24th Annual IEA-IETA-EPRI Workshop on Greenhouse Gas Emission Trading

October 1-3, 2024

Location: Room 1, IEA, Paris

Invitation-only workshop - hybrid

Session 1: Tuesday 1 October - from 14h30 to 18h30 CEST

Welcoming coffee (13:30-14:30 CEST)

Welcoming remarks and introduction (14:30-14:40 CEST)

Keynote speech (14:40-15:00 CEST)

Panel 1: Affordability and carbon markets (15:00-16:30 CEST)

Affordability is essential for the clean energy transition to achieve broad acceptance. The global energy crisis of recent years has highlighted risks inherent in the current system and some of the promise of a low-carbon future, but the investments needed to achieve this future are large. This session will discuss the challenges and illuminate strategies for achieving an affordable clean energy transition, highlighting potential roles for carbon markets.

Coffee break (16:30-16:50 CEST)

Panel 2: Crediting development and resilience (16:50-18:20 CEST)

Carbon markets are currently designed to prioritize the trading of certified emissions reductions, but many emissions reductions projects deliver ancillary value to development, energy access, poverty alleviation, and other social and policy objectives. In addition, some projects primarily designed to meet sustainable development goals may also achieve substantive emissions reductions. This panel will discuss the value (or not) of marketising the co-benefits of emissions reduction projects as well as the emissions benefits of development projects and the potential challenges and opportunities therein.

Wrap up (18:20-18:30 CEST)

Reception (18:30-20:00 CEST)

Session 2: Wednesday 2 October - from 09h00 to 12h30 CEST

Welcoming remarks (09:00-09:05 CEST)

Panel 3: **Advancing clean cooking carbon credit markets - how to ensure high-quality supply?** (09:05-10:35 CEST)

Carbon credits can provide critical revenues for clean cooking projects, helping secure financing and close the consumer affordability gap for stoves and clean cooking fuels. However, the success of channelling finance through carbon markets hinges on demand for credits and the reputation, transparency and quality of the carbon credits offered. The community is addressing some known methodological challenges to further scale the market with integrity. This session will bring together organisations working to solve these issues to discuss potential solutions to overcome these challenges and how to collectively take these solutions forward.

Coffee break (10:35-10:55 CEST)

Panel 4: **Advancing clean cooking carbon credit markets - how to cultivate demand for high-quality carbon credits?** (10:55-12:25 CEST)

To scale up clean cooking carbon credit markets, the outcomes of the IEA Summit on Clean Cooking in Africa identified as one of the priorities the need to build up confidence and demand for high-quality carbon credits from clean cooking activities. This session will discuss recent developments in the demand for carbon credits from clean cooking and strategies to cultivate demand.

Wrap up (12:25-12:30 CEST)

Lunch (12:30-14:00 CEST)

Session 3: Wednesday 2 October - from 14h00 to 17h30 CEST

Welcoming remarks (14:00-14:05 CEST)

Panel 5: How could CBAM judge the effectiveness of carbon pricing in countries of origin? (14:05-15:35 CEST)

The goal of CBAM is to ensure that imported and domestic products pay the same cost of carbon emissions. Under the EU's CBAM rules, the obligation to purchase CBAM certificates can be reduced if carbon price is already *effectively* paid in the country of origin. The proposed UK CBAM takes a similar approach, so to reduce CBAM liability embedded emissions should be subject to an *explicit* carbon price in the country of origin, in the form of an emissions trading scheme with a market-based price or a carbon tax. The session will discuss how carbon prices paid in third countries should be recognised and deducted from CBAM payments.

Coffee break (15:35-15:55 CEST)

Panel 6: The end game of carbon markets (15:55-17:25 CEST)

As carbon markets mature and global emissions decline, the remaining sources may increase in complexity both in their ownership model and mitigation method. This panel will discuss the challenges of creating emissions credits for emissions from sources that are unclear, unowned, or non-cooperative. Emissions from ungoverned natural sources and non-cooperative state and non-state actors may not have clear responsibilities for ownership and offsetting. Negative emissions sources may create a readily available market of sellers for non-point sources of emissions, but finding buyers may require novel pricing mechanisms.

Wrap up (17:25-17:30 CEST)

Session 4: Thursday 3 October - from 9h00 to 12h30 CEST

Welcoming remarks (9:00-9:05 CEST)

Panel 7: **An orderly phase out of coal-fired power plants - how carbon credits can contribute to the clean energy transition in emerging market and developing economies** (9:05-10:35 CEST)

Along with other solutions such as repurposing or retrofitting, early retirement is an option for addressing emissions from coal fired power plants (CFPPs). However, to ensure security of supply, early retirement is effective only if alternative power sources are developed, and capital recovery is needed, especially in emerging market and developing economies (EMDE), where plants are still relatively young. Carbon credits can help address these challenges by channeling funds to develop new renewable energy replacing CFPPs and by lowering the overall costs of early retirement. In the last couple of years, several initiatives have been set up to assess the feasibility of using carbon credits to accelerate CFPPs phase out. This panel will provide an overview of these initiatives, and discuss the major obstacles to expansion, how stakeholders are tackling those obstacles, and what is needed to move forward.

Coffee break (10:35-10:55 CEST)

Panel 8: **Carbon markets and corporate decarbonisation targets** (10:55-12:25 CEST)

The use of carbon credits to meet corporate decarbonisation targets has been subject to controversy. Some contend that companies should focus on internal decarbonization only and avoid relying on offsets, while others argue that a combination of internal decarbonisation and offsets is a faster and lower cost pathway to achieve the goals of the Paris Agreement. Further, carbon markets provide an effective mechanism to channel corporate funds into mitigation activities, especially in the Global South. The Science-Based Targets Initiative (SBTi) is expected to issue new draft rules and guardrails for the potential use of carbon credits to abate Scope 3 emissions by July 2024. This panel will unpack the ongoing debate and discuss the pros and cons of permitting offsets to count towards interim targets.

Wrap up (12:25-12:30 CEST)
