



**Workshop on Establishment of National Carbon Market
@Wanda Vista Hotel, Tianjin, PRC
11 September 2014**

Development of Thailand Voluntary Emission Trading Scheme (Thailand V-ETS)

Carbon Business Office

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Objectives of Establishing VCM in Thailand

1. Support voluntary GHGs reduction activities

2. Encourage private companies, who attempt to reduce their GHG emissions, implement cost-effective GHGs reduction activities

3. Learn how to manage domestic emission trading scheme / carbon offsetting program



Structure of Voluntary Carbon Market in Thailand

Voluntary Emission Reduction Projects (VER)

Type: Project-based

Eligibility: Emission Reduction Projects, Pre-registered CDM

MRV: International standards (VCS, GS, etc.)

Carbon Credit: VERs

Registry: Standard Owners

Buyers: International buyers

Status: Existing

Thailand Voluntary Emission Reduction Program (T-VER)

Type: Project-based

Eligibility: energy efficiency, etc.

MRV: Domestic

Carbon Credit: TVERs

Registry: T-VER

Buyers: Government / CSR companies / Brokers

Status: launched in Oct 2013

Thailand Voluntary Emission Trading Scheme (Thailand V-ETS)

Type: Cap-and-Trade

Target: Industrial sector

MRV: ISO 14064-1 / 14064-3 / 14065

Carbon Credit: Allowances

Registry: ETS

Buyers: Entities / Traders

Status: pilot project in Oct 2014

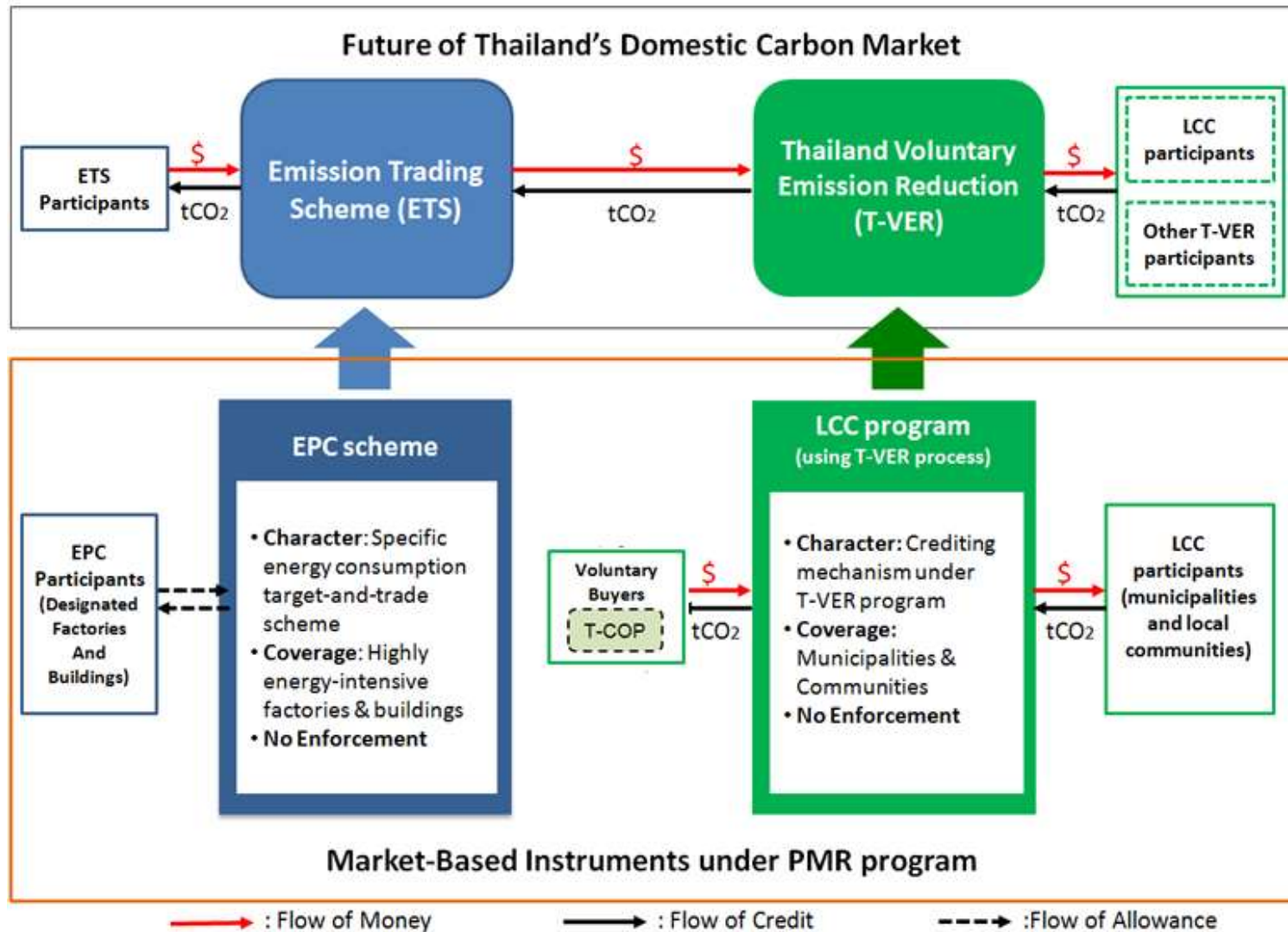
- **Existing initiative instruments**

- **Thailand Voluntary Emission Reduction Program (T-VER):** a domestic GHG crediting mechanism (project-based), using methodologies which derived from CDM and J-VER methodologies. T-VER program has been launched in October 2013. There are 15 demonstration projects from 8 organizations, covering 7 methodologies e.g. RE, EE, WM, Forestry and Agriculture.
- **Thailand Voluntary Emission Trading Scheme (Thailand V-ETS):** expected to launch a pilot project to test MRV system and some of ETS features in October 2014.
- **Thailand Carbon Offsetting Program (T-COP):** a carbon offsetting program, launched in March 2013, aiming to use contributions from participants for supporting domestic GHG emission reduction activities, especially for projects under the T-VER program.

