



NORWEGIAN MINISTRY OF
THE ENVIRONMENT



CO₂ tax and ETS in Norway

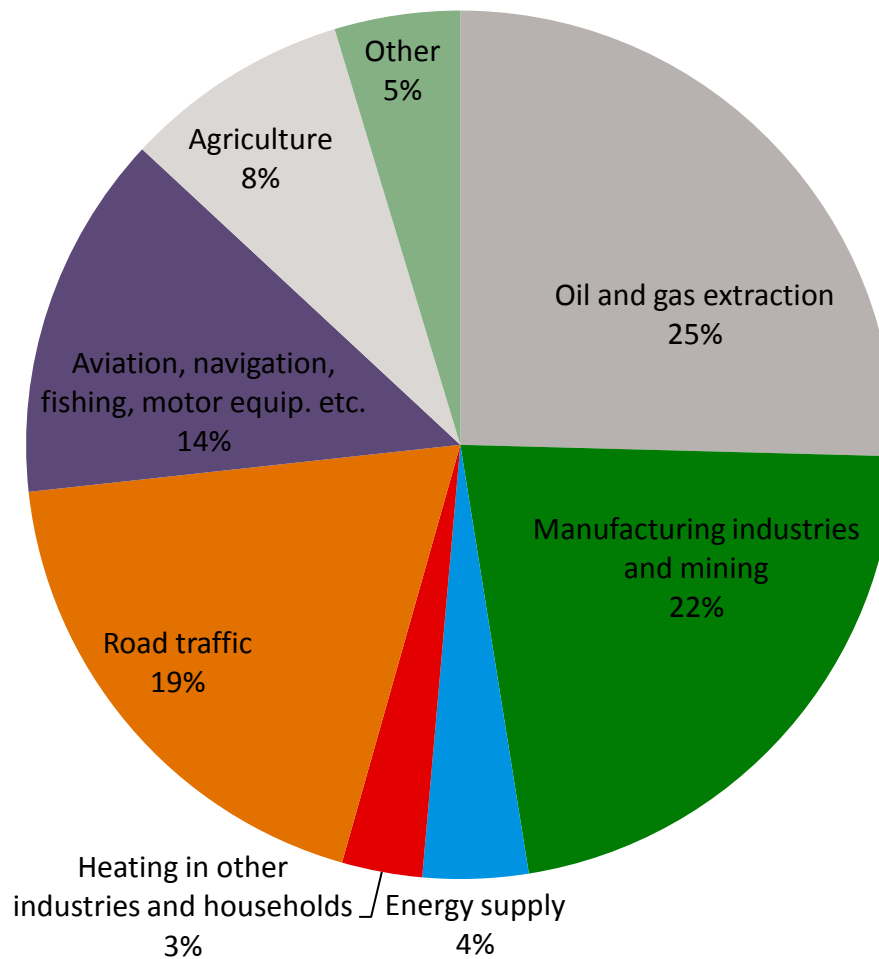
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Ministry of the Environment, Norway

Paris, March 18th 2013

Norway's emissions of greenhouse gases, 2011.

