

# Carbon pricing and climate ambition update from Chile



Ministerio de  
Energía

Gobierno de Chile

**Chile**  
en marcha

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Environmental and Climate Change Division

Ministry of Energy

October 23, 2019

# 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



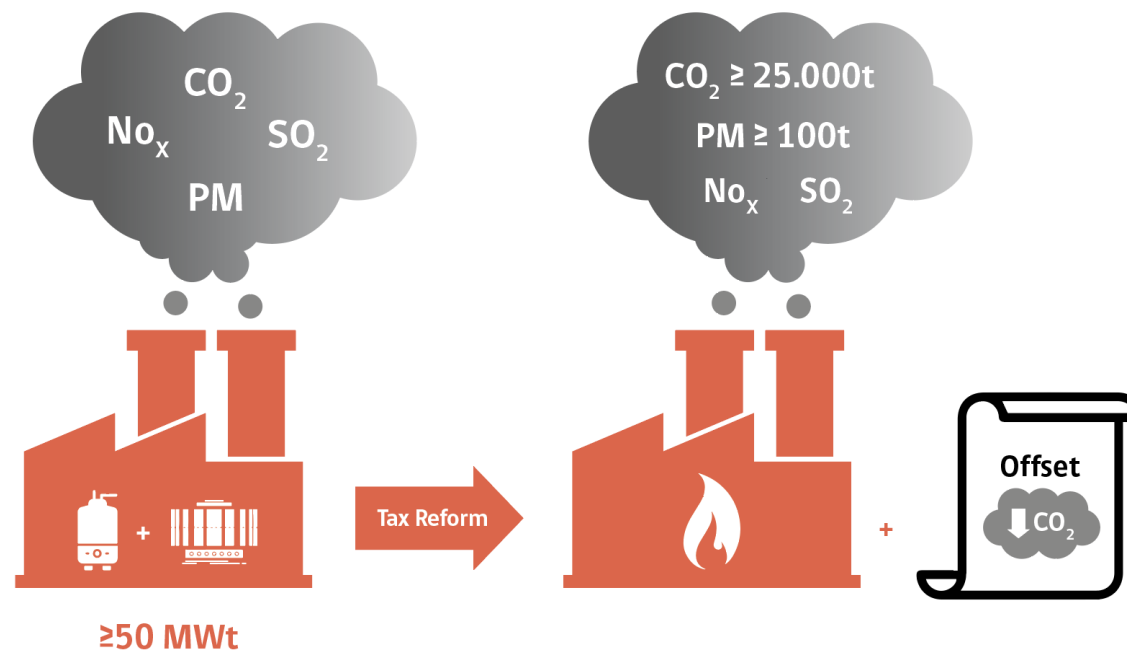
The Ministry of Environment is the co-chair of the MRV and Climate Change technical sub-group of the Pacific Alliance

**Alianza del  
Pacífico**



# 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:
  - CO<sub>2</sub>, PM, NO<sub>x</sub>, SO<sub>2</sub>
- 5 US\$/Ton CO<sub>2</sub>



