(Climate Change Related) Policy Developments in the Energy Sector in Chile

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Policies and regulations

- iNDC (announced on September 2015):
  - 30% reduction in CO$_2$/GDP in 2030 (2007 levels)
  - 45% (conditional)

- Climate Change Action Plan 2016-2021 (in drafting)

- Climate Change Law (early stage)

- Climate Change Mitigation Plan for the Energy Sector (early stage)

- Carbon tax bylaws under preparation

- Cooperation Agreement with Japan on JCM (energy focus)

- Energy Efficiency Law (under preparation)

- Joint Declaration Chile-California on Climate Change

- Energy Policy 2050 Roadmap (released in September)
18-month public consultation process to identify a long-term vision that guides developments in the energy sector. A Roadmap to set the energy policy for 2050.

www.energia2050.cl
Relevance of this Roadmap

- Elaborate the **Energy Policy for 2050** (should be sent to the President of the Republic in December 2015).

- **RE Goal:** In 2050, **70% of renewables** in the mix should come from solar, wind; hydro, geothermal, biomass and tidal should also be assessed.

- **EE:** a pillar in main consumption sectors.

- **Climate Change** included in several strategic guidelines: mitigation and adaptation plans, low carbon fuels, MRV and GHG emissions management in mining and industry, etc.

- Explicitly mentions **cap&trade and carbon tax** as means to address climate change externalities derived from energy activities.
Relevance of Carbon Pricing Integration in the PE2050

- The PE2050 suggests the design of carbon pricing systems can play an important role in the transition to clean energy outcomes that are compatible with safe emission levels on a planetary scale.

- It echoes some of the key objectives under the PMR: determining the cost-effectiveness of different carbon pricing instruments to advance mitigation action, and contributions to national emission reduction targets.

- It opens a relevant space to Chile’s PMR project