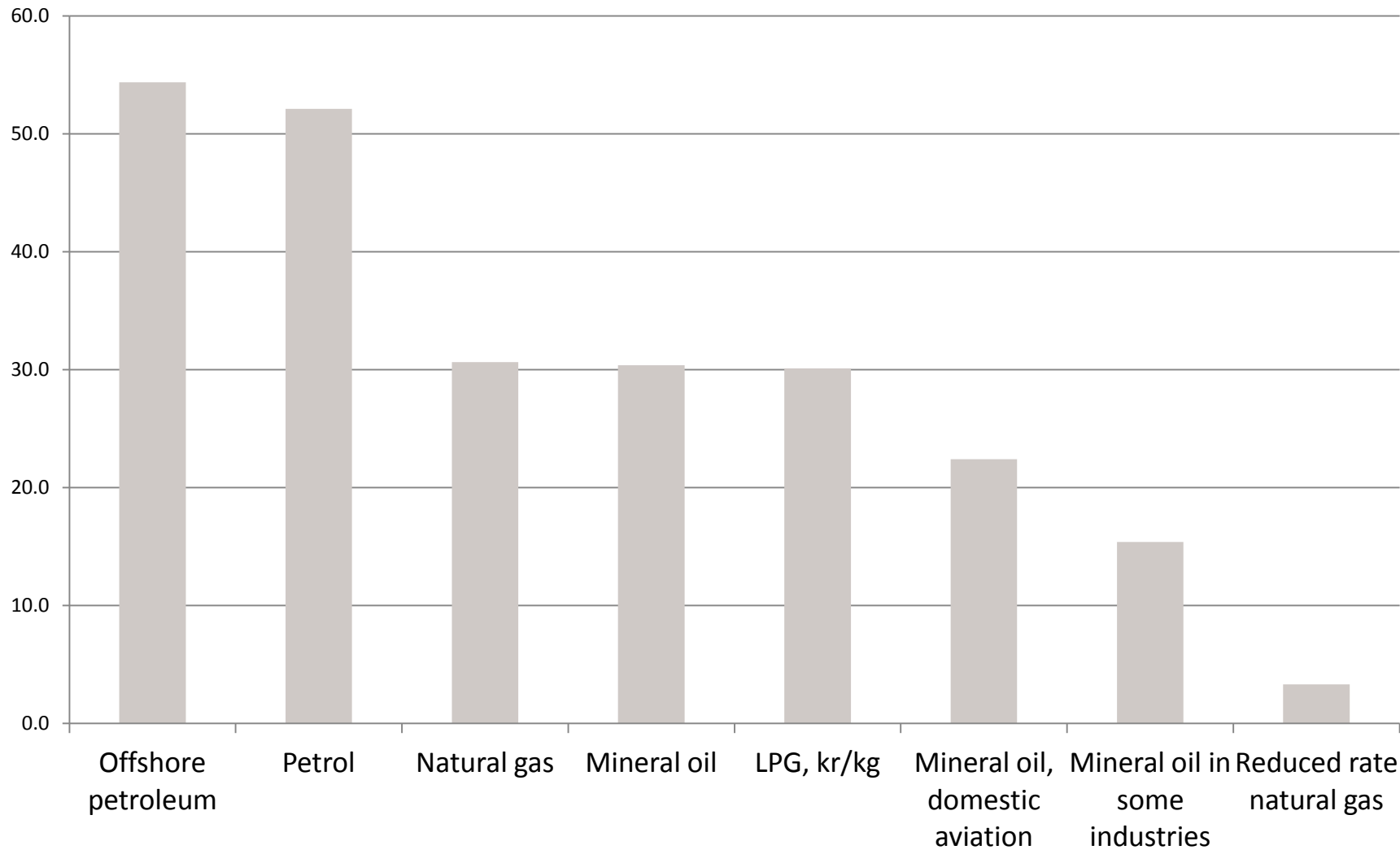
Mill. tonnes CO₂-equivalents.



The CO₂ tax

- Introduced in 1991
- Levied on mineral oil products and on CO₂ emissions from petroleum activities, and gas used for heating and transport
- Objective: cost effective way to reduce emissions & polluter pays principle
- Generate revenues to the government
- Low administrative costs

