

Chile

General Information

Summary	<p>Status: ETS under consideration</p> <p>Jurisdictions: Chile</p> <p>In March 2013 under the Partnership for Market Readiness (PMR), Chile received funding to develop a roadmap for the design and eventual implementation of an ETS for GHG mitigation in the energy sector. The roadmap includes necessary institutional arrangements, regulatory options, economic impacts and technical requirements for an MRV framework to track GHG emissions that would fit both a carbon tax and an ETS.</p> <p>However, it subsequently shifted policy priorities towards the implementation of a carbon tax. In September 2014, as part of a broader fiscal reform, Chile approved the implementation of a carbon tax for fixed emission sources consisting of turbines or boilers with a thermal input equal to or above 50 MW (exempting biomass power plants), beginning on 1 January 2017. For the same emitting sources, a tax on local pollutants (SO₂, NO_x and particulate matter) must also be paid by emitters. Hence, from 2018, emitters will have to pay USD 5 for related 2017 CO₂ emissions, as well as the tax on local pollutants whose amount will vary depending on the location of each source. A tax on NO_x has been operating since 2015 as a one-time payment for the purchase of new lightweight vehicles based on the purchase price, fuel efficiency, and NO_x emissions/km.</p> <p>In the long run, Chile is considering deepening the use of carbon pricing instruments with the aim of facilitating the transition to a low carbon economy and achieving its NDC commitments. In order to assist in this process, the current work plan under the PMR is considering the required participatory and consultation processes with stakeholders and policymakers in the enhancement of the current carbon tax, the use of offsets as complementary and carbon leakage measures, and the possibility to transition to or supplement the carbon tax with an ETS. The PMR project will continue its support on MRV infrastructure required to make this transition possible—with carbon pricing as a cornerstone of the country’s climate policy.</p>										
	<p>Ley Reforma Tributaria (incl. Impuesto al Carbono)</p> <p>Ministerio de Energía</p> <p>Activities of Chile under the Partnership for Market Readiness (PMR)</p> <p>Ministerio del Medio Ambiente</p>										
Overall GHG emissions (excluding LULUCF)	Emissions: 109.9 MtCO ₂ e (2013)										
Overall GHG emissions by sector	<table border="1"> <thead> <tr> <th>Sector Name</th> <th>MtCO₂e</th> </tr> </thead> <tbody> <tr> <td>Energy</td> <td>85.0</td> </tr> <tr> <td>Agriculture</td> <td>13.7</td> </tr> <tr> <td>Industrial Processes</td> <td>6.6</td> </tr> <tr> <td>Waste</td> <td>4.5</td> </tr> </tbody> </table>	Sector Name	MtCO ₂ e	Energy	85.0	Agriculture	13.7	Industrial Processes	6.6	Waste	4.5
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Overall GHG reduction target	<p>By 2020: Under the UNFCCC and conditional to external support, Chile has pledged to reduce projected BAU emissions by 20% (as projected from 2007).</p> <p>By 2030: 30% reduction of emissions intensity compared to 2007, in terms of CO₂/unit of GDP. Conditional to international funding, 35-45% reduction of emissions intensity compared to 2007, in terms of CO₂/unit of GDP (NDC).</p>
Type of ETS	No information available yet.
Cap and trajectory	No information available yet.
Carbon Price	<i>Current Allowance Price (per t/CO₂e):</i> No information available yet.

ETS Size

Emissions covered by the ETS	No information available yet.
GHG covered	No information available yet.
Sectors covered and thresholds	No information available yet.
Number of liable entities	No information available yet.
Point of regulation	No information available yet.

Phases & Allocation

Compliance period	No information available yet.
Trading period	No information available yet.
Allocation	No information available yet.

Flexibility

Banking and borrowing	No information available yet.
Offsets and credits	No information available yet.
Provisions for price management	No information available yet.

Compliance

Monitoring, Reporting, Verification (MRV)	The design and implementation of an MRV framework that is ETS compatible is part of the Chilean PMR Project Implementation .
Enforcement	No information available yet.

Other Information

Institutions involved	Ministry of Energy; Ministry of the Environment; Ministry of Finance; Inter-Ministerial Committee on Climate Change; PMR Chile (Precio al carbono Chile).
Linkage with other schemes	No information available yet.

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