



Greenhouse Gas Emission Trading System of the Republic of Kazakhstan (ETS RK)

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Trading periods

The History of ETS of RK:

- 2011 – New Chapter in Ecology Code of RK – The regulation of GHG emission
- 2013 - launch of national ETS, one-year pilot phase, implementation of the first National Allocation Plan for 2013
- 2014 - implementation of the second National Allocation Plan 2014-2015, first trading of quota units on the Caspian Commodity Exchange
- 2015 - development of the third National Allocation Plan, identification of errors
- 2016 - suspension of ETS until 1 January 2018
- 2017 - preparation for re-launch of the ETS

Emissions trading system for 2013 - 2015

- regulates eq.carbon dioxide emissions;
- covers emitters whose emissions exceed 20,000 tonnes of eq.carbon dioxide per year.
- The distribution of greenhouse gas emission quotas was based on the historical quota method.
- Quotas were issued per company

National quota allocation plans for 2013-2015

Trading period	Phase I (2013)	Phase II (2014-2015)
Sectors of the economy	Energy, coal, oil and gas extraction, industry	Energy, coal, oil and gas extraction, industry
Number of enterprises	178	166
Principle of quota allocation	Historical Base year- 2010	Historical Base line– average value 2011-2012
Reduction obligations	0% (from the base year)	0% - 2014 1,5% - 2015
Quota volume in tonnes CO2	147 190 092	307 673 670

Gaps 2013-2015

Main gaps in the RoK ETS in 2013-2015:

- Inaccuracies in the RoK Environmental Code and resulting technical contradictions
- Possibility to obtain additional quotas
- Inaccuracy of calculations
- Lack of verifiers

Emissions trading system for 2018 - 2020

- ETS is based on benchmarking (following international practices)
- Quotas were allowed per installations, not companies;
- regulates only carbon dioxide emissions;
- the plant operators have chosen the quota method independently: the historical method, the benchmarking method;
- Fifty-two specific benchmarks have been developed for the energy, industrial and oil and gas sectors.
- **Methods of quota allocation:**
 - Benchmarking (149 installations)
 - Historical method (76 installations)

ETS 2021

- Full transition to the benchmarking method;
- Based on enterprise production data for 2017-2019;

- New Environmental Code of the RoK;
- Development of project regulations in the field of greenhouse gas emission regulation under the new Environmental Code;
- developing a roadmap for the implementation of the updated INDC for the next five years (2021-2025). - development of one baseline and three alternative scenarios

Expected reforms of the ETS

- Updating the methodologies for calculating GHG emissions with implementation of Level 3
 - Level 3 - application of laboratory factors
- annual reduction rate will be at least 1.5% until 2030
- Introduction of auctioning
- Improvement of electronic reporting
- Improvement of the Registry of Carbon Units
- Linking with international markets

Thank you for your attention!

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