Carbon market linkages: Industry perspectives

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Over 70% of Rio Tinto’s GHG emissions are liable under carbon pricing schemes

...rising to 80% if South Africa’s prospective carbon tax is introduced
There is a very wide range of carbon prices in jurisdictions with carbon pricing schemes

Carbon prices in different jurisdictions

- British Columbia
- Australia (pre-EU linkage)
- EU (Phase 2 prices)
- Alberta
- Quebec
- California
- South Africa
- Shenzhen
- EU
- Australia (with linkage)
- RGGI

$/tonne
Harmonised shielding arrangements are more important for industry than harmonised prices
The EU-Australia linkage has not reduced implementation challenges for industry

- Rio Tinto recognises that linking markets can have advantages
- But linking is not necessarily the only or most straight-forward way to ensure a level playing field for industries facing international competition
- **More important for industry in the longer term are:**
  - Commonality of design features
  - Policy certainty
  - Shielding of EITE
  - Minimisation of administrative burden