

Carbon Trading Scenario in India: A Business that Works for Global Environment

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ABSTRACT

In present scenario Global Warming is causing qualms and uncertainties for environment and costing money as well. It has become a cause of global panic as its concentration in the Earth's atmosphere has been rising alarmingly. Green Environmentalists intend to endorse business and diverse policies that can help in the preservation and protection of natural environment. The climate change and environmental conservation is the main issue of this century. India is the second largest in world population and in energy consumption it is fourth largest and in green house gas producer third largest and burns ten folds fuel wood as compared to United States. To administer these emissions worldwide the environmental carbon trading practices are done on the basis of the carbon credits earned.

In india the power generation is the biggest polluter and the biggest prospect for emission reduction and hence can be the biggest carbon credits producers. India is generating the highest number of carbon credits in the world next to china. In comparison to the developed nations the carbon emission level in India is much less. This provides adequate opportunities for its industries to produce carbon units and harness the benefits out of its trading. In India average annual CERs (Certified Emission Reduction) stands at 11.5 million. India has great prospective to earn carbon credits and in this context the carbon consultancy service has an enhanced part to play and is going to add a new facet to the environmental arena.

Keywords: Carbon Credits, certified emission, green house producer, environmental carbon trading.

1. SECTION I: INTRODUCTION

Emission of GHGs is becoming a major concern these days. There are various GHGs which are emitted in the environment like CO₂, Methane etc. CO₂ is one of them and it is a major source of

problem for the atmosphere. The atmospheric life of CO₂ is 5-200 years which has global warming potential i.e. heat retention ability of gas as CO₂ equivalent is 1. 3rd conference of parties was held in Kyoto in Japan in which Kyoto Protocol was signed though it was ratified and it came into effect in 2005. Excessive emissions of GHGs leads to global warming rise in temperature and sea level, brings drought, leads to extinction of various species thereby threatening whole eco system. To deal with same Kyoto Protocol under U.N.F.C.C was set up in which countries in Annex I and Annex II need to reduce their emission levels to the emission levels to the emission level permitted.

They can do it either by reducing emission levels to the emission levels in their own country or by investing green technology in other countries thereby leading to zero net increase in GHGs in the atmosphere. It can be either through Joint Implementation under which developed countries jointly invest in green projects i.e. which is helping in reduction of emission in the atmosphere and thereby achieving their targets or it can be done through C.D.M i.e. Clean Development Mechanism under which developed countries who cannot reduce their emission, invest in developing countries to become technologically competent as well as environment friendly and in return developed countries earn various carbon credits for the same to achieve their targets.

2. SECTION II: CARBON TRADING

It is a mechanism through which countries that have to achieve their emission targets are achieved. Carbon trading means trading of units of carbon dioxide reduced in the environment. Countries which reduce carbon emissions earn Carbon Emission Certificates i.e. C.E.Rs which are traded and is called carbon trading. One carbon credit is equal to 1 ton of carbon dioxide reduced in the environment.

There are various exchanged in which carbon emission are traded like Chicago Climate Exchange, NASDAQ OMX, POWER NEXT, European Energy Exchange etc. in India MCX and NCDEX are two exchanges which deal with trading of carbon emission in form of Carbon Emission Reduction Certificates which countries earn through completion of CDM projects or in form of ERU i.e. Emission Reduction Units which are earned on successful completion of J.I. projects.

SECTION III: RECENT STATISTICS: as per recent statistics provided by U.N there are currently 7366 registered C.D.M projects out of which 1444 are registered with India which was 4424 and 866 respectively in 2012. Following figure shows countries which are primary buyers of CDM.

TRENDS IN CO₂ EMISSIONS AMONG COUNTRY 2000-2012
(UNIT: BILLION TONS OF CO₂)

country	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
United states	5.87	5.75	5.83	5.87	5.94	5.94	5.84	5.91	5.74	5.32	5.50	5.39	5.19
EU27	4.06	4.13	4.11	4.22	4.23	4.19	4.21	4.15	4.09	3.82	3.91	3.79	3.74
Japan	1.28	1.26	1.30	1.31	1.31	1.32	1.30	1.33	1.25	1.18	1.24	1.24	1.32
China	3.56	3.64	3.90	4.50	5.28	5.85	6.51	7.01	7.79	8.26	8.74	9.55	9.86
India	1.06	1.08	1.12	1.15	1.24	1.29	1.38	1.48	1.56	1.69	1.78	1.84	1.97

We can see that china is biggest emission of GHGs followed by America and EU27 but rate of increase of GHGs emission in India more.

3. SECTION IV: CONCLUSION

So to conclude we can say that there are huge emissions in the environment. Various efforts are being taken to conserve energy through improved promotion of energy efficiency devices, use of renewable energy, reforms in power sector, use of clean and better and clean transport like CNG, forestation, mass transport like metro which all help in achieving sustainable & clean environment.

SECTION V: REFERENCES:

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