Carbon Trading Councils – Lessons learned

Dr Andy Johnston
Head of Local Sustainability

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Environmental Regulation

Regulation Command and Control

- Direct regulation of technology
- BATNEEC
- End of pipe

- Market based incentives
  - Taxes
  - Incentives
  - Cap and Trade

Market based solutions

- Create a market
- Set a cap – the limit on the total amount of emissions
- Allow trade – at the end of trading period you must hold allowances equal to or greater than emissions

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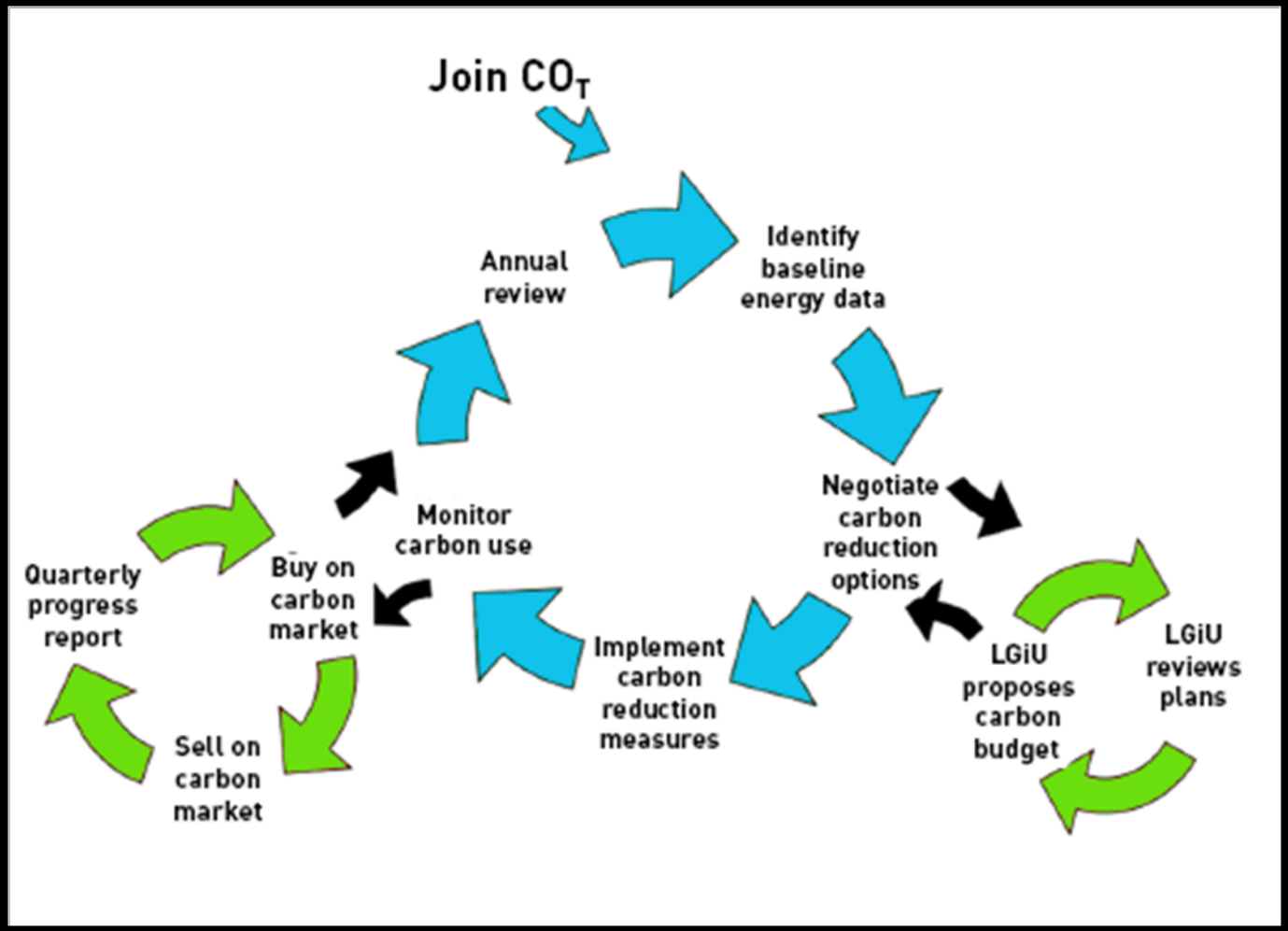
Carbon Trading Councils: In practice



