

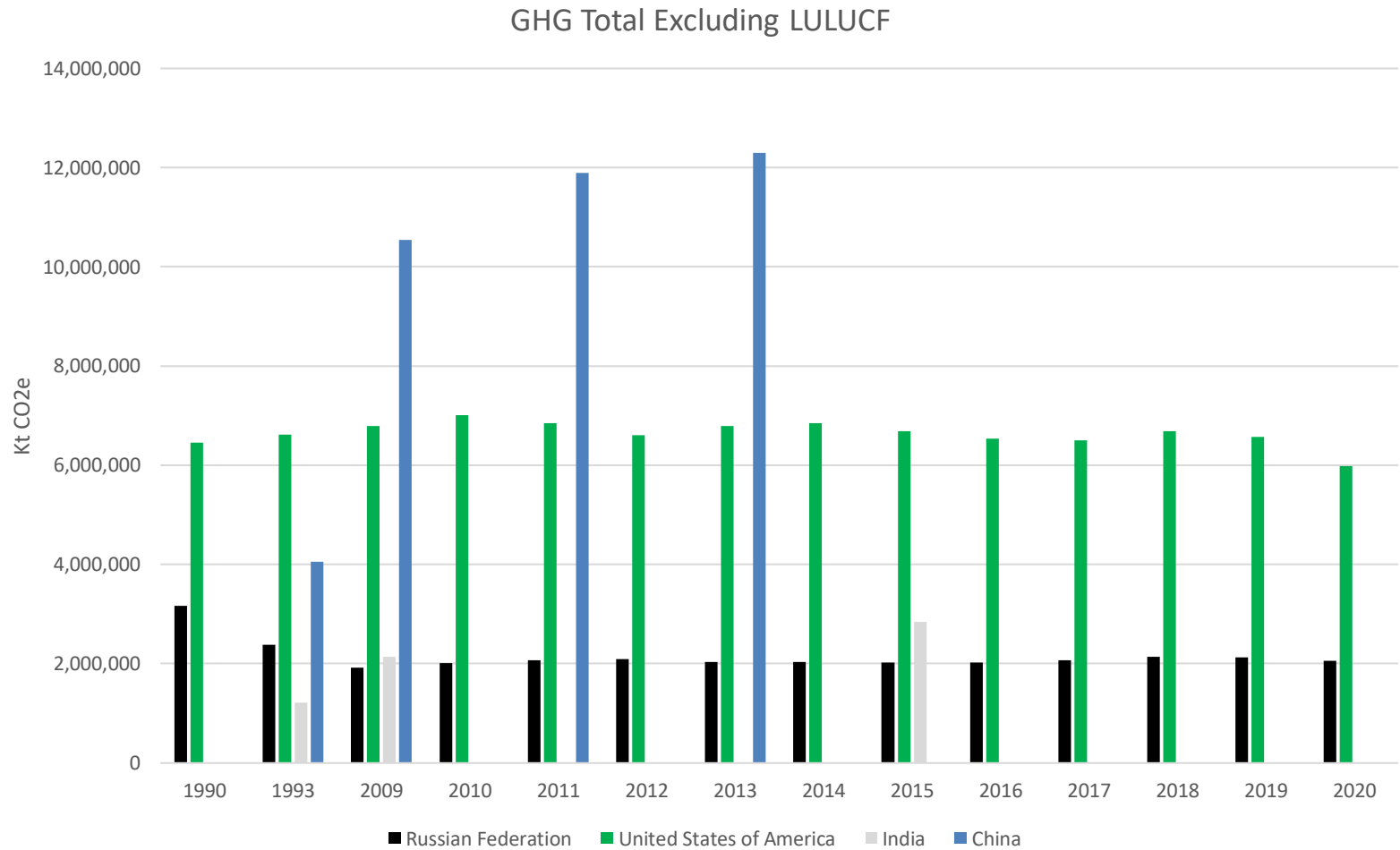
Developing Emissions Trading Schemes- FS Club Z/Yen Webinar

Investing in the Real World
11th May 2023



- **Command and Control** “Just don’t emit! It’s illegal!”
- **Tax** “Go ahead and emit, but it will cost you and the government usually decides how the tax money is spent.”
- **Baseline and Credit** “You will be rewarded with tradeable credits if you choose the greener, but less profitable, of any two investment options”
- **Cap and Trade** “We will limit permitted emissions and you have to either cut your own emissions or buy someone else’s surplus allowances.”
- **SEZ WHO?**
 - Authority?
 - Measurement?

Data is Patchy and Problematic



A Global Problem Needs a Global Solution- but there isn't one

- Each country has its own agenda and its own conflicting vested interests
- The UNFCCC's enforcement power is negligible (compare it with IMO)
- The court of public opinion is not enough
- Humanity's greatest contributions to the mitigation effort were the financial crisis of 2008/2009 and the covid epidemic – let's not do that again.

Forget the Holy Grail of a single global market and carbon price

- Fungibility and linkage are not necessarily a good thing (Kyoto JI proved that)
- We need more working national / regional / voluntary schemes where the rules are clearer and less unpredictable



Why limit project investment rewards to what the IPCC say is a sinking ship?

Adaptation projects require large scale private sector investment too, not just from the Adaptation Fund and NDCs.

Green project quotas for non-Annex 1 countries?



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