# We are also discussing how to raise our climate ambition

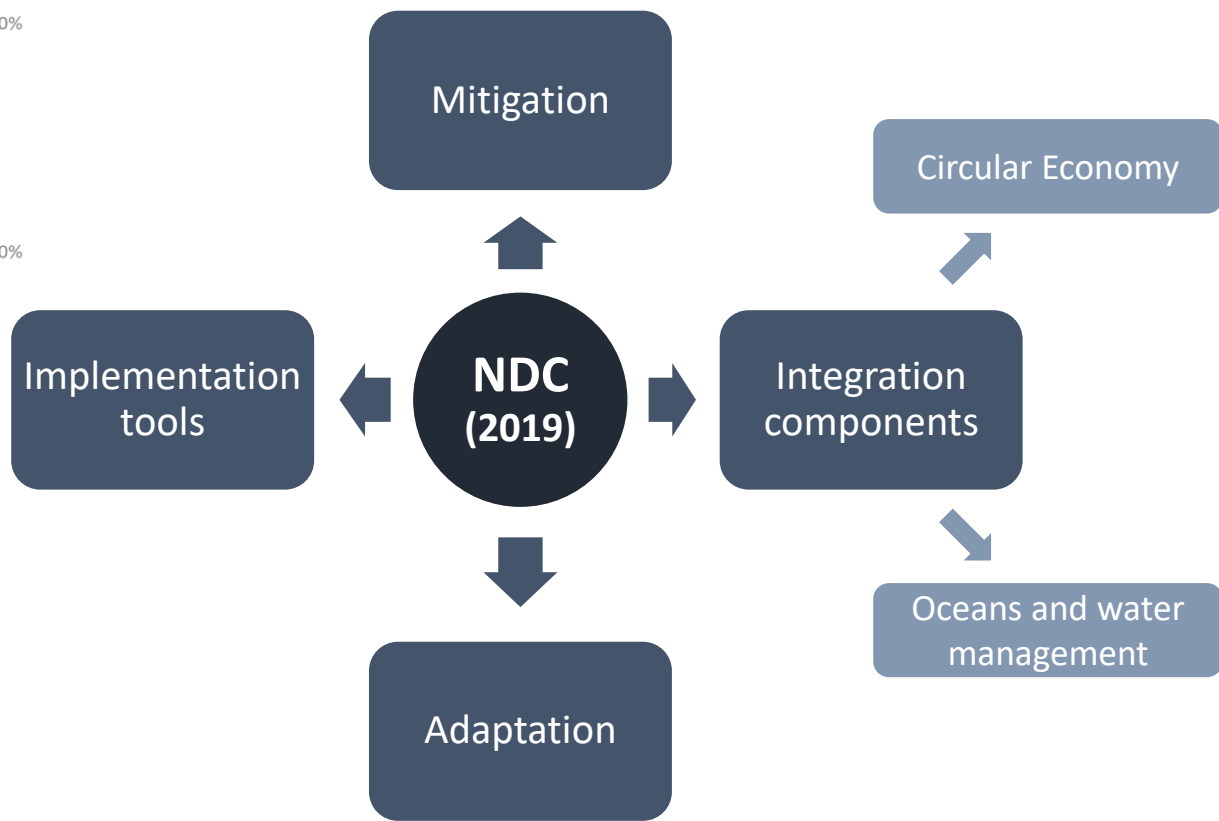
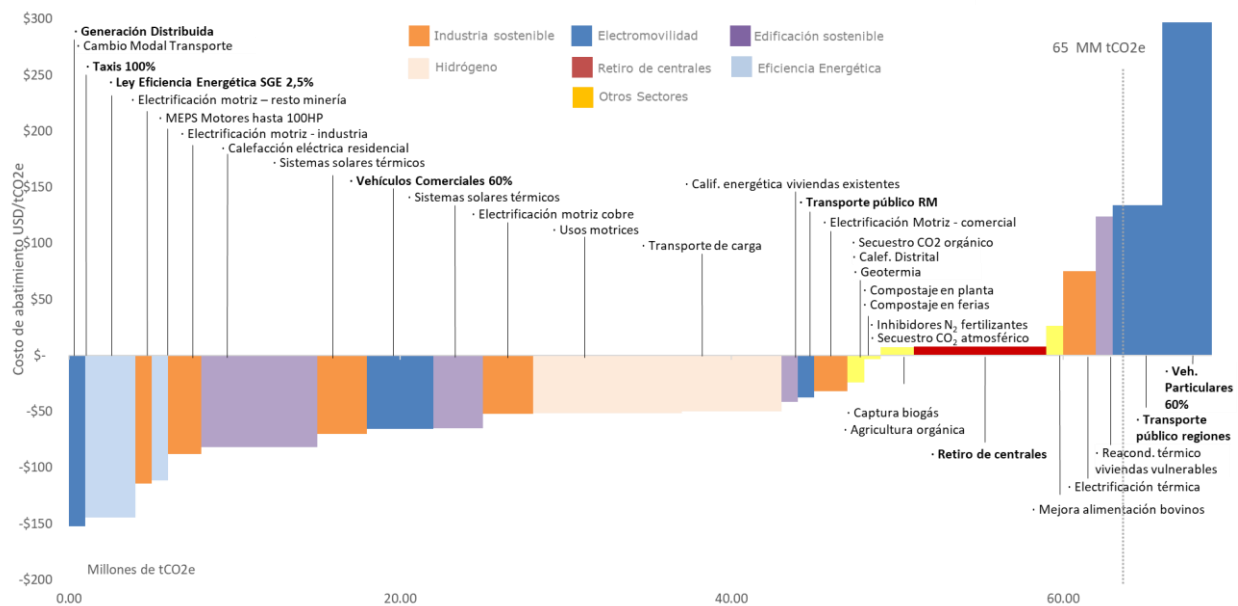
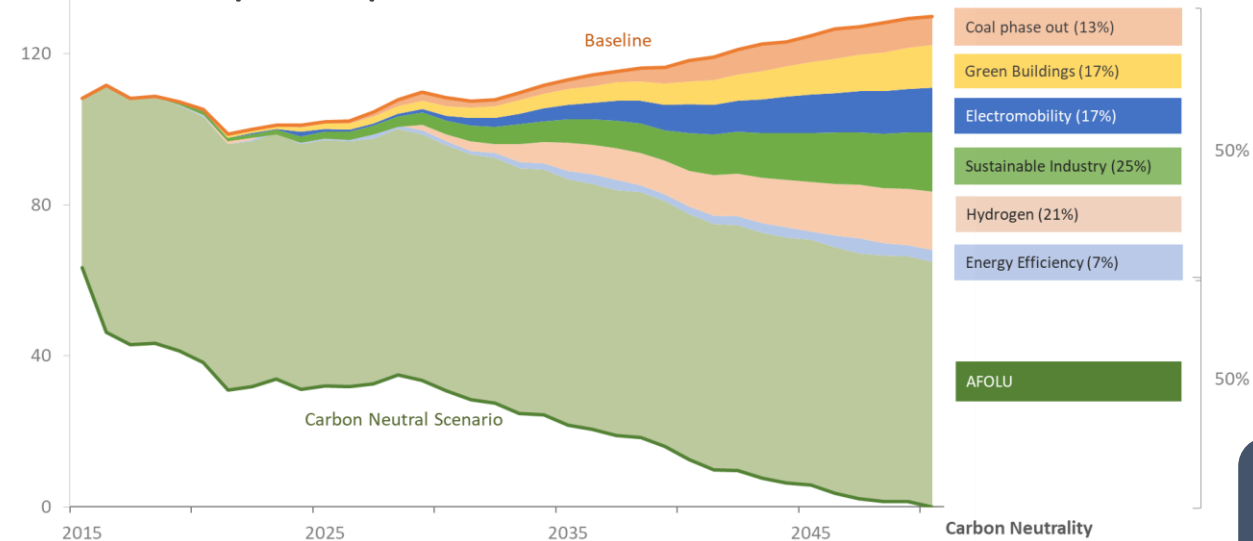
## Draft Climate Change Framework Law

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 exceedent transfer system.

# We are also discussing how to raise our climate ambition

## NDC first update process



# 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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