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34 Local Authorities

- Birmingham City Council
- Brighton and Hove Council
- Cardiff Council
- Coventry Council
- Devon County Council
- Dorset County Council
- Durham City Council
- East Sussex County Council
- Essex County Council
- East Devon Council
- Eastleigh Borough Council
- Fife Council
- Halton Borough Council
- Hampshire County Council
- High Peak Borough Council
- Kent County Council
- Leicester City Council
- Liverpool City Council
- London Borough Hackney
- London Borough Islington
- Maidstone Borough Council
- Newcastle City Council
- Northamptonshire County Council
- Nottingham City Council
- Oldham Council
- Peterborough City Council
- Reading Borough Council
- Salford City Council
- Southampton City Council
- South Tyneside Council
- St Albans District Council
- Stroud District Council
- Sunderland City Council
- Tameside Council

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The Stats

- Tonnes of carbon – 533,000
- Carbon budget – 506,000 (+10,161 in auction)
- Financial equivalent - £6,201,050

- Trading activity – 875 permits
- Trading activity - £20K
- Price of carbon - £11 to £12 (£8 in auction)

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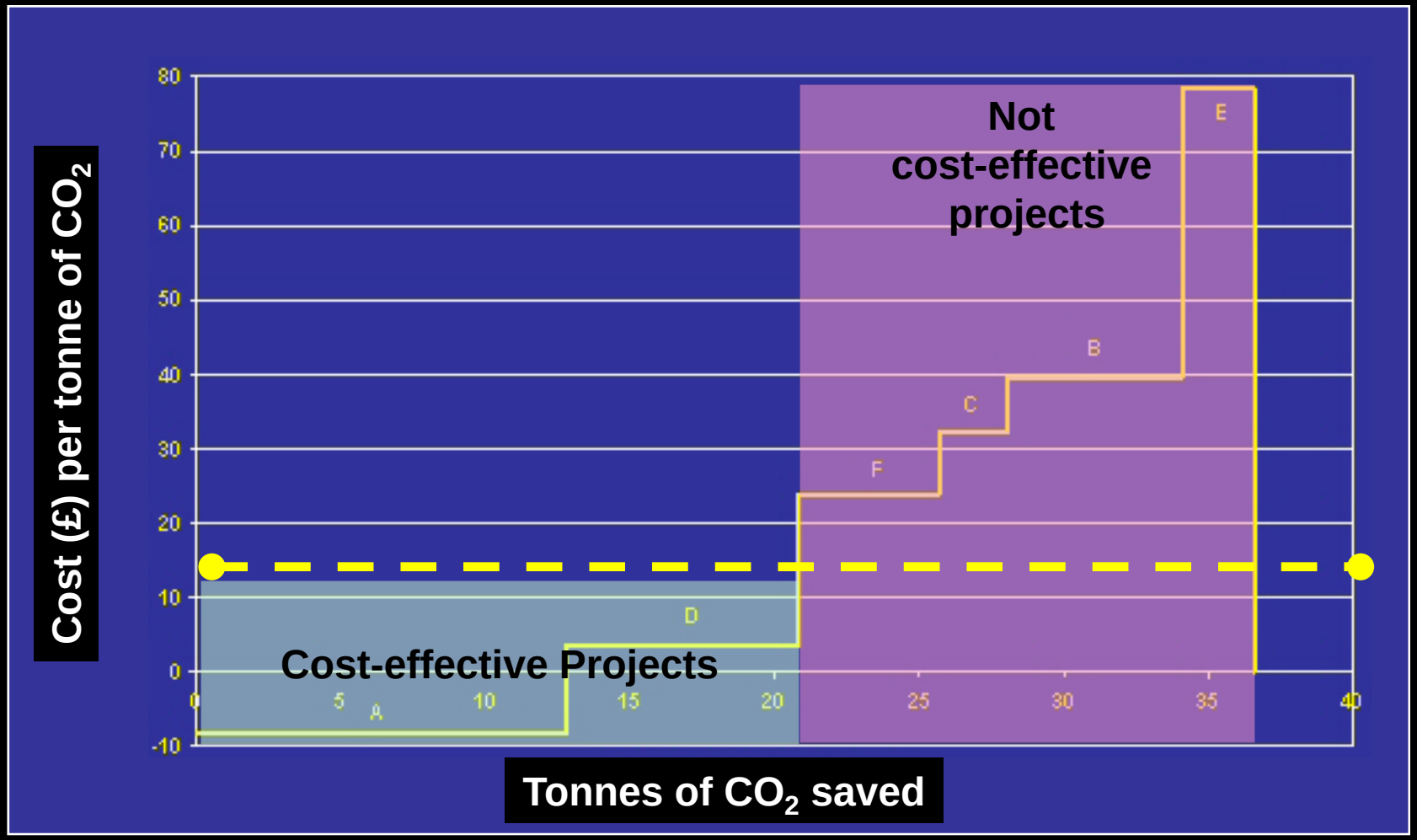
For the decision-makers…



Lessons learned - operational

- Do you have baselines… are you able to monitor and forecast… ensure data quality?
- Schools
- PFI, tenant and leaseholder
- Regulation and enforcement
- Fines
- League tables
- Who will be making trading decisions?
- What skills are needed?

