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Climate Change Glossary of Terms



Climate change has become an everyday term in modern society. But when we're talking about climate change and business, there are a host of technical terms and acronyms that are less familiar.

To help navigate the workplace conversations on climate change, the PricewaterhouseCoopers Sustainability & Climate Change Practice has developed this glossary of terms that are becoming standard vocabulary in today's business environment.

We trust you will find this document a useful reference tool.



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| <i>Abatement</i> | Refers to a reduction in the degree or intensity of greenhouse gas emissions. A project or activity that reduces or otherwise prevents emissions of greenhouse gases from entering into the atmosphere. |
| <i>Absolute based obligation</i> | According to the NZ ETS, an obligation for a participant in an emissions trading scheme to surrender one emissions unit for every tonne of CO ₂ -e emitted. |
| <i>Activities Implemented Jointly (AIJ)</i> | A pilot scheme (COP1) allowing Annex 1 Parties to invest in emission-reduction projects in other industrialised or developing countries. Effectively a 'learning by doing' phase of Joint Implementation and the Clean Development Mechanism, with the difference that it does not allow the investing country to receive credit for the emissions saved. |
| <i>Additionality</i> | Under the Kyoto Protocol, certificates from JI and the CDM (see explanations below) will be awarded only to project-based activities where emissions reductions are additional to those that otherwise would occur. Additionality is also important in relation to voluntary greenhouse gas projects. |
| <i>Afforestation</i> | Afforestation generally refers to planting of new forests on lands that historically have not contained forests. |
| <i>Afforestation Grant Scheme (AGS)</i> | A New Zealand scheme which offers funding to the public to encourage the planting of new forests on Kyoto compliant land to generate carbon credits and other environmental benefits, such as flood protection and reduced erosion. No harvesting restrictions are placed on the landowner. Land under this scheme is not eligible for other New Zealand forestry initiatives including the PFSI, the NZ ETS, or the East Coast Forestry Project. |

Agriculture, Forestry and Other Land Uses (AFOLU)

The AFOLU sector is widely considered as an important part in achieving national emission reduction targets, by reducing emissions of greenhouse (GHG) gases such as N₂O and CH₄ in agriculture and increasing sinks of CO₂ in forestry. However, due to the high complexity and uncertainty of this sector, quantifying and reporting its GHG balance in a variety of different situations internationally is considered a significant technical and scientific challenge. The Voluntary Carbon Standard (VCS) was the first global carbon accounting standard to introduce robust rules for AFOLU projects, designed to encourage funding for credible AFOLU projects. These projects can be validated and verified against the VCS and new methodologies can be approved. The VCS rules enable AFOLU activities to generate permanent carbon credits (VCUs) that are considered completely fungible with other carbon credits generated by non-AFOLU activities (such as energy and industrial projects).

Allocation

This term generally refers to the allocation of emissions permits or allowances among greenhouse gas emitters to establish an emission trading market. The division of permits/allowances can be done through free allocations and permit auctioning.

Allocation year

A calendar year or financial year for which a regulatory agency allocates CO₂ allowances.

Allowances

This term generally refers to a government issued instrument giving the bearer the right to emit a fixed amount of greenhouse gas emissions into the atmosphere (tonnes of CO₂-e). Also see permits.

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| <i>Annex I</i> | Annex I to the Climate Convention (UNFCCC) lists all the countries in the Organization of Economic Cooperation and Development (OECD) in 1990, plus countries with economies in transition, Central and Eastern Europe (excluding the former Yugoslavia and Albania). The industrialized countries listed in this Annex were committed to return their greenhouse gas emissions to 1990 levels by the year 2000. They have also accepted emissions targets for the period 2008 - 2012 as per Annex B of the Kyoto Protocol. They include the 24 original OECD members, the European Union, and 14 countries with economies in transition (Croatia, Liechtenstein, Monaco, and Slovenia joined Annex 1 at COP-3, and the Czech Republic and Slovakia replaced Czechoslovakia). |
| <i>Annex II</i> | Annex II to the Climate Convention lists all countries in the OECD in 1990. Under Article 4.2 (g) of the Convention, these countries are expected to provide financial resources to assist developing countries to comply with their obligations such as preparing national reports. Annex II countries are also expected to promote the transfer of environmentally sound technologies to developing countries. |
| <i>Annex A</i> | An Annex in the Kyoto Protocol that lists the types of Greenhouse gases and the sectors/sources that the Kyoto Protocol applies to. |
| <i>Annex B</i> | Annex B to the Kyoto Protocol lists the commitment target of those countries that have agreed to control their greenhouse gas emissions in the period 2008-12, including those in the OECD, Central and Eastern Europe and the Russian Federation. Not quite the same as Annex I, which also includes Turkey and Belarus, while Annex B includes Croatia, Monaco, Liechtenstein and Slovenia. |
| <i>Annex Z</i> | Annex Z to the Marrakesh Accords (COP7) records the maximum amount of forest management credits for each Annex I country. |
| <i>Anthropogenic greenhouse gas emissions</i> | Greenhouse gas emissions that arise from human activities. |

Alliance of Small Island States (AOSIS) Group of 43 countries which are among those most threatened by rising sea levels and other impacts of climate change.

Arbitrage Generally refers to the simultaneous purchase and sale of similar commodities in different markets to take advantage of price discrepancy without taking a risk.

Assigned amount units (AAUs) The emission units allocated to the Annex B countries under the Kyoto Protocol on the basis of their quantified emission target (listed in Annex A) for the first commitment period from 2008 to 2012. One AAU is equal to one tonne of carbon dioxide equivalent.

Auctioning A method of allocating units in which government releases units into the market through an auction process. See also Allocation.

