Carbon pricing and climate ambition update from Chile

Francisco Dall’Orso
Environmental and Climate Change Division
Ministry of Energy
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Chile is leading regional and multilateral groups

The Energy Minister assumed this year as Co-Chair of the CPLC’s High Level Assembly

The Ministry of Energy is co-Chairing the Carbon Pricing Platform of the Americas

The Minister of Finance is co-leading the Coalition of Finance Ministers for Climate Action

The Ministry of Environment is the co-chair of the MRV and Climate Change technical sub-group of the Pacific Alliance
It has been two years of successful operation of the carbon tax and now we are discussing a tax reform

- Regulated installations:
  - Boilers and Turbines
- Regulated contaminants:
  - $\text{CO}_2$, PM, NOx, $\text{SO}_2$
- $5 \text{ US$}/\text{Ton } \text{CO}_2$

<table>
<thead>
<tr>
<th>Year</th>
<th>CO$_2$ (MMTon)</th>
<th>PM (MTon)</th>
<th>NOx (MTon)</th>
<th>SO$_2$ (MTon)</th>
<th>MMUSD</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2017</td>
<td>33.6</td>
<td>5.3</td>
<td>51.7</td>
<td>43.8</td>
<td>191</td>
</tr>
<tr>
<td>FY 2018</td>
<td>33.3</td>
<td>4.9</td>
<td>50.7</td>
<td>43.8</td>
<td>187</td>
</tr>
</tbody>
</table>

$\text{CO}_2$: 33.3 MMTon
PM: 4.9 MTon
NOx: 50.7 MTon
SO$_2$: 43.8 MTon
We are also discussing how to raise our climate ambition

Draft Climate Change Framework Law

Art. 14. **Goal.** By 2050 the neutrality of greenhouse gas emissions must be achieved.

Art. 33. **Economical instruments for climate change management.**
... A law will establish GHG emissions caps and an excedent transfer system.
We are also discussing how to raise our climate ambition.
PMR has delivered relevant inputs to make legal reforms

NDC first update process

**Unconditional Goal (economy wide):**

- Absolute emissions by 2030: 97 MM ton
- Peak emissions by 2027
- Carbon Budget 2020-2030: 1,110 - 1,175 MM ton
- Black carbon reduction 10-25% compared to 2016

**Unconditional Goal (AFOLU):**

- Recovery and sustainable management 200,000 ha
- Forestry 200,000 ha (min native 70,000 ha)
- Emission reduction due to degradation and deforestation by 25% by 2030 compared to average 2001-2013

**Conditional Goal**

- Reduction of net emissions by 45% compared to 2016 (that is, net emissions 25.3 MM ton)
- Conditional on attracting additional international financial flows

Chile recognizes that Article 6 of the Paris Agreement is an instrument that allows countries to implement mitigation and capture actions in a cost-effective manner, as well as advancing the implementation of new technologies, in collaboration with other parties, either through of the international transfer of mitigation results or emission reduction certificates.
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