

## **LEARNINGS FROM PRICING CARBON IN AUSTRALIA**

ANDREW GLYNN MCGHEE

*ECOFUND, QUEENSLAND GOVERNMENT.*

Abstract:

The purpose of my presentation is to inform policy design and assist the development of the carbon and renewable energy market in Brazil and more broadly South America. Australia has a long history of implementing climate change policy, including:

- New South Wales Greenhouse Gas Reduction Scheme (GGAS)
- Queensland Gas Scheme (QGS)
- Renewable Energy Target (RET)
- National carbon price.

The GGAS and the QGS are state based schemes. The GGAS was one of the first mandatory carbon markets in the world. In 2001 the Australian Government implemented the RET. The RET sets an annual mandatory obligation on electricity retailers to support 20 percent electricity generation from renewable sources. In July 2012 Australia's national carbon price mechanism will commence. This mechanism places a direct price on carbon emissions from the largest emitting facilities in Australia. The design of the carbon price mechanism supports domestic offsets projects via the Carbon Farming Initiative and allows for linking to international carbon markets.

My presentation will explore the following topics:

- \* What are the new learning's from the Australian Government's implementation of a mandatory national carbon price on carbon market/emissions trading scheme design?
- \* What are new developments in other existing and emerging carbon markets (e.g. EU ETS, China regional ETS)?
- \* What learning's can be applied to Brazil carbon market design and innovation?
- \* How has Australia designed its carbon price mechanism to allow international linking?
- \* What are current opportunities to link Australia to Brazil carbon market?
- \* How could Brazil design and innovate its carbon market to optimise link to Australia?