Australian Building Greenhouse Rating Scheme (ABGR) Industry initiative that rates office building energy/greenhouse performance on the basis of a five star scale.

Australian Competition and Consumer Commission (ACCC) An independent Commonwealth statutory authority. The ACCC promotes competition and fair trade in the market place to benefit consumers, business and the community. It also regulates national infrastructure industries. Its primary responsibility is to ensure that individuals and businesses comply with the Commonwealth's competition, fair trading and consumer protection laws.

Australian Climate Change Regulatory Authority (ACCRA) The regulator proposed under the CPRS.

Australian and New Zealand Standard Industrial Classification (ANZSIC)

ANZSIC provides a framework for organising data about businesses by enabling grouping of business units carrying out similar productive activities. It also provides a contemporary and internationally comparable industrial classification system. For example, a whole range of ‘new economy’ activities have been recognised, including: Internet publishing and broadcasting, provision of Internet access services, computer retailing and communication equipment manufacturing. Is a useful tool for financial, administrative and statistical purposes.

Banking

The ability to hold permits created in one compliance period for use in a future compliance period. Parties to the Kyoto Protocol may ‘bank’ some emissions allowances or credits to use them in subsequent commitment periods.

Base year

1990 is the base year used in the UNFCCC and also for most QELRCs established under the Kyoto Protocol. However, EITs that chose a different base year under a decision taken at COP2 shall use that base year under the Protocol. Also, all Annex I Parties have the option of choosing 1995 as the base year for their emissions of the three industrial gases covered by the Protocol – hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. The term is also used for voluntary reporting and generally refers to the first year a GHG inventory is prepared.

Berlin Mandate

An agreement reached at the 1995 COP1 in Berlin, that led to the elaboration of the Kyoto Protocol.

Biogenic

A term used to describe a product derived from biomass, but not from fossil sources (including peat).

Biomass fuels or biofuels

A fuel produced from dry organic matter or combustible oils produced by plants. These fuels are considered renewable as long as the vegetation producing them is maintained or replanted, such as firewood, alcohol fermented from sugar, and combustible oils extracted from soy beans. Their use in place of fossil fuels cuts greenhouse gas emissions because the plants that are the fuel sources capture carbon dioxide from the atmosphere.

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| <i>Bubble</i> | Term used in the Kyoto Protocol to describe the arrangement whereby Annex I Parties can fulfil their emission targets jointly by pooling their individual emissions in a common 'bubble.' The EU has used this provision and, through a burden sharing agreement, sub-divided its target of -8% into differentiated targets for each Member State that take account for their different national circumstances. |
| <i>Burden sharing</i> | The sharing out of emissions allowances among the 15 Member States under the EU 'bubble.' An agreement on burden sharing was reached in June 1998 and will be made legally binding as part of the EU's instrument of ratification of the Kyoto Protocol. |
| <i>Business As Usual Scenario (BAU)</i> | An estimate of the future pattern of greenhouse gas emissions, which assumes that there will be no major changes in attitudes and priorities of governments, business and the community. The term BAU is often used in conjunction with the term additionality. |
| <i>Calorific Value</i> | Energy content of a fuel on a gross or high heating value basis. |
| <i>Compliance Action Plan (CAP)</i> | One of the penalties that could be imposed on Annex I countries found to be in breach of their emission target under the Kyoto Protocol. |
| <i>Cap and Trade</i> | Cap and trade is a common phrase used to explain the design of an emissions trading system, where total emissions are limited or 'capped.' The Kyoto Protocol is a cap and trade system in the sense that emissions from Annex B countries are capped and that excess permits might be traded. |
| <i>Cap, Concrete Ceiling</i> | A limit on use of the Kyoto mechanisms. Such a limit is favoured by the EU and some other groups in order to promote domestic action to cut emissions. |
| <i>Carbon dioxide (CO₂)</i> | The main GHG, accounting for some 81% of Annex I countries' GHG emissions in 1990, and one of the six GHGs controlled by the Kyoto Protocol. Used as the gas of reference for calculating GWPs, and thus given a 100-year GWP of 1. |

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| <i>Carbon Dioxide Capture and Storage (CCS)</i> | Process consisting of the separation of carbon dioxide from industrial and energy-related sources and stored, resulting in long-term isolation from the atmosphere. Captured greenhouse gases have the potential to be stored in a variety of geological sites. |
| <i>Carbon dioxide equivalent (CO₂-e)</i> | A standard measure that takes account of the global warming potential of different greenhouse gases and expresses the cumulative effect in a common unit, relative to carbon dioxide. |
| <i>Carbon Disclosure Project (CDP)</i> | The Carbon Disclosure Project is an international organisation which works with shareholders and corporations to disclose the Greenhouse Gas Emissions of major corporations. CDP provides the private and public sectors with a clear framework within which to report and discuss the development of climate change strategies. |
| <i>Carbon Footprint</i> | A company's carbon footprint is generally referred to as a measure of the impact its activities have on the environment in terms of the amount of greenhouse gases produced, measured in units of carbon dioxide equivalent. It is also known as a GHG inventory. |
| <i>Carbon Intensity</i> | CO ₂ e emissions per unit of economic output (such as tonnes of CO ₂ e per dollar of GDP). |
| <i>Carbon Market</i> | A shorthand term for an international or domestic market where greenhouse gas emission units are exchanged between buyers and sellers. The terms carbon market, greenhouse gas market and emissions market can be used interchangeably. |
| <i>Carbon Neutral</i> | The concept of carbon neutrality is devised to ensure that activities do not add GHG to the atmosphere. There is no internationally accepted definition of what 'carbon neutrality' means, but it is generally understood as achieving zero net carbon emissions by balancing a measured amount of carbon released with an equivalent amount sequestered or offset. Best practice for organizations and individuals seeking carbon neutral status entails measuring, reducing and/or avoiding carbon emissions first so that only unavoidable emissions are offset. |

Carbon Pollution Reduction Scheme (CPRS)

The proposed Australian Government package of policy solutions to climate change. The centrepiece of the Government's response will be an emissions trading scheme. The Carbon Pollution Reduction Scheme legislative package which comprises 11 Bills which were introduced to the House of Representatives in May 2009 and passed by the House on 4 June 2009. The Senate voted against the legislative package on 13 August. The Government has indicated that it intends to reintroduce the Bills before the end of 2009.

