



Australian Government  
Clean Energy Regulator

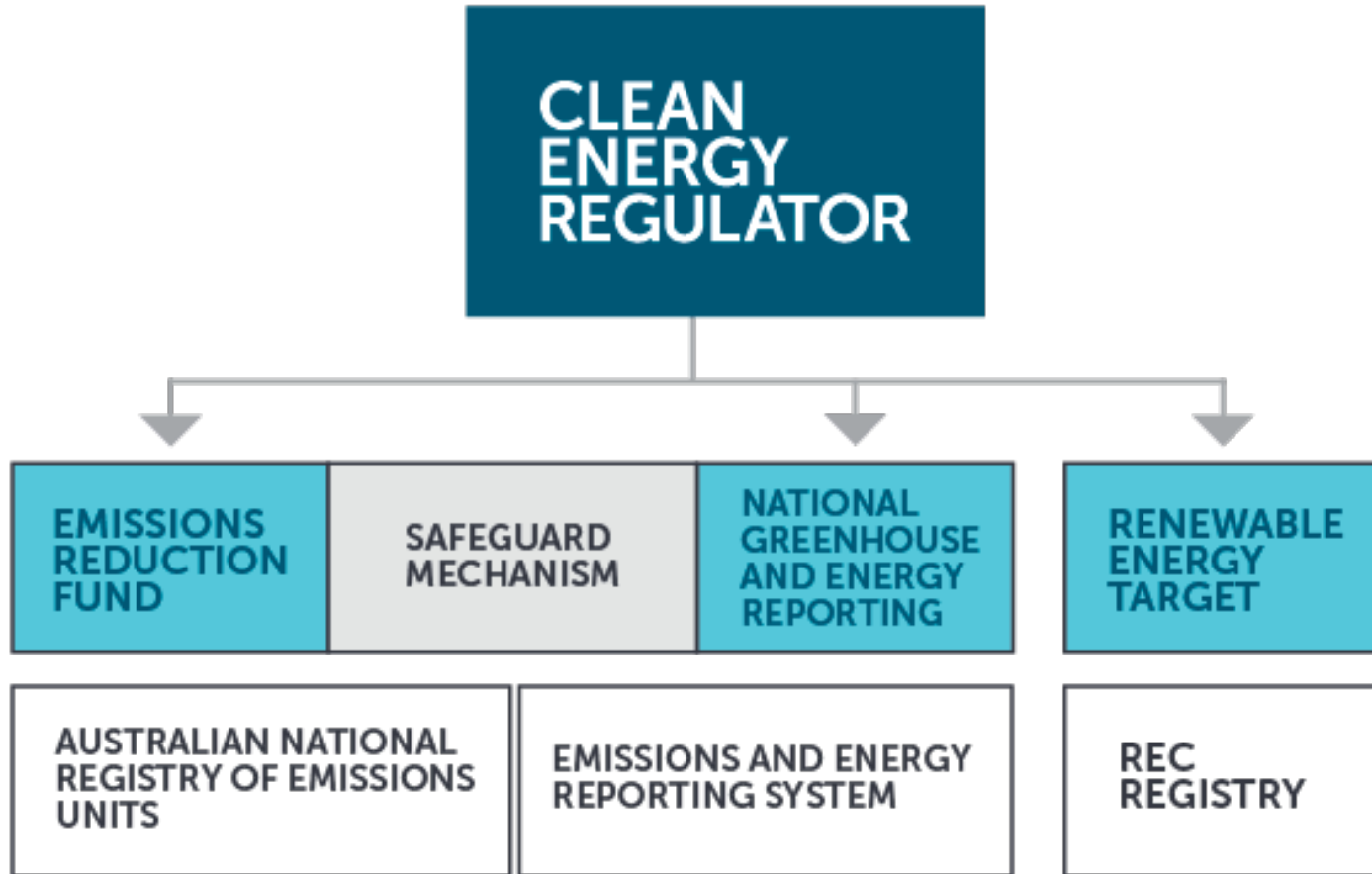
CLIMATE  
SOLUTIONS  
FUND

# Domestic crediting mechanisms

Jane Wardlaw

General Manager, Clean Energy Regulator

# Our purpose: accelerating carbon abatement for Australia



# A very abridged history

2007

Legislation passed requiring companies to measure and report emissions and energy annually



2012 - 2014

Carbon Farming Initiative: allowed land-based projects to generate units representing carbon abatement

Carbon Price: required industry to offset emissions annually



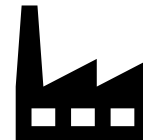
Today

**Emissions Reduction Fund:** allows a range of sectors to establish projects to

**Government auctions** purchase offsets

**Safeguard Mechanism:** requires large emitters to keep net emissions at or below baselines – can use offsets

**Voluntary demand:** companies seeking to reach net-zero commitments



# Lessons learnt

- Offsets well suited to land sector – likely to be needed into future
- Checks and balances very important – ERAC, independent regulator
- Land based systems are highly variable
- Industrial abatement can be expensive
- Additionality is challenging
- Complexity is hard to avoid
- Need to share risk of rules changing
- Need continuous improvement – technology can help

# Questions?

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