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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

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