Carbon Tax

A tax applied to CO₂-equivalent emissions. The New Zealand Government's 2002 climate change policy package included a carbon tax on energy, industrial and transport emissions, capped at \$25 per tonne of carbon dioxide equivalent (CO₂-e). In December 2005 the Government decided not to proceed with the announced carbon tax. A carbon tax is a price based measure designed to change consumer behaviour.

Carbon Trading

see Emissions Trading.

Central and Eastern European countries (CEECs)

These countries are among those classified under the UNFCCC as Economies in Transition to a market economy. Ten of these countries are negotiating to join the EU including Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, and Slovenia.

Central Group 11 (CG 11)

A negotiating coalition of Central European Annex I parties.

Certification

The certification process is generally understood as the phase of a CDM, JI or voluntary project when permits or carbon credits are validated, verified and are issued on the basis of calculated emissions reductions.

Certified Emission Reduction Unit (CER)

A Kyoto Protocol unit equal to 1 metric tonne of CO₂ equivalent. CERs are issued for emission reductions from CDM project activities. Two special types of CERs called temporary certified emission reduction (tCERs) and long-term certified emission reductions (ICERs) are issued for emission removals from afforestation and reforestation CDM projects.

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| <i>Chicago Climate Exchange (CCX)</i> | CCX is a North American voluntary, legally binding greenhouse gas reduction and trading system for emission sources and offset projects in North America and Brazil. CCX employs independent verification, includes six greenhouse gases, and has been trading greenhouse gas emission allowances since 2003. The companies joining the exchange commit to reducing their aggregate emissions by 6% by 2010. |
| <i>The Cities for Climate Protection (CCP)</i> | The CCP campaign assists cities to adopt policies and implement quantifiable measures to reduce local greenhouse gas emissions, improve air quality, and enhance urban liveability and sustainability. More than 800 local governments participate in the CCP, integrating climate change mitigation into their decision-making processes. ICLEI runs this highly successful and widely recognized initiative. |
| <i>Clean Development Mechanism (CDM)</i> | One of the three Kyoto mechanisms, the CDM aims to promote sustainable development in developing countries as well as to help Annex I Parties achieve compliance with their QELRCs. It allows Annex I countries to invest in emission-saving projects in developing countries and gain credit for the savings achieved through the generation of CERs that they can use to contribute to compliance with part of their QELRCs. The CERs will be added to Annex I Parties' assigned amounts. |
| <i>Climate Change</i> | As defined by the UNFCCC, a change of climate that is attributed directly or indirectly to human activity that alters the composition of the global atmosphere and that is in addition to natural climate variability over a comparable time period. |
| <i>Combined Heat and Power (CHP)</i> | Refers to simultaneous generation in one process of useable thermal, electrical and/or mechanical energy. |
| <i>Commitment</i> | The emissions reduction target that Annex I parties agree to under the Kyoto Protocol. |
| <i>Commitment Period</i> | The period within an emissions trading scheme which the emissions reductions commitments apply to. For example, under the Kyoto Protocol Annex I parties emissions are averaged over the first commitment period which runs from 2008-2012. |

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| <i>Commitment Period Reserve</i> | Under the Commitment Period Reserve, each Party is required to hold a minimum level of ERUs, CERs, AAUs and RMUs in its national registry. This is designed to address the concern that Parties could oversell units, and subsequently be unable to meet their own emissions targets. |
| <i>Common and coordinated policies and measures (CCPMs)</i> | Policies and measures decided on or coordinated at international (eg EU) level with the primary or secondary goal of reducing GHG emissions. See also P&Ms. |
| <i>Competitiveness at Risk (CAR)</i> | According to the NZ ETS, this term refers to being in the position where bearing a price for greenhouse gas emissions significantly impedes a firm's ability to compete against international competitors in countries with less stringent climate change policies. Such competition could be on the basis of exports or imports. |
| <i>Compliance</i> | This is a term used in both the regulatory and voluntary markets. At an international level it means the achievement by a Party of its quantified emission limitation and reduction commitments under the Kyoto Protocol. |
| <i>Conference of the Parties (COP)</i> | The supreme body of the UNFCCC, charged with the task of regularly reviewing implementation of the Convention and any related instruments, such as the Kyoto Protocol. The COP meets annually. |
| <i>Consumable</i> | A term used in life cycle assessment which refers to the ancillary input that is necessary for a process to occur but that does not form a tangible part of the product or co-products arising from the process. Consumables include lubricating oil, tools and other rapidly wearing inputs to a process. Consumables differ from capital goods in that they have an expected life of one year or less, or a need to replenish on a one year or less basis. Fuel and energy inputs to the life cycle of a product are not considered consumables. |
| <i>Conversion Account</i> | An account in the New Zealand Registry used for the purpose of converting NZUs into AAUs. |