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Lessons learned - strategic

- Clear role for elected members
- Clear political strategy
- How will your trading strategy fit with your carbon reduction strategy?
- What support structures are needed?

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The UK is leading globally and we are in new policy territory

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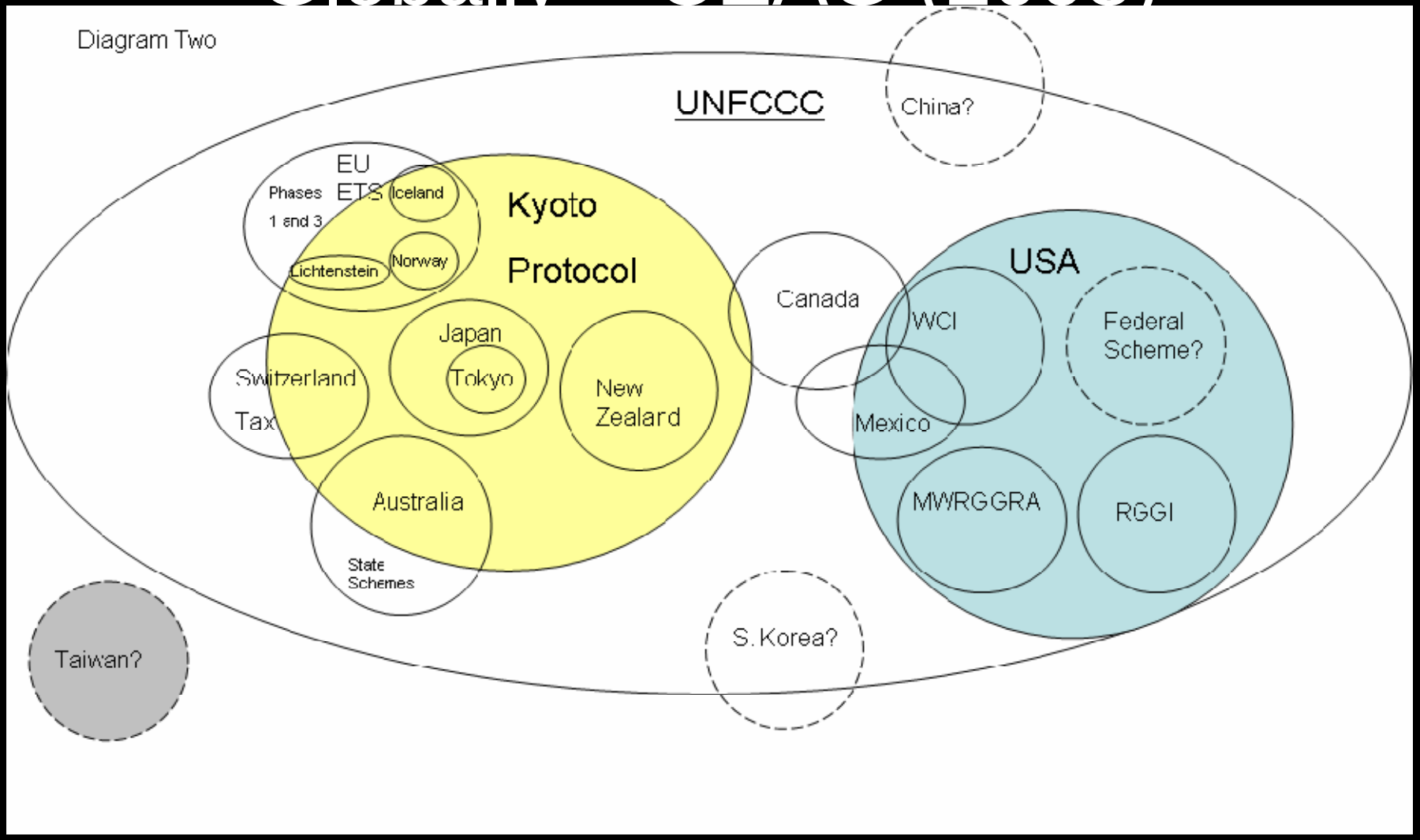
Globally – CEAG (2008)



Next steps

- Carbon Trading Councils phase 2
- Carbon Trading Yorkshire
  - 37 Organisations
  - Second phase
- Community Carbon Trading
  - RSA Carbon Limited
  - LAs as market makers
  - Non financial rewards

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www.lgiu.gov.uk

andy.johnston@lgiu.org.uk
0207 554 2859