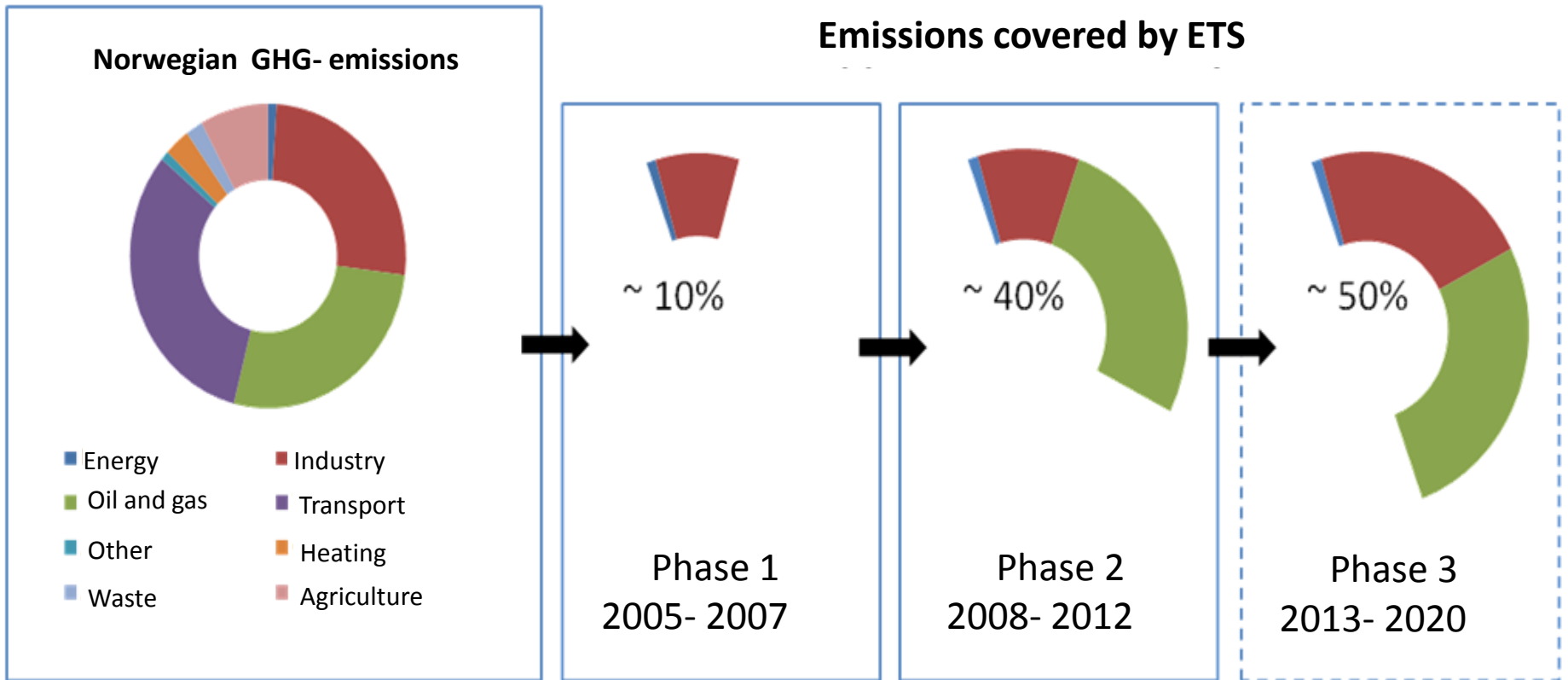
CO₂ tax rates vary across sectors and products



