

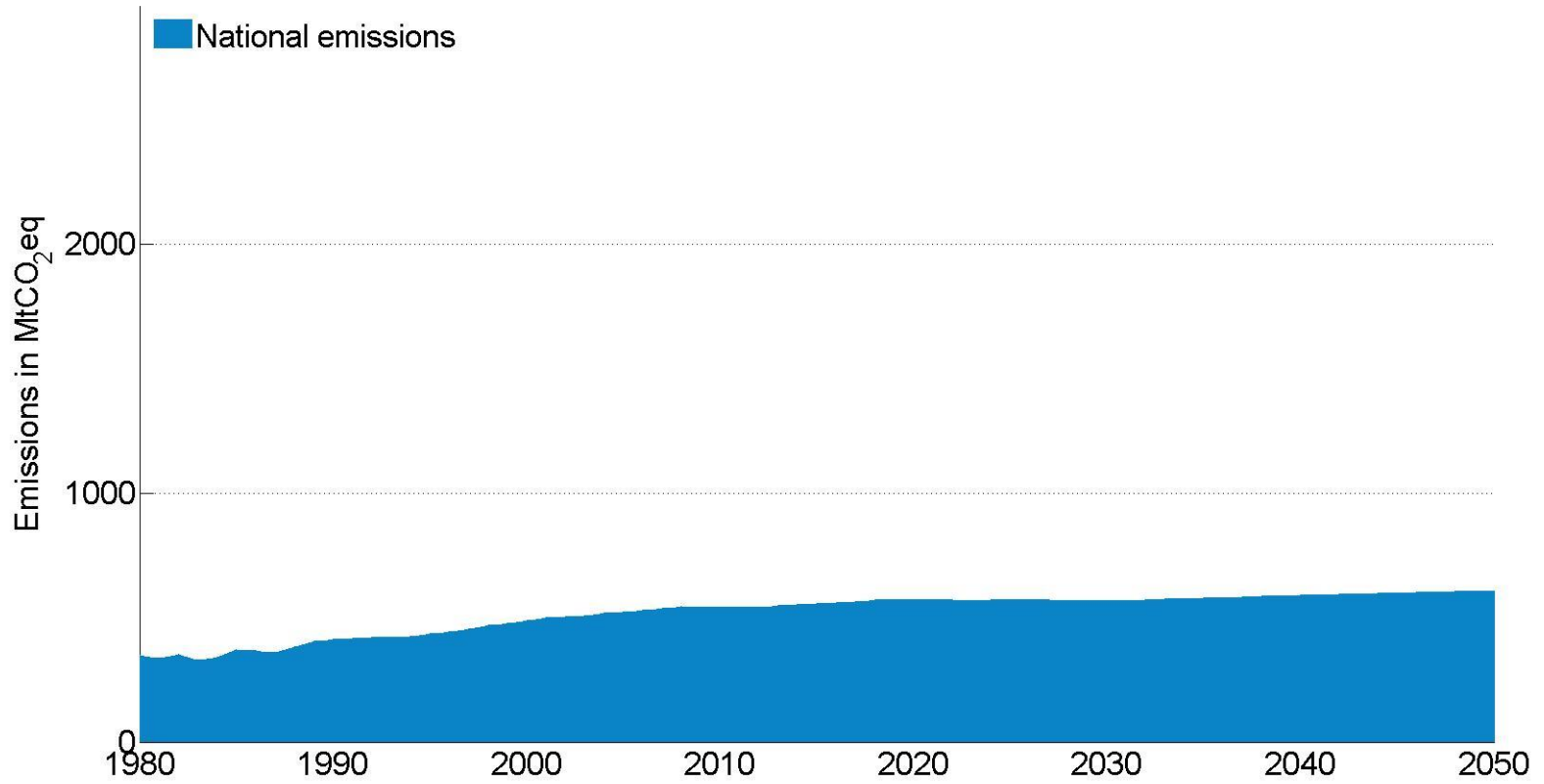
# Constraining Supply



**JEREMY MOSS**  
**PROFESSOR OF POLITICAL PHILOSOPHY**  
**UNIVERSITY OF NEW SOUTH WALES**  
**SYDNEY**  
**AUSTRALIA**

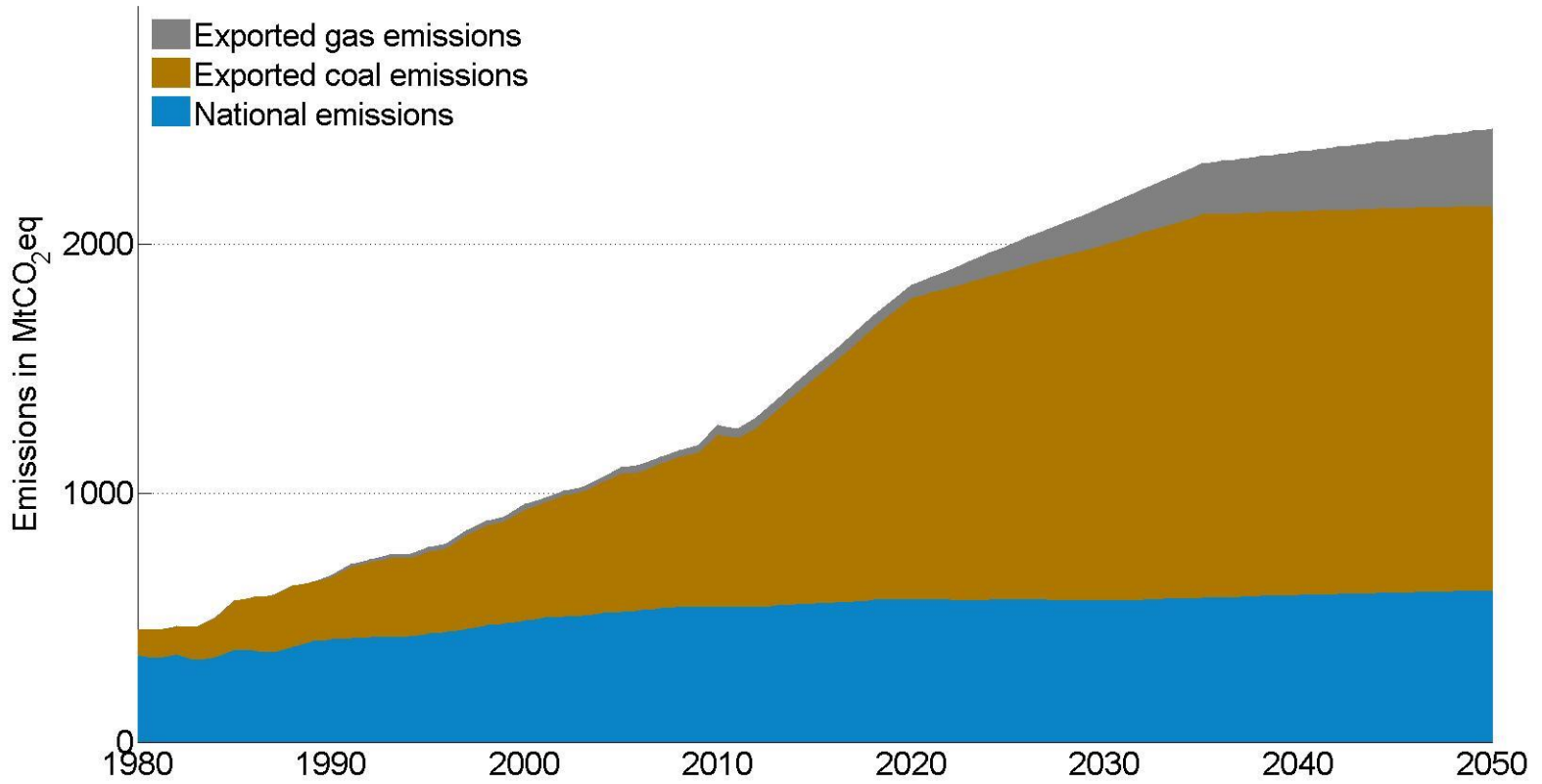


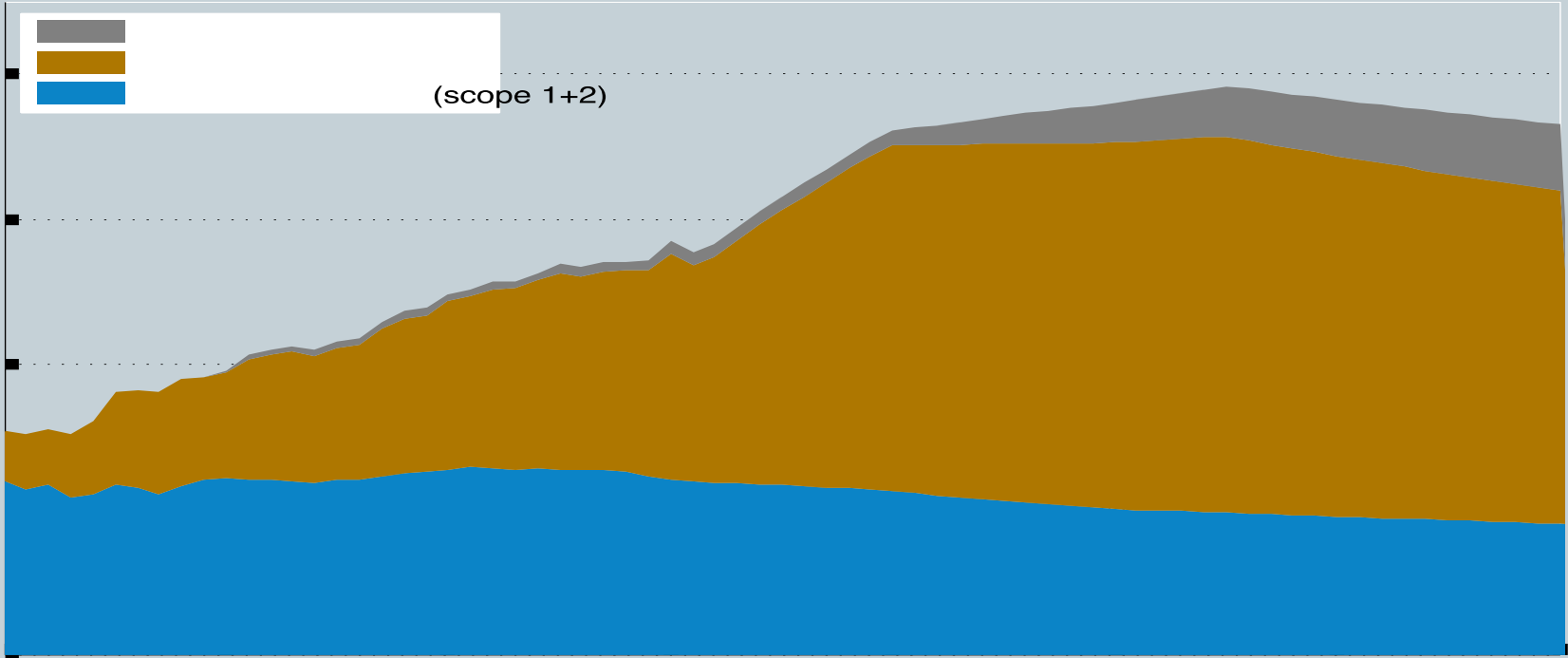
## Australian national GHG emissions





### Australian national and exported GHG emissions







- **Claim**

- ✦ Current and likely future methods for dividing emissions inadequate. We should count 'exported emissions'.

- **Prima Facie case for:**

- carbon budget
- moral responsibility for consequences
- responsibility for scope 3 emissions

# Analogy with other commodities



- **Analogies:**
  - ✦ Tobacco
  - ✦ Medical waste
  - ✦ Uranium
- **Claim:** “We should not knowingly contribute to situations that harms the significant interests of others where we can avoid doing so.”
- Causing harm to the significant interests of others should provide a powerful and important constraint on our actions.
  - Consequences: morally responsibility
  - Cease causing harm

**Supply-side policy**

**Demand-side policy**

**Economic instruments – taxes**

Resource production tax  
Resource export taxes  
Taxes on fossil fuel capital (income)

Carbon or fuel use taxes  
Border carbon price adjustments

**Economic instruments – subsidies**

Removal of fossil fuel producer subsidies

