



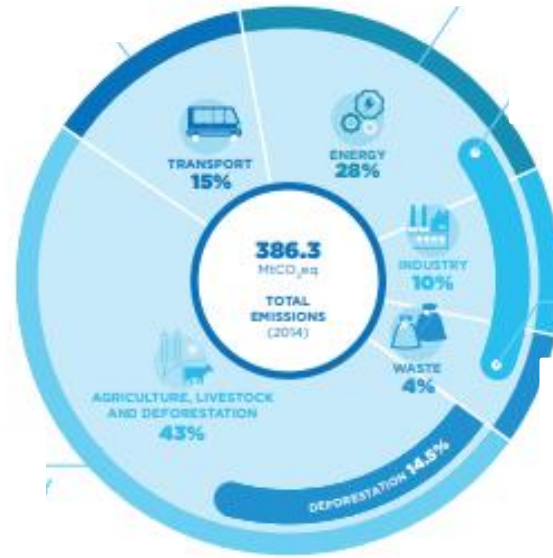
Ministerio de Ambiente  
y Desarrollo Sustentable  
Presidencia de la Nación

# Estrategias de Argentina para Iniciativas de Carbon Pricing

## Partnership for Market Readiness (PMR)

## Diversity of sectors driving Argentina's emissions

More than 30% of the Argentinean NDC and 50% of Energy NDC is based on Energy Efficiency measures.  
Measures in Energy represents 70% of the NDC.



Revised  
NDC

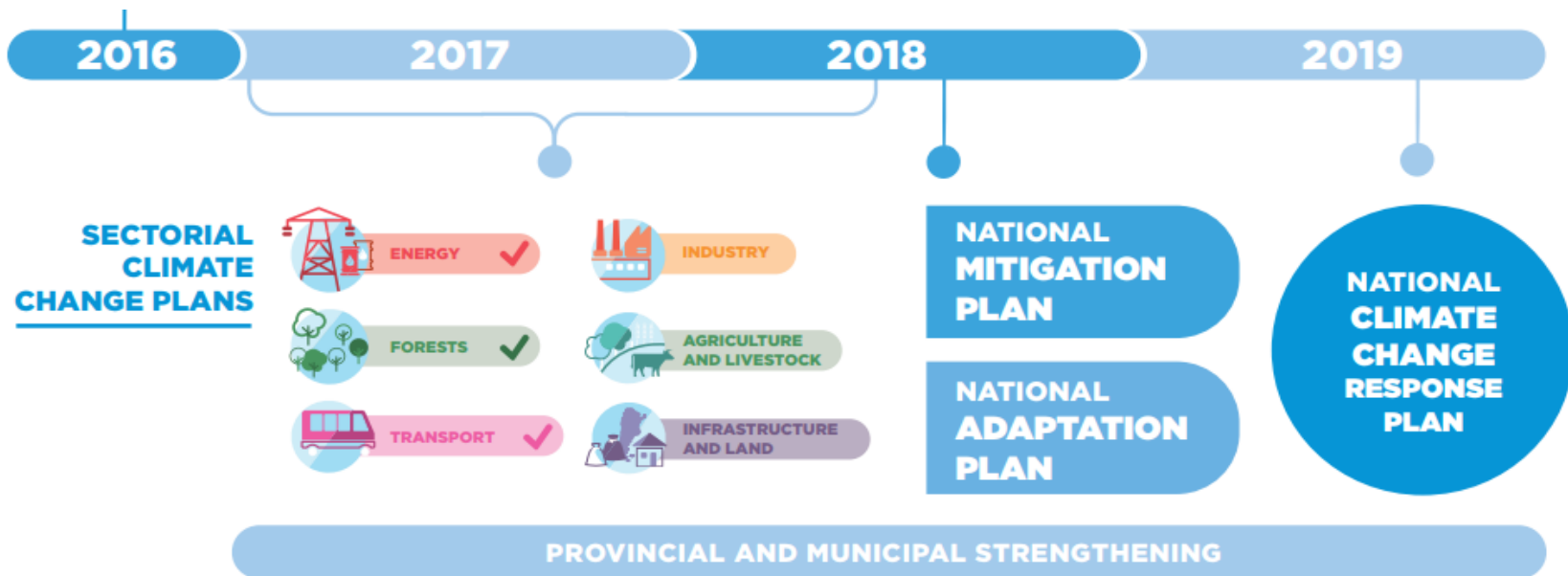
**TARGET  
YEAR  
2030**

NOT TO EXCEED  
**483**  
MtCO<sub>2</sub>eq

+ TECHNOLOGY  
AND FUNDING

NOT TO EXCEED  
**369**  
MtCO<sub>2</sub>eq

# Overview of Argentina's climate policy development



# PMR Focus and Objective

Evaluate the feasibility of implementing CPIs in Argentina

## RECs

- Analysis to support decision on REC
- Definition of scope and target for REC scheme
- Design of REC scheme, including institutional, regulatory and technical infrastructure and MRV
  - Design of pilot for REC scheme