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| <i>Crediting Period</i> | This is the period in which a project generates carbon credits. For CDM projects, the crediting period continues as either a 7-year period, which can be renewed twice to make a total of 21 years, or a one-off 10-year period. For JI projects the crediting period overlaps with the first commitment period under the Kyoto Protocol (2008-2012). |
| <i>Credits</i> | This term generally refers to a third party verified and certified instrument that is evidence that a financial investment was made that either reduced or prevented a fixed amount of greenhouse gases from entering the atmosphere. |
| <i>Deforestation</i> | The conversion of forested land to an alternative, non-forest use. |
| <i>Department for Environment, Food and Rural Affairs (DEFRA)</i> | DEFRA is a UK Government Department responsible for climate change strategy. |
| <i>Designated Operational Entity (DOE)</i> | A domestic legal entity or an international organisation accredited and designated to validate and request registration of a proposed CDM project activity. It verifies emission reduction of a registered CDM project activity, certifies as appropriate and requests the Board to issue Certified Emission Reductions accordingly. |
| <i>Double Counting</i> | This is a term used to describe situations where offsets/emissions units are counted in more than one GHG inventory. |
| <i>Downstream Emissions</i> | A term used in life cycle assessment for GHG emissions associated with processes that occur in the life cycle of a product subsequent to the processes owned or operated by an organization. |
| <i>East Coast Forestry Project</i> | Grants offered by the New Zealand Government, aimed primarily at erosion control on marginal lands. Approved activities include plantation forestry, indigenous reversion and on-farm pole planting. This initiative is specific to the Gisborne/East Coast district of New Zealand. |

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| <i>Economic leakage</i> | Described in the NZ ETS as an economic activity being displaced from one country to another, with a consequent reduction in economic welfare in the former country. |
| <i>Economies in Transition (EIT)</i> | Term used to describe countries of the former Soviet bloc that are now in transition to a market economy. These countries are expected to be the location of choice for many JI projects under the Kyoto Protocol on cost grounds. See also CEECs and CG 11. |
| <i>Embedded Carbon</i> | Carbon that would have otherwise been released to the atmosphere, but is instead contained for the long term. |
| <i>Emission Factor</i> | Generally refers to an intensity factor relating to greenhouse gas emissions per unit of activity (such as tonnes of fuel consumed, tonnes of product produced). |
| <i>Emission Intensive Trade Exposed industries (EITE)</i> | EITE industries are those industries which will be eligible for assistance under the proposed CPRS in order to maintain international competitiveness. |
| <i>Emission Unit</i> | A term used to describe an instrument created under law that can be bought and sold and used to meet an entity's obligations under an emissions trading scheme. In the NZ ETS, one emission unit corresponds to one metric tonne of carbon dioxide equivalent emissions. |
| <i>Emissions</i> | The release of greenhouse gases into the atmosphere over a specific area or period of time. |
| <i>Emissions Leakage</i> | The shift in emissions (and other environmental impacts) from one country to another associated with economic activity being displaced from one country to another. |

Emission Reduction Units (ERU) Carbon credits created by Joint Implementation projects. These projects generate ERUs for Annex I investor countries in proportion to the amount of GHG emissions each project saves. The investor country can then add the ERUs to its assigned amount under the Kyoto Protocol, while the host country must deduct them from its own emissions allocation.

Emissions Trading A mechanism which can be used by participants under emissions trading schemes to meet their obligations. For example, Kyoto Protocol parties listed in Annex B can trade their assigned amounts for the purposes of fulfilling their emissions commitments.

Energy Efficiency Opportunities Act 2006 (EEO Act) The EEO is Australian Federal Legislation which took effect on 1 July 2006 (with an amendment in March 2007). It aims to improve the identification and evaluation of energy efficiency opportunities by large energy using businesses and, as a result, to encourage implementation of cost effective energy efficiency opportunities.

Energy Resources Levy (ERL) A levy applied, under the Energy Resources Levy Act 1976, to a range of fossil fuel products mined in New Zealand.

Environmentally Extended Input–Output (EEIO) Analysis A method in life cycle assessment of estimating the GHG emissions (and other environmental impacts) arising from sectors within an economy through the analysis of economic flows. Alternative terms, such as economic input-output life cycle assessment (EIO-LCA), input output based life cycle assessment (IOLCA) and hybrid life cycle assessment (HLCA) refer to different approaches to implementing EEIO analysis.

Environment Protection Authority (Australia) (EPA) A statutory authority established under the Environment Protection Act 1970. It exists to ensure the protection of beneficial uses of the air, water and land from the adverse impacts of wastes and unwanted noise.

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| <i>Environment and Resource Efficiency Plan (Australia) (EREP)</i> | From 1 January 2008 all commercial and industrial sites in Victoria that use more than 100 TJ of energy and/or 120 ML of water in a financial year need to prepare a plan that identifies actions to reduce energy and water use and waste generation. These businesses must have registered with EPA by 31 March 2008, have prepared a plan by December 2008, then implement actions with a three year or better payback period. |
| <i>European Climate Change Programme (ECCP)</i> | Multi-stakeholder programme set up by the European Commission in June 2000 with the goal of identifying additional, cost-effective P&Ms to ensure that the EU meets its emission target under the Kyoto Protocol. |
| <i>European Union Allowances (EUA)</i> | EU Allowances, the tradable unit under the EU ETS. Equals 1 tonne of carbon dioxide . |
| <i>European Union Emissions Trading Scheme (EU ETS)</i> | Trading Scheme within the European Union. The pilot phase was from 2005 to 2007, while the first compliance phase continues from 2008 to 2012, the second proposed for 2013-2020. |
| <i>Exemption</i> | Referred to in the NZ ETS as a waiver from bearing an obligation under a policy measure. For example, under the former carbon tax and Negotiated Greenhouse Agreement (NGA) regime, NGA firms were to receive a full or partial exemption from the carbon tax that would otherwise have applied to their direct emissions of greenhouse gases. |
| <i>Expert Review Team (ERT)</i> | Team of experts that will conduct technical assessments of Annex I Parties' implementation of their commitments under the Kyoto Protocol on the basis of information that the Parties will provide on their emissions and sinks. |
| <i>Fossil Fuel</i> | Coal, natural gas, crude oil and fuels derived from crude oil such as petrol and diesel. They are called fossil fuels because they have been formed over long periods of time from ancient organic matter. They are not renewable. |