Removal of fossil fuel consumer subsidies  
Renewable energy subsidies

**Economic instruments – tradable allowances and credits**

Cap-and-trade for production rights Offsets for leaving assets in ground

Cap-and-trade for consumption rights  
Emission reduction credits or offsets

**Regulatory approaches**

Prohibiting development of certain resources or use of certain technologies  
Limiting production or export (e.g. via quota)  
Comprehensive emissions assessment in environmental impact review of new fossil fuel supply projects

Coal plant emission standards Building codes

**Government provision of goods and services**

Restricted leasing of state-owned lands and waters for coal, oil and gas development.  
Decision to not develop specific resources or infrastructure (oil pipelines and terminals; coal ports, etc.)  
Funding to compensate resource owners for leaving reserves undeveloped  
Policies to restrict export credit agency or multilateral development finance for coal mining and other supply infrastructure

Infrastructure expansion (district heating / cooling; electric vehicle charging station; wind transmission)  
Policies to restrict export credit agency or multilateral development finance for coal power stations

**Information programmes, voluntary actions, and other**

Divestment by institutions and individual from companies involved in fossil fuel production  
Extraction-based emissions accounting by nations and sub-national governments; life-cycle based accounting of embedded GHGs in fossil fuels sold in marketplace

Energy audits  
Vehicle or appliance labelling Territorial emissions accounting

# Economic



- They can have lower administrative costs than demand side policies such as cap and trade or carbon taxes
- Avoids lock in of infrastructure (pipelines, ports etc)
- Might avoid ‘Green paradox’, where anticipation of a future carbon tax leads to increased short term production of fossil fuels.



# Political benefits



- Perceived to be fair (green). Typical climate policies are their effects are directed at disparate people and over varying degrees of time.
- Targetting actual fuels, evidence suggests, this gives people a more immediate sense of their effectiveness is more likely to be supported.
- Overcome the distortions that stem from territorial bias in emissions counting
- Addressing the problem of the over supply of fossil fuels, which might in turn produce lock in effects
- They might increase public support by targeting the right actors– political acceptance of action on CC.

# Moral advantages



- **Best reflects the injunction of the harm principle**
- **Ranking supply side constraints**
- **Exporters**
- **Targeting the right agents**