## EECs

- Analysis to support decision on REC
- Definition of scope and target for EEC scheme
- Design of EEC scheme, including institutional, regulatory and technical infrastructure and MRV
  - Design of pilot for EEC scheme

## Carbon Tax

- Analysis of impacts of existing carbon tax program and potential extensions

## Transport

- Analysis and prioritization of CPIs for transport

## Cross-cutting (BB5)

- Project management task force
- Consultation, communication and outreach

# Carbon Tax

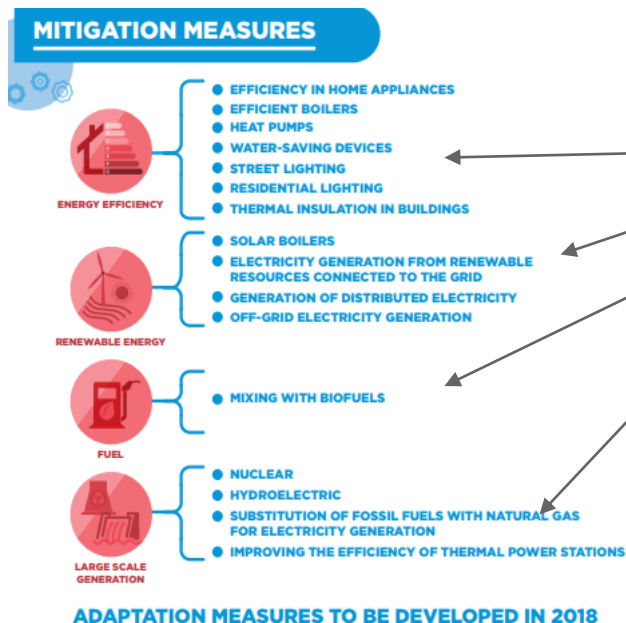
## Impacts and Extensions

# Carbon tax issues

- Carbon tax on liquid fuels and coal included in 2017 fiscal reform package
- Liquid fuels taxes designed to replace existing taxes, with limited impact on consumer prices and total government revenue in the short term
- Other fuels (e.g. coal) have new taxes, but are not widely used – natural gas is *not* yet taxed
- No assessment yet of tax impact, or how it might evolve over time and affect government revenues, prices, competitiveness, etc.
- Ministry of the Treasury interested in understanding both the impact of the current tax and the options for expanding the tax, before making major design changes in the future

