

Australia needs a strong carbon price to meet Paris target

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Credit: Yann Caradec/Flickr

Australia needs to consider a carbon price of around \$US140 a tonne by 2040 to help the world meet its target to keep global warming below 2 degrees Celsius, experts have told The Australian National University annual Energy Update.

Director of the ANU Energy Change Institute Professor Ken Baldwin

said the latest World Energy Outlook, released by the International Energy Agency (IEA) earlier this month, found global [energy policies](#) were well behind those needed to keep [global warming](#) below the 2 degrees target by the end of the century.

"The [energy](#) sector accounts for more than two-thirds of greenhouse gas emissions," Professor Baldwin said.

"The World Energy Outlook shows that present world-wide energy policies are well behind what is needed to achieve the maximum 2 degree temperature increase ratified by the Paris climate change agreement.

"The carbon price required to keep below 2 degrees is projected by the World Energy Outlook to be US\$20, US\$100 and US\$140 per tonne in 2020, 2030 and 2040 in developed economies.

"Australia needs to consider this - not only in order to mitigate its own [greenhouse gas emissions](#) - but also to plan for the future of its trade-exposed industries."

The ANU Energy Update is the ANU Energy Change Institute's annual flagship event, bringing together experts from government, industry and the International Energy Agency to discuss energy trends, new technologies and energy security.

Latest figures in the World Energy Outlook show the world is undergoing a massive transformation in [energy generation](#), that China's demand for coal peaked in 2013 and will continue to decline, and that new energy generation from renewables outstripped all other forms of new energy generation for the first time in 2015.

ANU Energy Change Institute Honorary Associate Professor Hugh

Saddler said the global data proved the need for Australia to change its energy policies.

"Politicians and other commentators in Australia can no longer claim that the IEA projects continuing growth in coal demand to rationalise their support for the continuation of current national policies," Dr Saddler said.

Professor David Stern, also from the ANU Energy Change Institute, said the World Energy Outlook was under-optimistic about the role of renewable energy.

"The 2016 WEO ups the role of renewables in below-2-degree climate policies and slightly reduces the predicted improvements in energy intensity compared to last year's Outlook," Professor Stern said.

"This is welcome, but they are still under-optimistic about renewables and over-optimistic on improvements in energy intensity."

Provided by Australian National University

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