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| <i>Fugitive Emissions</i> | Those emissions that do not come from combustion but arise as a result of processing or transforming fuels. These are emissions associated with gas leaks from the mining, processing and transportation of fossil fuels. This includes methane given off during oil and gas drilling and coal mining and leakage from gas pipelines. Examples of fugitive emissions include the venting of CO ₂ and the emissions from geothermal fields. |
| <i>Fungibility</i> | Possibility to exchange different types of reduction credits achieved under different mechanism (e.g. NZUs and AAUs etc). |
| <i>Futures</i> | A derivative contract to buy or sell a certain instrument (such as a carbon permit) at a certain date in the future for a certain price. |
| <i>Global Environment Facility (GEF)</i> | Intergovernmental fund for environmental projects to which the operation of the Convention's financial mechanism has been entrusted. The GEF is managed jointly by the World Bank, UN Environment Programme (UNEP) and UN Development Programme (UNDP). |
| <i>Global warming potential (GWP)</i> | Term used to describe the relative potency, molecule for molecule, of a GHG, taking account of how long it remains active in the atmosphere. The GWPs currently used are those calculated over 100 years. Carbon dioxide is taken as the gas of reference, with a 100-year GWP of 1. |
| <i>Gold Standard</i> | Initiated by WWF, SSN and Helio International the Gold Standard for CDM and JI projects was launched in 2003 after a wide-ranging stakeholder consultation among key actors in the carbon market as well as governments. It offers project developers a tool with which they can ensure that the CDM and JI deliver credible projects with real environmental benefits and, in so doing, give confidence to host countries and the public that projects represent new and additional investments in sustainable energy services. |
| <i>Grandfathering/ Grandparenting</i> | The allocation of emission units or other forms of financial assistance to emitters on the basis of their historical emissions. |

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| <i>Greened AAUs</i> | The greening of AAU's requires the country selling the AAU's to put the revenue towards projects that will reduce emissions. These AAU's can be "greened" either through the Joint Implementation mechanism in the Kyoto Protocol, or under the Green Investment Scheme. |
| <i>Greenhouse Challenge Plus (GHC Plus)</i> | A program that enables Australian companies to form working partnerships with the Australian Government to improve energy efficiency and reduce greenhouse gas emissions. |
| <i>Greenhouse and Energy Data Officer (GEDO)</i> | The Australian regulatory and administrative decision-maker under the NGER act. |
| <i>Greenhouse gas (GHG)</i> | A gas that contributes to the natural 'greenhouse effect.' Gaseous constituents of the atmosphere, both natural and anthropogenic, that absorb and emit radiation at specific wavelengths within the spectrum of infrared radiation emitted by the Earth's surface, the atmosphere, and clouds. The Kyoto Protocol covers a basket of six GHGs produced by human activities: carbon dioxide (CO ₂), methane (CH ₄), nitrous oxide (N ₂), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF ₆). Annex I Parties' emissions of these gases taken together are to be measured in terms of carbon dioxide equivalents on the basis of the gases' Global Warming Potentials (GWPs). An important natural GHG that is not covered by the Protocol is water vapour. |

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| <i>Greenhouse Gas Abatement Scheme (GGAS)</i> | An Australian scheme which commenced on 1 January 2003. It is one of the first mandatory greenhouse gas emissions trading schemes in the world. GGAS aims to reduce greenhouse gas emissions associated with the production and use of electricity. It achieves this by using project-based activities to offset the production of greenhouse gas emissions. GGAS establishes annual state-wide greenhouse gas reduction targets, and then requires individual electricity retailers and certain other parties who buy or sell electricity in NSW to meet mandatory benchmarks based on the size of their share of the electricity market. If these parties, known as benchmark participants, fail to meet their benchmarks, then a penalty is assigned. Monitoring the performance of benchmark participants is undertaken by the Independent Pricing and Regulatory Tribunal of NSW (IPART) in its role as Compliance Regulator. |
| <i>Greenhouse Gas Protocol (GHG Protocol)</i> | The GHG protocol is published jointly by the World Resources Institute and World Business Council for Sustainable Development. It is a voluntary standard for GHG reporting and has been used as the base for many compliance and voluntary reporting standards. |
| <i>Green Investment Scheme (GIS)</i> | Green Investment Schemes (GIS) are mechanisms that have developed outside the Kyoto Protocol as a way of making 'hot air' AAUs more commercially acceptable. The purpose of the Green Investment Schemes is to promote the environmental effectiveness of AAUs transfers, by earmarking revenues from these transfers for environmentally-related purposes in the seller countries. |
| <i>Green Power</i> | An Australian voluntary renewable energy scheme designed to encourage the uptake of renewable energy beyond the Mandatory Renewable Energy Scheme. |
| <i>Grey Market</i> | An alternate term to voluntary market and is the emissions trading market for units that cannot be used for compliance with the Kyoto Protocol. |

Group of 77 (and China) G77 (and China) An informal coalition in international climate change negotiations comprising many developing countries within the UN system. Despite its name, it represents more than 130 countries.

Hot air Term commonly refers to carbon credits related to emission reductions that occurred without any deliberate action to reduce emissions. These AAU's are typically generated from Eastern European countries and Russia, that earned the AAU's due to large emission reductions that came about due to the collapse of their economies and closure of old and inefficient plant after 1990. While these AAU's are recognized by the United Nations as genuine emission reductions, environmental groups frown on them and have labelled them "hot air."

