

# Technical Workshop

## Emissions Trading Schemes (ETS): Sharing International Experiences and Lessons to Inform the Development of Mexico's ETS

### Agenda

**May 8-9, 2014**

**Mexico City, México**

**Venue :** SENER, Insurgentes Sur # 890, piso 17, Colonia Del Valle, Del. Benito Juárez

*The workshop, jointly organized by the Ministry of Energy (SENER), Ministry of Environment (SEMARNAT) and the World Bank's Partnership for Market Readiness (PMR), will bring together international experts as well as Mexican policy makers and stakeholders to share information and discuss the key design features and lessons learned from emissions trading schemes (ETS) in various jurisdictions. The discussions shall inform current plans and decision-making process on design options and challenges to develop a domestic ETS for Mexico's power sector.*

#### DAY 1

<b>1. Opening and Introduction</b>	
09:00	<ul style="list-style-type: none"> <li>- Opening remarks (<i>Mr. Efraín Villanueva, Director General for Sustainability, SENER</i>) and <i>Mr. Luis Muñozcano, Deputy Director General for Climate Change Projects, SEMARNAT</i>)</li> <li>- Objectives and agenda (<i>Ms. Xueman Wang, Team Leader, Partnership for Market Readiness, World Bank</i>)</li> </ul>
<b>2. Regulatory Framework and Energy Sector in Mexico</b>	
09:30	<p><i>Chair: Mr. Efraín Villanueva (SENER)</i></p> <ul style="list-style-type: none"> <li>- Introduction to the national context – existing and planned targets, policies and instruments                             <ul style="list-style-type: none"> <li>o Mexico's climate change policies and legislation (SEMARNAT)</li> <li>o Energy Sector: status of development and reform (SENER)</li> </ul> </li> </ul>
10:30	Coffee break
<b>3. Decision Making and Policy Choice – Why an Emissions Trading Scheme?</b>	
10:45	<p><i>Chair: Mr. Luis Muñozcano (SEMARNAT)</i></p> <ul style="list-style-type: none"> <li>- Overview: existing and emerging ETS around the world (PMR Secretariat)</li> <li>- Policy mapping and interactions                             <ul style="list-style-type: none"> <li>o Mexico: views on implementation challenges (one representative of each organization)</li> <li>o EU, California, RGGI and China</li> </ul> </li> <li>- Discussion on application to Mexico's ETS</li> </ul>

<b>12:30</b>	<b>Lunch break</b>
<b>4. Key Design Features of ETS</b>	
14:00	<p><i>Chair: Ms. Xueman Wang (World Bank)</i></p> <ul style="list-style-type: none"> <li>- Scope, point of regulation, cap setting and allocation                             <ul style="list-style-type: none"> <li>o Mexico: views on implementation challenges (one representative of each organization)</li> <li>o EU, California, RGGI and China</li> </ul> </li> <li>- Discussion and key takeaways for Mexico's ETS</li> </ul>
15:00	<ul style="list-style-type: none"> <li>- Key technical components: MRV, Data and Registry                             <ul style="list-style-type: none"> <li>o Mexico: views on implementation challenges (one representative of each organization)</li> <li>o EU, California, RGGI, and China</li> </ul> </li> <li>- Discussion and key takeaways for Mexico's ETS</li> </ul>
16:00	<b>Coffee break</b>
16:15	<ul style="list-style-type: none"> <li>- Cost containment measures and use of offsets                             <ul style="list-style-type: none"> <li>o Mexico: views on implementation challenges (one representative of each organization)</li> <li>o EU, California, RGGI and China</li> </ul> </li> <li>- Discussion and key takeaways for Mexico's ETS</li> </ul>
17:15	<ul style="list-style-type: none"> <li>- Auctions and use of revenues                             <ul style="list-style-type: none"> <li>o Mexico: views on implementation challenges (one representative of each organization)</li> <li>o EU, California, RGGI and China</li> </ul> </li> <li>- Discussion and key takeaways for Mexico's ETS</li> </ul>
18:15	<ul style="list-style-type: none"> <li>- Wrap-up and conclusions from Day 1</li> </ul>

## DAY 2

<b>5. Key Design Features of ETS (cont.)</b>	
09:00	<ul style="list-style-type: none"> <li>- Institutional Arrangement for ETS                             <ul style="list-style-type: none"> <li>o Mexico: views on implementation challenges (one representative of each organization)</li> <li>o EU, California, RGGI and China</li> </ul> </li> <li>- Discussion and key takeaways for Mexico's ETS</li> </ul>
10:00	<ul style="list-style-type: none"> <li>- Enabling trading and business preparation                             <ul style="list-style-type: none"> <li>o Mexico: views on implementation challenges (one representative of each organization)</li> <li>o EU, California, RGGI and China</li> </ul> </li> </ul>

	- Discussion and key takeaways for Mexico's ETS
11:00	Coffee break
11:15	- Key lessons learned
12:15	- Conclusion of the Workshop
12:30	<b>Lunch break</b>
<b>Working Meeting: Roadmap for Design of ETS for Power Sector in Mexico</b>	
14:00	<i>Chair: Ms. Xueman Wang (World Bank)</i> - Key issues and challenges for ETS development in Mexico's power sector - Assessing options - Roadmap and timetable for ETS development in Mexico - Activities for PMR support
17:30	- Wrap-up and conclusions

## PARTICIPANTS

### Mexico:

- SENER: Deputy Ministry for Planning and Energy Transition & Deputy Ministry for Electricity
- SEMARNAT: Deputy Ministry for Planning and Environmental Policy
- *Comisión Federal de Electricidad* (Federal Electricity Commission)
- *Comisión Reguladora de Energía* (Energy Regulatory Commission)
- *Petróleos Mexicanos* (PEMEX)

### International Experts:

- Mr. Felix Matthes, Öko-Institut (ETS and energy expert)
- Ms. Edie Chang, California Air Resources Board (California's ETS)
- Mr. Will Space, Massachusetts Department of Environmental Protection (RGGI)
- Mr. Tang Jin, SinoCarbon (China's ETS expert)

### World Bank:

- Ms. Xueman Wang, PMR Secretariat
- Mr. Pierre Guigon, PMR Secretariat
- Ms. Martina Bosi, Energy Sector Management Assistance Program (ESMAP)
- Mr. César Arreola Croda, Energy Unit, Latin America & Caribbean