# Carbon tax could interact with and/or support many different NDC measures

## Energy

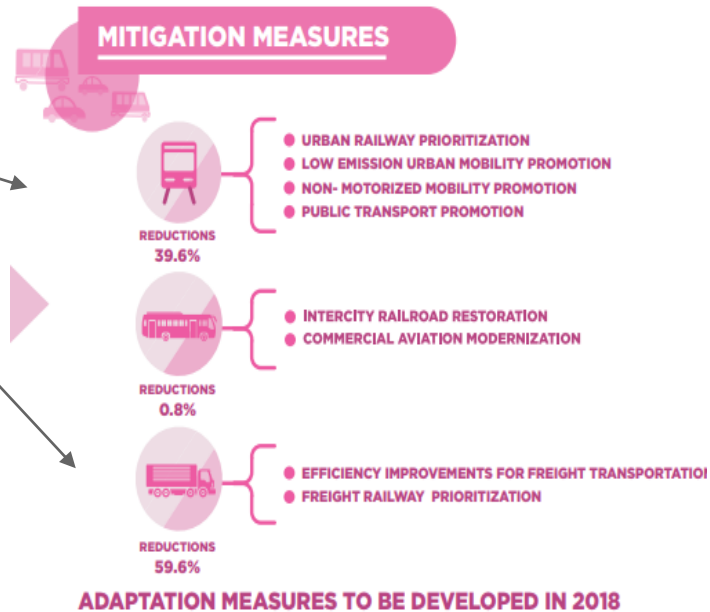


Direct and Indirect impacts

**Industry**

Various EE measures

## Transport



# CPIs for Transport Sector



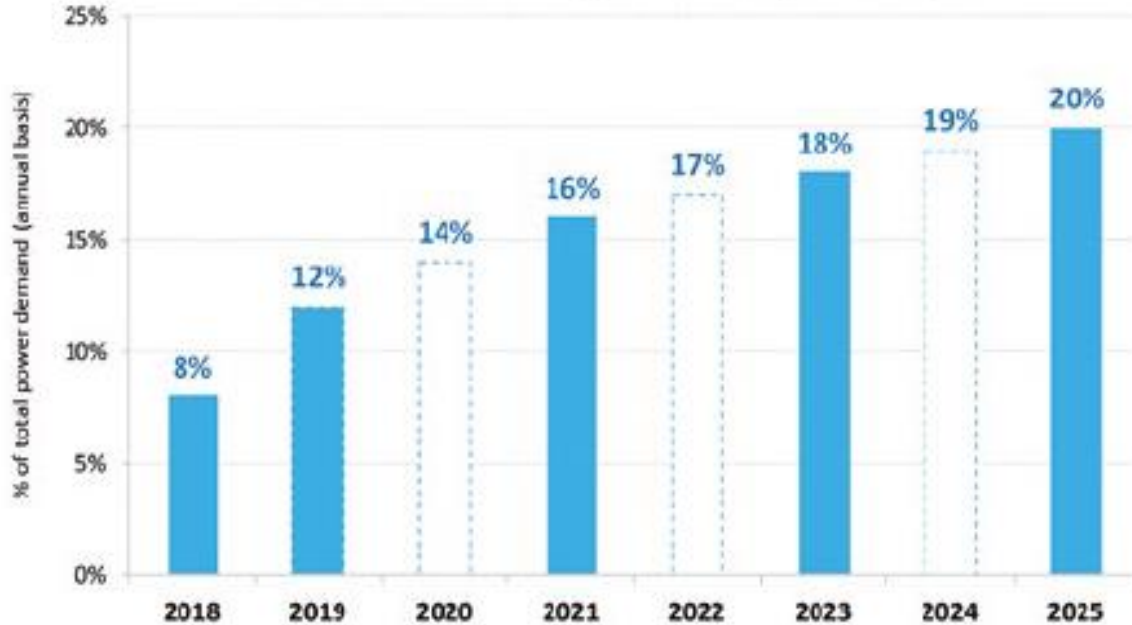
# Transport sector and CPIs

- Transport sector a large and growing source of emissions, with significant mitigation potential identified as part of sectoral action plan
- Limited experience with CPIs, so need to understand how these could support specific mitigation programs and overall NDC goals
- Consider a range of possible instruments, based on international experience and Argentina's situation
  - performance standard with permit trading
  - domestic crediting scheme
  - international crediting (e.g. Article 6 mechanisms under the Paris Agreement and CORSIA)
  - domestic compensation scheme (i.e. government-funded payments for mitigation)
  - emission trading scheme that includes transport
  - Carbon tax (existing)

# Renewable Energy Certificates Scheme RECs

# Renewable electricity targets in Argentina

National Renewable Energy Mandates as per Law 27,191



**Target:** 8% of the electricity demand covered with Non-Conventional Renewable Energy in 2018, increasing to 20% in 2025

# Options to be considered for RECs target and scope

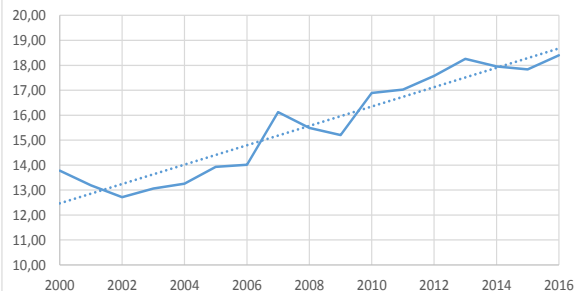
- Option 1
  - RECs to assist the **Obligated Entities under RE Law to fulfill (some portion of) their current commitments** more efficiently (e.g. to get to the 20% goal by 2025)
- Option 2 (not mutually exclusive from the first)
  - RECs as an additional instrument to **go beyond** the current RE sectoral target in Argentina (e.g. 5% additional RE penetration in 2025)

