Dear Sir/Madam,

I am writing on behalf of the Carbon Disclosure Project, a leading international not-for-profit organization focused on the business response to climate change.

We gather and facilitate the disclosure of climate change-related data from major global corporations on behalf of over 385 of the world’s leading investment institutions. This has resulted in the creation of the world’s largest registry of corporate greenhouse gas emissions and corporate climate change strategies.

In addition, we operate a data collection process that enables companies such as Wal-Mart, Tesco, L’Oreal, P&G, HP and Dell to learn about the greenhouse gas emissions and climate change-related risks and opportunities in their supply chain. This new strand of work will bring many more companies into the CDP system in 2008.

We would like to thank you for producing a thoughtful and informative paper on the proposed emissions trading scheme.

We ask companies to disclose their participation in emissions trading regimes and offset markets and therefore we follow the development of new trading platforms to better inform our own data-gathering process. We also work with accountancy firms and their governing bodies on the development of rules for accounting for emissions rights.

CDP is policy-neutral. Therefore, we will not comment on the vast majority of the ETS design questions covered in your consultation document. However, we would like to register our interest in your scheme and would ask to be added to consultation lists. We can foresee that we will have more comments to make as the scheme develops, particularly when more detailed accounting issues begin to be discussed.

Clearly, careful selection of point of obligation for an ETS may reduce some of the boundary issues that introduce complexity and uncertainty into GHG accounting in general. In addition, in cases where emissions are estimated rather than measured, the selection of GWPs and emission factors is of course crucial and there is more work to be done to ensure that a metric tonne of CO₂ – e has the same radiative forcing effect irrespective of where in the world the calculations were done. We see transparency in GHG calculations as a necessary step towards comparability and then consistency in this new sphere of accounting.

We are particularly interested in following the development of your consultation on options for linking the Australian scheme to other international trading schemes as we are in the very early and tentative stages of considering the merits of hosting a global trading platform.
We look forward to seeing further iterations of your scheme and would be grateful if you would include us in any further mailings on the subject.

Yours sincerely,

Lois Guthrie

Technical Director

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