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*Energy Efficiency
and
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The Energy Chamber
of Trinidad & Tobago
www.energy.tt

Developing A Carbon Market for the Caribbean

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THE ENERGY CHAMBER of TRINIDAD and TOBAGO

Introduction

Caribbean states are well positioned to make a transformational shift toward low-carbon development, but lack the investment capital required to do so. The Trump Administration climate Executive Orders, new regulation and withdrawal from the Paris Agreement provides a path for channeling investment capital via North American industry, its linked carbon markets, as well as national and subnational governments opposed to Trumpian policy.

The Energy Chamber of Trinidad and Tobago's (ECTT) interest in supporting the development of a Caribbean Carbon Market is to help the Caribbean:

- Attract investment into the energy sector
- Improve the business environment for sustainable energy investments
- Improve the competitiveness of its energy companies
- Promote energy-service export

Bringing expertise to the task

The Chamber is a leading expert on Trinidad and Tobago energy policy and is working with the UNFCCC, the World Bank and a team of climate science experts to implement a private-sector led Caribbean Carbon Market.

The team has many years of experience working in the United States, the Caribbean, Latin America, Africa, Asia and Europe. It possesses an excellent base of knowledge of the Caribbean energy market and its challenges.

ECTT believes markets are key to Caribbean self reliance and security. Per the World Bank, more than two thirds of all Latin American and Caribbean nations' climate action plans refer to the use of carbon pricing mechanisms to achieve the key objective of the historic Paris Climate Change Agreement.

THE CARIBBEAN CARBON MARKET

Private Sector Voluntary Market-Based System

The Caribbean Carbon Market will be:

- Voluntary
- Market-based
- Designed to provide offset opportunities to North American industry, as well as multi-national oil and gas producers

High emitters and subnational governments in the United States that desire to participate in the Paris Agreement will be economically hard pressed to produce the level of emission reductions that are required to deliver on the US government pledge without the option of carbon offsetting.

Providing offset opportunities to U.S.high-emitters

We envision the North American industries, cities, subnational regions, states and governments using Caribbean generated carbon credits as part of an international consortia effort to circumvent Trump and help the US comply with its Paris Agreement pledge.

The US cannot be compelled into using better energy technologies at home or to provide finance for developing countries abroad. Any country would only need to be compelled to do anything if what is being asked is not in its national interest. Either renewables and low emission power generation serve a global public good or they do not. If they do, the US will be compelled to use them despite Trump, as well as to supply money to fight global warming (unless it builds a wall to keep the rest of the world's air out of the US).

CARIBBEAN CARBON MARKET **BENEFITS**

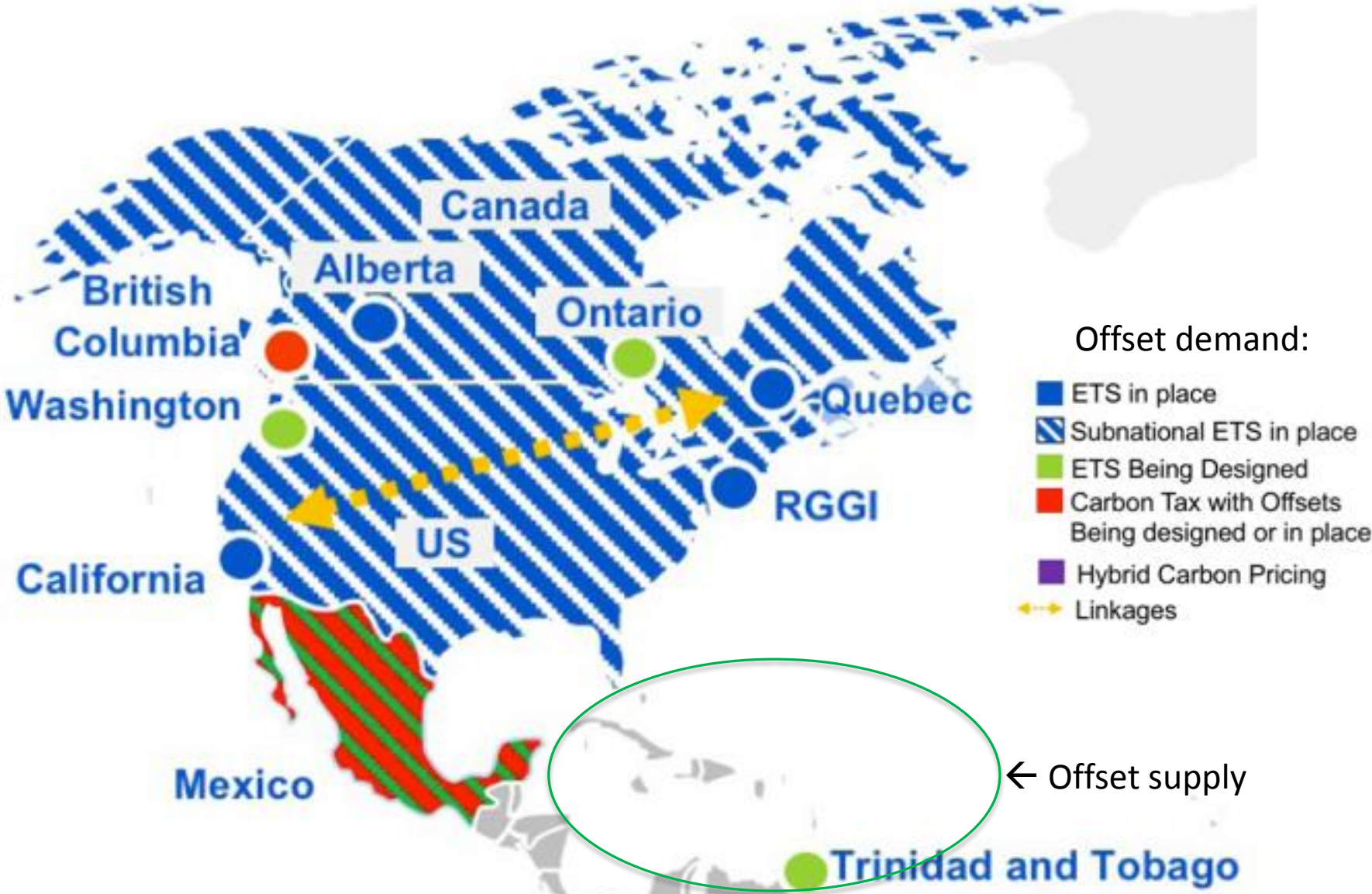
Benefits for North America

- Helping to 'set a price on carbon' emissions for the United States oil and gas sector
- Vehicle for US based industries, cities and state governments to oppose White House goal to undercut Paris Agreement and increase global emissions
- Meeting United States commitments under the UNFCCC to provide finance, technology transfer and capacity-building to developing country parties of Paris Agreement
- Meeting the United States pledge under the Paris Agreement to increase financial flows to support climate mitigation investments in the developing world

Benefits for the Caribbean

- Generating Internationally Traded Mitigation Outcomes from links with North American sub-national cap-and-trade carbon markets (CARB, RGGI, Mexico, Quebec, etc.)
- Incentivizing Caribbean clean and low-emission energy developers via Emission Reduction Purchase Agreements with industry sponsors in North America
- Reducing dependence on imported fossil fuels
- Strengthening local economies, job creation and funding for sustainable development
- A source of foreign exchange

ENVISIONED MARKET BOUNDARY



Source: International Emissions Trading Association