Hydrofluorocarbons (HFCs) Family of industrial gases included in the basket of six GHGs controlled by the Kyoto Protocol. HFCs have replaced ozone-depleting chlorofluorocarbons (CFCs) in many applications but are powerful GHGs, with 100-year GWPs of between 140 and 11,700.

Indirect Greenhouse Gas Emissions Refers to gases not covered by the Kyoto Protocol but recognised as greenhouse gases. Includes SO₂, CO, NO_x and NMVOC and, although they are reported in the New Zealand National Greenhouse Gas inventory, they are not included in New Zealand's total greenhouse gas emissions. Alternatively under the GHG Protocol, indirect emissions also refer to the emissions that are a consequence of the activities of an organisation, but occur from sources owned or controlled by another organisation (such as the purchase of electricity).

Industrial Process Emissions Emissions generated from manufacturing processes, such as cement or ammonia production.

Installation Organisation or facility that is reporting under the proposed NZ ETS.

Intensity Based Obligation An obligation for a participant in an emissions trading scheme to surrender units on an intensity basis (e.g. one unit for every tonne of CO₂-e emitted per unit of activity).

Intergovernmental Panel on Climate Change (IPCC) Widely regarded as the most authoritative international voice on the science and impacts of climate change. Established by governments under the auspices of the World Meteorological Organization and UN Environment Programme (UNEP) in 1988, the IPCC produces five-yearly reports assessing the state of scientific knowledge on climate change which represent the international consensus among the hundreds of experts involved. Its Fourth Assessment Report was released in 2007.

International Council for Local Environmental Initiatives (ICLEI) ICLEI or the Local Governments for Sustainability is a non-profit organization working with over 800 municipal governments throughout the world in researching, and quantifying greenhouse gas emissions and promoting greenhouse gas reductions. ICLEI provides technical and policy assistance as well as an extensive peer network to move local governments forward in their climate protection goals.

International Transaction Log (ITL) A planned centralized database of all tradable credits under the Kyoto Protocol and the application that verifies all international transactions and their compliance with Kyoto rules and policies.

International Standard Organisation (ISO) 14064-1 An international standard providing a framework for measuring and reporting of greenhouse gas emissions.

Inventory A list of an organisation's or a country's greenhouse gas emissions by sources, removals by sinks (eg, growing trees) and stocks (e.g. carbon stored in forest biomass and soils).

Joint Implementation (JI) One of the three Kyoto mechanisms and a successor to AIJ. JI allows Annex I Parties to invest in emission-saving projects in other Annex I countries and receive credit, in the form of ERUs, for the emissions saved. The host country must deduct the ERUs from its own assigned amount of emissions. Like Emissions Trading, JI must be supplemental to domestic actions.

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| <i>Kyoto Basket</i> | Under the Kyoto Protocol, Parties have committed to control emissions of a 'basket' of six GHGs. This 'basket' includes carbon dioxide, methane, nitrous oxide, HFCs, PFCs and SF6. The arrangement is meant to give the flexibility which would enable a Party to increase emissions of any gas in the 'basket' provided commensurate reductions were made in another gas in the 'basket'. |
| <i>Kyoto Forest</i> | The IPCC 2006 Guidelines for National GHG Inventories provide a broad, non-prescriptive definition of forest lands, but leave it to individual countries to decide which of their lands they will designate as forest. Under the New Zealand ETS, a forest which meets the Kyoto Protocol definition of Kyoto-compliant land that is not covered by eligible forest as at 31 December 1989. |
| <i>Kyoto Market</i> | The emissions trading market for emission units included under the Kyoto Protocol. |
| <i>Kyoto Mechanisms</i> | Three procedures established under the Kyoto Protocol to increase the flexibility and reduce the costs of making greenhouse-gas emissions cuts; they are the Clean Development Mechanism, Emissions Trading and Joint Implementation. |
| <i>Kyoto Protocol</i> | A protocol to the United Nations Framework Convention on Climate Change that includes emissions limitation or reduction commitments for ratifying countries listed in its Annex B (developed countries and Economies in Transition). |
| <i>Land Use, Land-Use Change and Forestry (LULUCF)</i> | A range of activities which can act either as carbon sinks or as emission sources. This area remains subject to considerable scientific and other uncertainties and risks. |
| <i>Life Cycle</i> | Refers to the consecutive and interlinked stages of a product system, from raw material acquisition or generation of natural resources to end of life, inclusive of any recycling or recovery activity. |
| <i>Life Cycle Assessment (LCA)</i> | Refers to the compilation and evaluation of inputs, outputs and potential environmental impacts of a product system throughout its life cycle. |

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| <i>Life Cycle GHG Emissions</i> | The sum of greenhouse gas emissions resulting from all stages of the life cycle of a product and within the specified system boundaries of the product. This includes all emissions that are released as part of the processes within the boundary of the life cycle of the product, including obtaining, creating, modifying, transporting, storing, operating, using and end of life disposal of the product. |
| <i>Liquid Petroleum Gas (LPG)</i> | Gas, which when burned, produces the greenhouse gas carbon dioxide. |
| <i>Long term CER (ICER)</i> | Derived from the CDM and associated with an afforestation or reforestation project. A ICER expires at the end of the project period and is not renewable. They must be replaced by other units unless proof of carbon sequestration is provided. |
| <i>Methane (CH₄)</i> | Methane. A greenhouse gas with emissions coming from ruminant livestock, landfills, coal mining and other sources. It is the second most common gas in the basket of six GHGs controlled by the Kyoto Protocol. Methane has a 100-year GWP of 21. |
| <i>Mitigation</i> | In the context of climate change, a human intervention to reduce the sources or enhance the sinks of greenhouse gases. Examples include using fossil fuels more efficiently for industrial processes or electricity generation, switching to solar energy or wind power, improving the insulation of buildings, and expanding forests and other “sinks” to remove greater amounts of carbon dioxide from the atmosphere. |
| <i>Monitoring Plan</i> | A detailed plan that outlines all relevant organisational and emissions information. |
| <i>Montreal Protocol</i> | A treaty signed in 1987 which governs stratospheric ozone protection and research, and the production and use of ozone-depleting substances. It provides for the end of production of ozone-depleting substances such as CFCs. Under the Protocol, various research groups continue to assess the ozone layer. The Multilateral Fund provides resources to developing nations to promote the transition to ozone-safe technologies. |