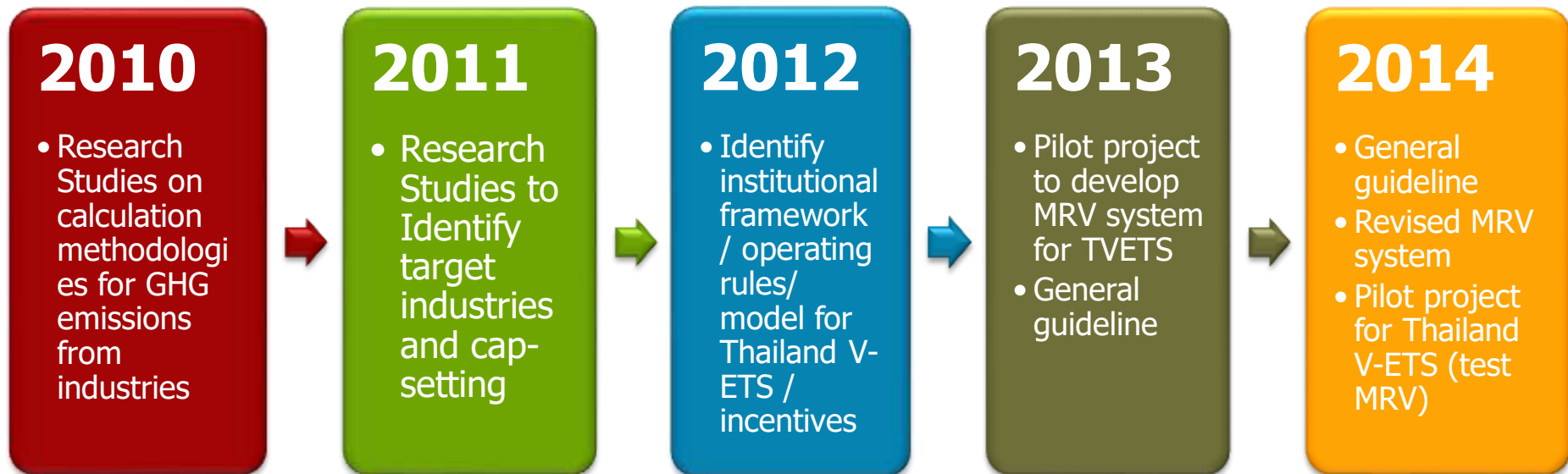
- **Proposed initiative instruments under the PMR**

- **Energy Performance Certificate Scheme (EPC):** a voluntary target-and-reward scheme aiming to achieve energy efficiency in energy-intensive factories & buildings and to build core market readiness components in order to be a foundation for establishing the future ETS.
- **Low Carbon City Program (LCC):** a GHG crediting mechanism which will be a part of T-VER program, aiming to achieve GHG emission reductions implemented by municipalities and local communities.

Toward Future Domestic Carbon Market



Action Plan for Thailand V-ETS



- Trading Period
 - 1st Trading Period (pilot phase to test MRV): 2015-2017
 - 2nd Trading Period: 2018-2020
- 1st Trading Period
 - Targeted sector:
 - Electricity and Petrochemical sectors
 - Other energy intensive companies
 - Base year emission:
 - 1st Trading Period: 2012-2013
 - Type of Target:
 - Absolute reduction target or Intensity-based target (under discussion)
 - Allowance Allocation Method:
 - Grandfathering and benchmarking (under discussion)

- Developed based on ISO 14064-1, 14064-3, and 14065
- GHG Reporting:
 - Gas coverage: CO₂ emissions only
 - Organizational boundary
 - Geographical boundary: Follows Factory Act and Building Control Act (permit for building construction / factory permit)
 - Operational control approach
 - Operational boundary: Scope 1 and 2
- Third party verification
 - Registered VBs
- Draft Monitoring and Reporting Guideline (MRG) and Verification Guideline (VG) (under development)



Next Step (FY2015: Oct 2014 - Sep 2015)

1. Implement Thailand V-ETS pilot project

– Objectives

- Test MRV system
- Design ETS features (cap setting, allowance allocation)

– Targeted industries (voluntary basis)

- Focus on power plants and petrochemical industries OR
- 79 companies participated in carbon footprint for organization program (voluntary program)

2. Conduct a research study on “Pre-assessment impact of ETS to Thai Economy” (under discussion)

Thank you for your attention

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