

Impact of mix of measures on business

BUSA submission to National Climate Change Conference

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Pursuit of a lower carbon economy

- Transition to lower carbon economy supported
- Current structure of the economy presents challenges
 - › High carbon intensity of electricity
 - › Regulatory regime promotes single electricity supplier
 - › National beneficiation strategy is highly carbon intensive
- Mix of measures must
 - be internally aligned
 - take into account other policy imperatives

Mix of measures: factors to be considered

- Degree of regulatory intervention in the sector
- Degree of competitive intensity in the sector
- Degree of availability of mitigation options in a sector
- Nature of the investment cycle in the sector
- Degree to which emissions are locked in by technology choices

Some measures

Existing

- National Energy Efficiency Strategy
- Government support for energy efficiency
- Integrated Resource Plan for electricity
- Waste Act

Under development

- Carbon tax
- Carbon budgets
- DEROs
- Mandatory reporting of GHG emissions and energy consumption
- Mitigation plans and energy management plans

Pre-requisites for quantitative limits

- Ensure understanding of current emission profile
- Mitigation options taken into account must be technically feasible and economically viable
- National Benchmark emission trajectory must be aligned to GHG inventory and must be regularly updated
- Alignment with carbon tax
- Accurate determination of GHG emissions through agreed measurement methodology
- Recognition of the need for a dedicated approach to GHG emission reporting taking into account all regulatory requirements to avoid duplication

Way forward

- BUSA remains committed to collaboration on development of a sound mix of measures
- Mandatory reporting of GHG emissions must be implemented urgently
- Policy statement on alignment of DEROs and carbon budgets with carbon tax should be released urgently
- Methodology for determination of DEROs and carbon budgets must be finalised urgently

Thank you