*RECs could contribute 5-10% of the entire power sector RE development needed as part of the unconditional goals included in the CC Action Plan*

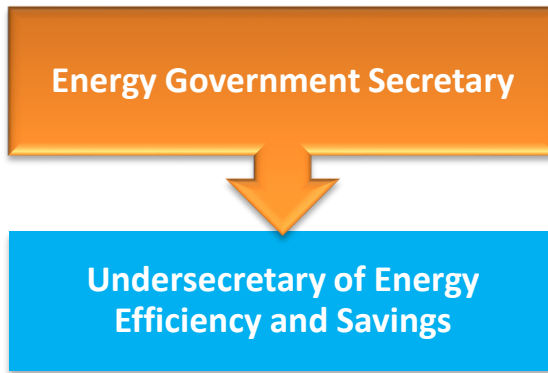
# Energy Efficiency Certificates Scheme EECs

## Background

Argentina - Energy Intensity in Households  
toe / 1000 m2



## Current Institutional Framework



**ENERGY EFFICIENCY IS 1 OF THE  
100 GOVERNMENT PRIORITIES**



## Normalization of energy markets

- Comprehensive review of energy prices and tariffs

## Regulatory Framework

EE bill project:

- Create enabling context to promote EE

## Sectorial measures



INDUSTRY



HOUSEHOLDS



INSTITUTIONAL  
SUPPORT



LABELLING



FINANCING



TRANSPORT



EDUCATION &  
TECHINCAL CAPACITIES



COMUNICACION &  
BEHAVIOUR CHANGE



DATA &  
MRV



REGULATORY  
FRAMEWORK

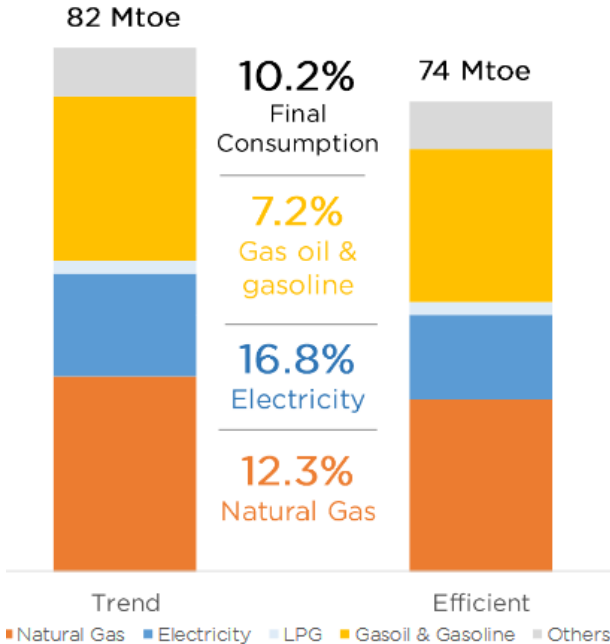


INTERNACIONAL  
COOPERATION

# Energy Savings Forecast

## Total final consumption savings

Savings by source



**46%**  
Residential

Appliances	63,9%
Domestic Lighting	30,3%
Buildings	5,8%

**5%**  
Public Sector

Street Lighting and EnMs in Public Buildings

**19%**  
Industry

EnMs in industry	65,3%
CHP	11,8%
Efficient Electric Motors	22,9%

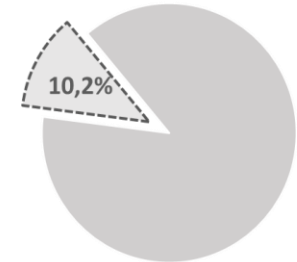
**23%**  
Transport

Recovery of Railway sector	49,7%
Freight Transport	29,7%
Urban Transport	20,5%

**7%**  
Cross measures

Education and Awareness

SAVINGS @2030



**CUMULATIVE SAVINGS 2017-30** (57.666 kTEP)

2016 DEMAND

Fuente: elaboración propia en base a datos de MINEM.



## White Certificates

- Cost-effective way to introduce energy efficiency
- Delivers more efficient technologies
- Develop standard energy saving measures
- New business opportunity for Energy Distributors



## Opportunity in Argentina

- With growing energy demand, EECs reduces the investment on energy distribution grids.
- Delivers EE measures to end-user.
- Reduces energy cost.
- Benefit for national budget and productivity.





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