International climate policy for the long term
Public Forum, ANU, 14 March 2012

The case for domestic carbon price management with international emissions trading

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Climate policy remains bottom-up

Differences in (1) policy goals and (2) implementation

Need (1) quantity targets and (2) international trading

Price floor is a good model for some countries
The need for international trading

Chart 5.2: Australian emissions in the core policy scenario

- Domestic emissions under a carbon price rising from $29/t at 2020 to $139/t at 2050 (2010 prices)

Carbon prices: EU, CDM, Australia

Data source for historical prices: Bluenext (Spot prices at last day of each quarter, at that day’s currency exchange rate. EUA: EU emissions allowance, CER: Certified Emissions Reduction from CDM projects). Australian managed prices are in nominal A$. 

Graph showing carbon prices from 2008 to 2020, with labels for EU ETS permits, CDM credits, Price ceiling (level to be determined), Fixed price, Price floor, and Market price.