Setting Caps

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