climate Change

**On a path to zero carbon, policies should encourage;**

- Delivery of well being on a lot less energy
- Public support of renewables through local ownership and economic benefits
- A geographic spread of generation
- A technology spread of generation
- New technologies to reach the market prices
- A global perspective
- Fair access to energy for all

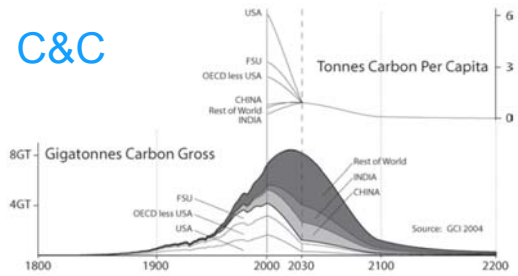




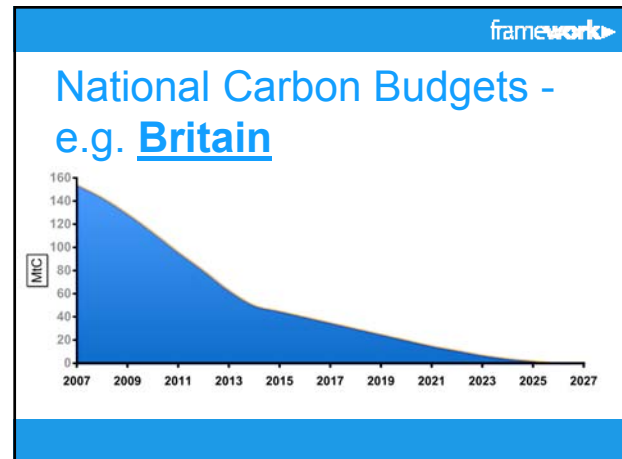
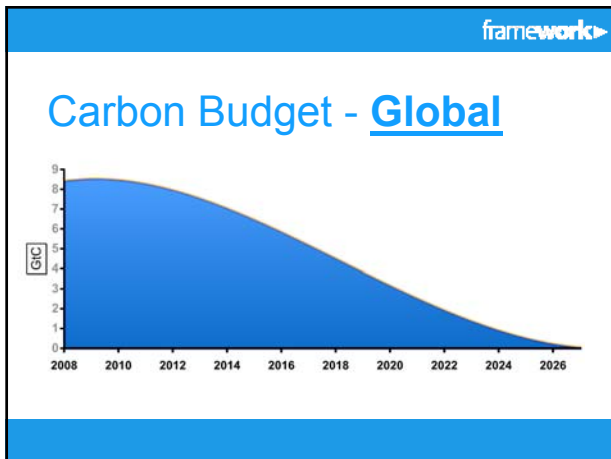
- **International**  
– Contraction & Convergence
- **National**  
– Tradable Energy Quotas (TEQs)

framework

## C&C



This example shows regionally negotiated rates of C&C.  
 This example is for a 450ppmv Contraction Budget, Converging by 2030.



framework▶

### Tradable Energy Quotas (TEQs)

- Electronic Carbon Allowances
- Integrate individuals & industry into a single scheme
- 40/60 split
  - 40% given free to individuals
  - 60% to auctioned to industry

framework▶

### TEQs for Individuals

- Only for fuel
- Supermarket example
- Receive a year's worth at the start
- Topped up weekly
- Easy to check your balance & buy or sell
- Tradable!
- Can opt-out (to an extent)

framework▶

### TEQs for Business

- Initially a year's worth put up for tender
- Weekly tender follows
- Will buy through banks
- Budget looks ahead, provides certainty
- Stimulates zero-carbon business practices...

framework▶

### TEQs for Government

- Role reversal – Government now the facilitator, not the obstacle...
- Has to live within budget & buy TEQs for its activities
- Will put in place policies to allow a smooth transition to zero-carbon
- Significant funds from tender to do this...

<http://www.zerocarbonbritain.com>