

Hot topic: AAU surplus

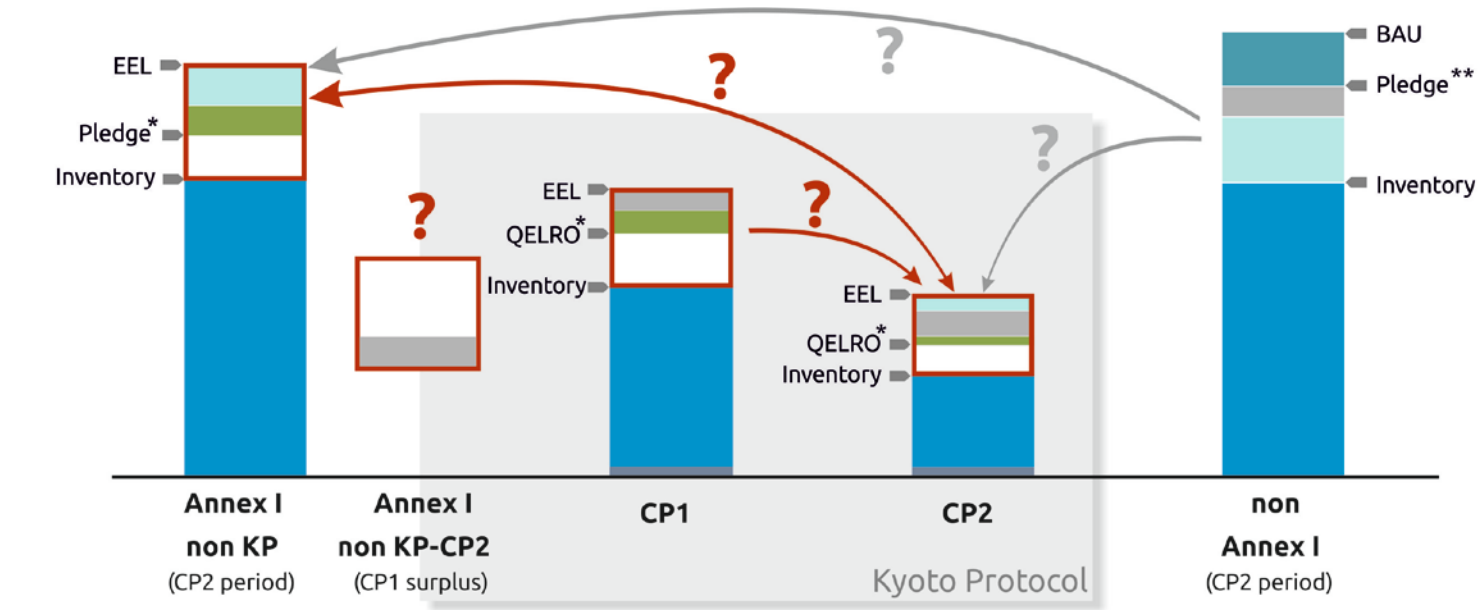
Political implications of the long-term effect of surplus from the first and second Kyoto period

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<http://climateanalytics.org/publications/hot-topic-aau-surplus-political-implications-long-term-effect-surplus-first-and-second>

Schematic overview of potential units' interaction in CP2



- Surplus
- RMUs / RMU-type units
- CERs
- NAMAs (domestic reductions with or without international support)
- New mechanisms crediting units
- ERUs

