

Discussion Paper: Possible Design for a National Greenhouse Gas Emissions Trading Scheme

Information Sheet No. 12

Transitioning to the National Emissions Trading Scheme (NETS)

When would the NETS commence?

The Discussion Paper proposes that the NETS could commence as early as 1 January 2010.

What needs to be done before the NETS commences?

Before the scheme starts, a number of activities must be undertaken to provide for a smooth introduction of the proposed scheme.

These include:

- developing and enacting legislation
- establishing the required institutions
- monitoring, reporting and verification of emissions
- designing and implementing permit allocation processes
- defining the rules and procedures for offset projects
- appropriate capacity-building and education of participants and stakeholders.

Each of these stages would require significant input from stakeholders.

What about existing schemes like MRET and GGAS?

A number of market mechanisms already exist in the electricity sector.

It will be possible for some schemes to operate in parallel with the NETS:

- the Mandatory Renewable Energy Target (MRET)
- the Victorian Renewable Energy Target (VRET)
- the Queensland 13% Gas Scheme.

However, the NSW & ACT Greenhouse Gas Abatement Scheme (GGAS) would overlap substantially with capped participants and offsets providers under the NETS.

The NSW Government is considering means to prepare for the transition to a NETS based on the duration of GGAS and its participants.

Ultimately, it will be up to governments that operate these market mechanisms to decide on, and legislate, any modifications or adjustments to the schemes that are appropriate.