National Greenhouse Accounts Factors (NGA Factors) The NGA Factors is designed for use by companies and individuals to estimate greenhouse gas emissions for reporting under various government programs and for their own purposes.

National Greenhouse and Energy Reporting Act 2007 (NGERA) An act that establishes a national framework for Australian corporations to report greenhouse gas emissions, reductions, removals and offsets, and energy consumption and production, from 1 July 2008.

National Inventory A quantitative report of anthropogenic emissions by sources, removals by sinks, and stocks of greenhouse gases not controlled by the Montreal Protocol.

Negotiated Greenhouse Agreements (NGAs) Under the New Zealand Government's 2002 climate change policy package, NGAs were available to eligible firms whose international competitiveness would be placed at risk by the proposed introduction of a carbon tax. Eligible firms were to receive full or partial relief from the carbon tax in return for moving toward world's best practice in greenhouse gas emissions management. In December 2005 the government decided not to proceed with the carbon tax.

New Zealand Emissions Trading Register A software system for the accounting of transactions required under the NZ ETS. These transactions include holdings, transfers, and surrender of emission units acceptable for compliance under the NZ ETS (including NZUs and certain Kyoto Protocol units) as well as emissions reporting.

New Zealand Emissions Trading Scheme (NZ ETS) Announced in September 2007, and passed into legislation on 10 September 2008. A nation wide emissions trading scheme which is intended over time, to include all major sectors (forestry, transport, stationary energy, industrial processes, agriculture and waste) and the six greenhouse gases specified in the Kyoto Protocol. The NZ ETS design differs from other ETS systems globally as it is not a traditional 'cap and trade' system. In the New Zealand system, there is no link back to the 1990 levels used in Kyoto Protocol targets.

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| <i>New Zealand Units (NZU)</i> | Unit issued by the New Zealand Registrar and designated as a New Zealand unit. |
| <i>New Zealand Emission Unit Register</i> | A New Zealand software system for the accounting of transactions in Kyoto Protocol units, including AAUs, RMUs, ERUs, CERs, tCERs and ICERs. |
| <i>Nitrous oxide (N₂O)</i> | One of the six GHGs controlled by the Kyoto Protocol. Has a 100-year GWP of 310. |
| <i>NSW Greenhouse Abatement Certificate (Australia) (NGAC)</i> | A certificate that represents one tonne of carbon dioxide equivalent (tCO ₂ -e) that would otherwise have been released into the atmosphere. NGACs are the main way in which accredited abatement certificate providers turn their electricity related abatement activities into ‘currency’, which benchmark participants will purchase and use to acquire their obligations. |
| <i>Offset</i> | An activity that compensates all or part of the CO ₂ -e emissions of an emitting entity, by reducing the emissions, or increasing the CO ₂ absorption, of another entity. |
| <i>Operational Control</i> | Operational control is a concept used internationally (GHG Protocol and ISO 14064:1) to allocate responsibility for reporting data to the entity with the greatest ability to influence the management of greenhouse and energy related policies. |
| <i>Operator</i> | A term from the EU ETS relating to the owner of an installation. |
| <i>Part of Assigned Amount (PAA)</i> | Transactions under emissions trading for parts of Annex I countries’ assigned amounts. |
| <i>Participants</i> | A term used in many emissions trading schemes to describe persons participating in the relevant scheme. |
| <i>Pass-through</i> | Described in the NZ ETS as the increase in the consumer price of a product resulting from the imposition on the producer or supplier of a price for the product’s greenhouse gas emissions. |

Perfluorocarbons (PFCs) A group of greenhouse gases used in a range of industrial applications and included in the basket of six GHGs covered by the Kyoto Protocol. PFCs are also produced during aluminium smelting. Although total emissions are relatively small, PFCs are extremely potent GHGs, with 100-year GWPs of between 6,500 and 9,200.

Permanent Forest Sink Initiative (PFSI) A New Zealand forestry initiative which allows landowners to receive Kyoto-compliant carbon credits (AAUs) for the carbon dioxide removed from the atmosphere and sequestered in eligible forests. Participants in the PFSI are not eligible for participation in the NZ ETS.

Permit Permits are often used for denoting the tradable units under the Kyoto Protocol, such as AAUs, ERU or CERs. Emissions permits are treated as a commodity giving its holder the right to emit a certain quantity of GHGs. Emissions permits are designed to be tradable between countries and other legal entities.

Point of Obligation A term used in the NZ ETS as the point in the supply chain where an obligation is placed on a person to surrender emission units to cover the direct or indirect emissions associated with their products. Participants with these obligations may themselves be referred to as points of obligation.

Policies and measures (P&Ms), (PAMs) Official term under the UNFCCC and Kyoto Protocol for domestic policies to reduce or limit GHG emissions.

