Domestic crediting mechanisms

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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