

K-ETS: Achievements and Challenges

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Korea ETS

- * Launched in 2015
- * Cap (phase I: 2015-2017)
 - * 1,687MtCO₂e including a reserve of 89 million tCO₂e for market stabilization measures, early action, and new entrants
- * K-ETS covers
 - * 525 large emitters / 68% of total emission / 6 Kyoto gases (CO₂, CH₄, N₂O, PFCs, HFCs, SF₆)
- * Sectors covered
 - * 23 sub-sectors including steel, cement, petro-chemistry, refinery, power, buildings, waste and aviation

Korea ETS

- * Inclusion thresholds
 - * Company > 125,000 tCO₂/year
 - * Facility > 25,000 tCO₂/year
- * 525 business entities
 - * Business entities are eligible for the allocation of emissions allowances in the allocation plan

Phase one (2015-2017)

- * 100% free allocation, no auctioning
 - * Free allowances based on the average GHG emissions of the base year (2011-2013)
 - * 5% of total allowances retained in a reserve for market stabilization measures (14 MtCO₂), early action (41 MtCO₂) and other purposes such as new entrants (33 MtCO₂)
- * Price
 - * KAU (18k KRW) / KCU (18.5 KRW) / KOC (18.3 KRW)

Future Plans

- * Low carbon innovation & increased environment friendly investment
 - * Benchmark allocation
 - * Allocation incentives for environment friendly investments
- * Cost effective and flexible measures to reduce GHGs
 - * Allowing various GHG emission reduction activities
 - * Regular auctioning
- * Achievements of National GHG reduction target and active participation in global carbon markets
 - * Recognition of overseas emission reduction activities
 - * Active participation in global carbon markets such as Northeast Asian carbon market



Thank you!

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