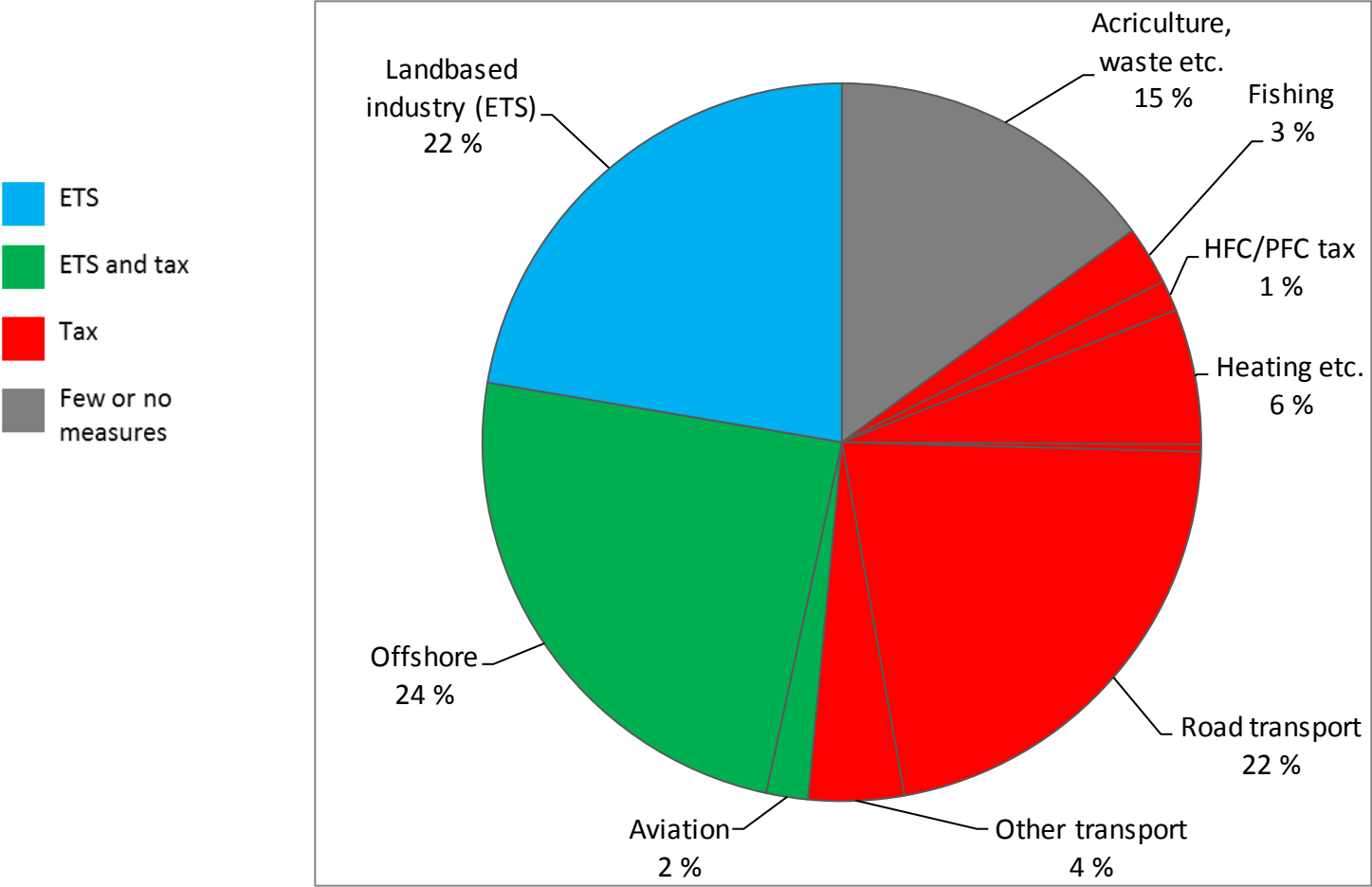
Emissions trading

- 2005-2007 - National emission trading system -one way link to EU ETS
- From 2008 – fully linked to EU ETS- (Norway has lower share of free allowances)
- From 2013- Norway part of the EU ETS harmonised system.
- From 2013 about 50 % of Norwegian emissions are covered by the ETS.
- Sectors covered by the ETS are as a main rule exempted from carbon tax
- Double regulation applies to the offshore sector and aviation

