

Setting Caps



**Gobierno
de Chile**

**Partnership for Market Readiness
Technical Workshop
Domestic Emissions Trading**

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Straight to the answers!

- What is the primary driver behind the agreed cap?
 - No cap yet, but strong political signal and solid data (top down and bottom up mix)
- What information was available, useful?
 - Historical plant data:
 - not available yet
 - National / sectoral projections:
 - most preferred policy tool in the country
 - Abatement cost information:
 - scattered independent analysis; lack of consistency
- Were intensity caps considered?
 - They are part of our PMR research
 - Can a hard cap ETS be compatible with a broader intensity goal?
 - I'd love to know that!
- Institutional process: Which stakeholders **are** involved?
 - Still at research level
- Should there be rules/milestones for revising the cap?
 - Yes... or no?
 - primary concerns: balance a clear signal for industry and allowing flexibility