- Potential flow of surplus units
- Potential flow of new market mechanism units

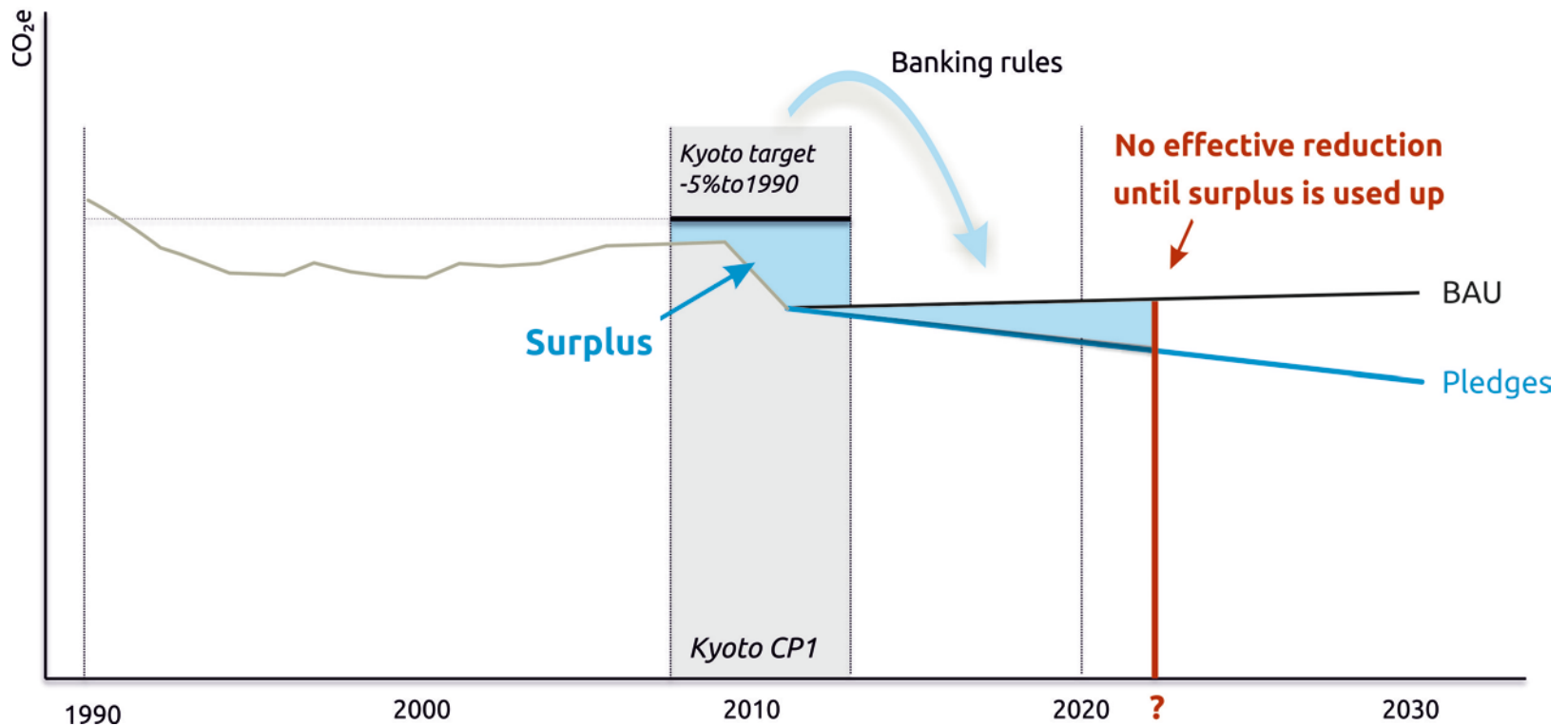
? ? } Unclear rules

EEL - Effective emissions limit

* For the purpose of this stylized illustration we assume Annex I countries intend to achieve pledges domestically. If any type of units is used for compliance the total surplus would decrease, together with the share of domestic reductions in Annex I countries.

** For the purpose of this stylized illustration we account all domestic reductions in non-Annex I countries that are not traded under the CDM or new mechanisms under the category 'NAMAs'.

Schematic illustration of surplus carry-over



Where do we get with different options?

Table 1 Timeframe for start of 'real' reductions below BAU levels under different options for minimum ambition targets (incl. CERs, ERUs, RMUs)

es as in Group 3 plus Canada, USA