ETS in Norway from 2005 - 2020

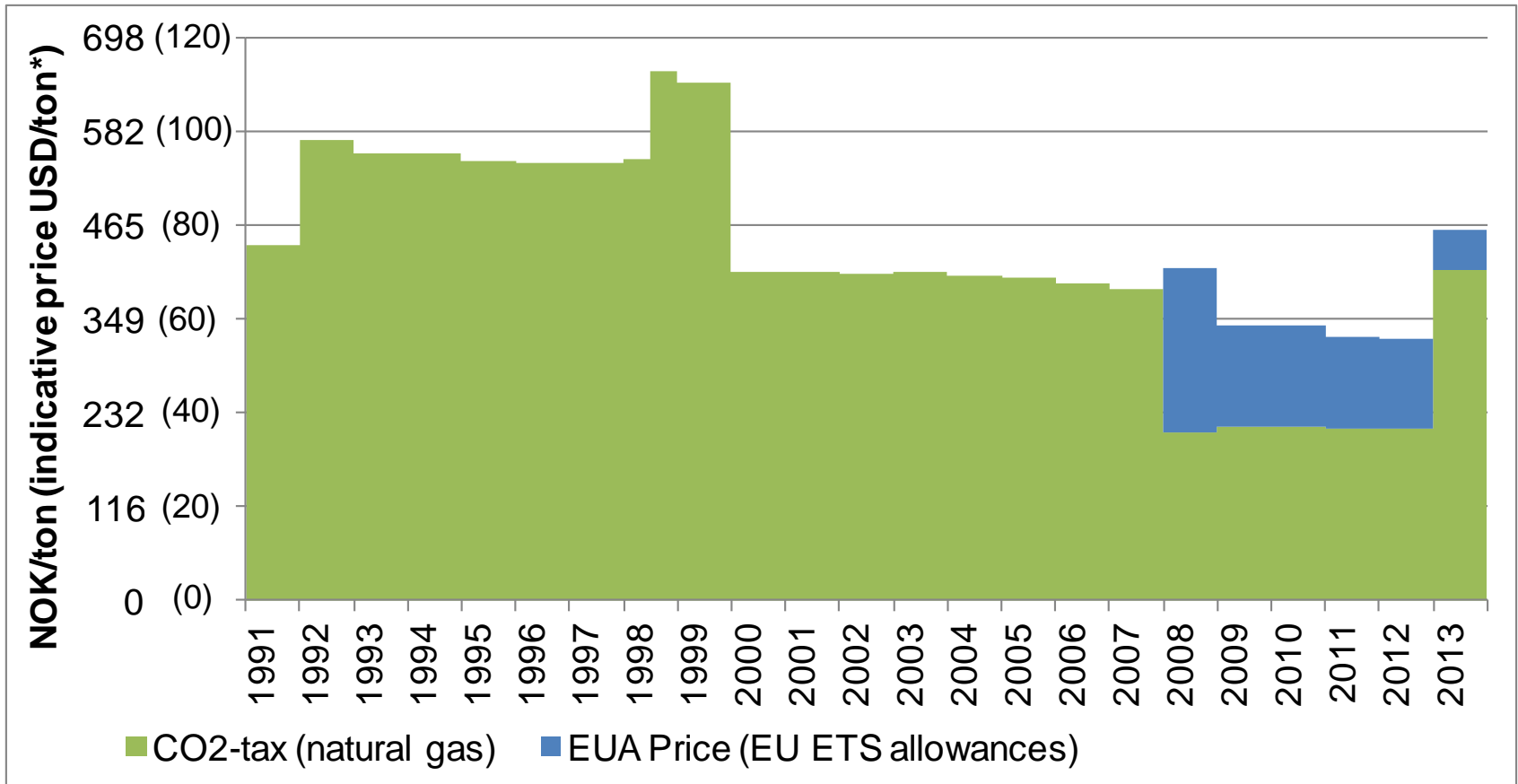


Climate instruments by source



Source: Norwegian Ministry of Finance

Mix of policies – cap and tax: the offshore petroleum industry



*) Using 2012 exchange rate

Other energy measures

- Increase the use of electric power from shore to offshore petroleum installations (currently on 3 installations)
- Green certificate system with Sweden from 2012, to generate 26.4 TWh from new renewable energy projects by 2020
- Increased share of renewable energy to 67,5% by 2020
- ENOVA: energy fund for renewable energy and energy efficiency

Main lessons

- CO₂ tax and ETS cover around 80% of emissions
- Combined use of CO₂ tax and ETS in some sectors to keep level of incentive
- Differentiation in CO₂ tax due to industry concerns
- Specific policies on renewables, positive incentives



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Thank you!