Price-based measures Also referred to as economic instruments and market instruments, price-based measures can be applied to integrate the costs (or opportunity costs) of greenhouse gas emissions into decision-making in the marketplace.

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| <i>Primary Activity Data</i> | Term used in life cycle assessment as a quantitative measurement of activity from a product's life cycle that, when multiplied by an emission factor, determines the GHG emissions arising from a process. Examples of primary activity data include the amount of energy used, material produced, service provided or area of land affected. Primary activity data is used to reflect the specific nature and efficiency of the process, and the GHG emissions associated with the process. |
| <i>Progressive obligation</i> | An obligation for an ETS participant to surrender units representing some percentage of the full obligation during a transitional period. For example, under a 50 per cent obligation, a participant would surrender one emission unit for every two tonnes of emissions. A progressive obligation could increase over time until it became a full obligation to surrender one unit for each tonne of emissions. |
| <i>Projects to Reduce Emissions program (PRE)</i> | PRE was initiated in New Zealand from 2003-2004. This was a Joint Implementation scheme taking the form of a competitive tender process that would award emissions units to companies who undertook investment in large projects that would reduce greenhouse gas emissions over the first commitment period of the Kyoto Protocol from 2008 - 2012, relative to their business as usual plans. In return the companies would be awarded Kyoto units, which could be traded, thereby adding to the financial value of a project. |
| <i>Quantified Emission Limitation and Reduction Commitment (QELRC)</i> | Official term in the Kyoto Protocol for the emission limitation or reduction target taken on by each Party listed in Annex B. |
| <i>Rebate</i> | An amount intended to refund the cost of a policy measure. For example, under the former carbon tax/ Negotiated Greenhouse Agreements (NGA) regime, rebates were available to NGA firms to compensate them for increased electricity prices resulting from the carbon tax applied to fossil fuels. |

Reduced Emissions from Deforestation and Degradation (REDD)

REDD is a category of the AFOLU (Agriculture, Forestry and Other Land Uses) sector recognised under the Voluntary Carbon Standard (VCS) but not under the CDM. These projects are particularly focused on reducing emissions from deforestation in developing countries. This concept first appeared as an agenda item in December 2005, at the 11th session of the Conference of Parties to the Climate Change Convention (COP 11) in Montreal and was later discussed at COP 13 in Bali, for future opportunities for reducing emissions. Only under the VCS are these activities able to generate carbon credits (VCUs).

Reforestation

Replanting of forests on lands that have recently been harvested.

Regional Greenhouse Gas Initiative (RGGI)

A regional initiative by states in the Northeastern United States region to reduce greenhouse gas emissions. The RGGI is designing a cap and trade program for greenhouse gas emissions from power plants. Ten states currently participate in the initiative.

Removal Activities

Any process, activity or mechanism that removes a greenhouse gas or a precursor of a greenhouse gas from the atmosphere, such as forestry plantings or carbon capture and storage (CCS) projects.

Removal Unit (RMU)

Derived from sink activities that result in net removal of GHG and specifically designated as an RMU by an Annex B country registry.

Renewable Energy

Energy derived from non-fossil energy sources that is continuously renewed by natural processes. These include wind, solar, geothermal, wave, tidal, hydropower, biomass, landfill gas, and sewage treatment plant gas, as well as technologies based on biomass.

Renewable Energy Certificates (REC)

Electronic form of currency initiated by the Renewable Energy (Electricity) Act 2000, and may be created on the internet based registry system (known as the REC Registry), by eligible parties for each megawatt-hour of eligible renewable electricity generated.

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| <i>Reporting year</i> | A calendar year (under NZ ETS) or financial year (under Australian ETS) for reporting greenhouse gas emissions. |
| <i>Revenue Recycling</i> | A term used for the return to the economy of revenue derived from a climate change policy measure. |
| <i>Scope 1 Emissions</i> | Described in the GHG Protocol as the direct greenhouse gas emissions from sources that are owned or controlled by an organisation (such as emissions resulting from on-site combustion of fossil fuels, or PFC emissions from aluminium smelting). |
| <i>Scope 2 Emissions</i> | Described in the GHG Protocol as the indirect GHG emissions from consumption of purchased electricity, heat or steam which is purchased by an organisation. |
| <i>Scope 3 Emissions</i> | Described in the GHG Protocol as the other indirect emissions, such as the extraction and production of purchased materials and fuels, transport-related activities in vehicles not owned or controlled by the reporting entity, electricity-related activities (such as Transmission and Distribution losses) not covered in Scope 2, outsourced activities, and waste disposal. |
| <i>Second-round price increase</i> | An increase in the price of a product or service that could be attributed to a carbon tax, ETS, or other climate change policy, but does not result from the direct costs of the scheme, such as an increase in the price of wood waste that is due to increased demand for wood waste. For the carbon tax, NGAs did not cover second round price increases. |
| <i>Secretariat</i> | Refers to the Secretariat of the (UNFCCC) Convention. |
| <i>Sequestration</i> | The uptake and storage of carbon. Carbon can be sequestered by plants and soil and in underground/ deep sea reservoirs. (Underground storage is also called geological sequestration). |

Sinks Ecosystems, notably forests and oceans, which can remove carbon from the atmosphere by absorbing and storing it, thereby offsetting CO₂ emissions. A sink is distinct from a place where greenhouse gases can be stored (“sequestered”), such as an underground reservoir. The Kyoto Protocol allows certain terrestrial human-induced sinks activities undertaken since 1990 to be counted towards Annex I Parties’ emission targets. See also LULUCF.

Stationary Energy Industrial Processes (SEIP) A term used for the stationary energy and industrial processes group of NZ ETS participants.

Strongly Affected Industries (SAI) Industries which are eligible for compensation under the proposed CPRS.

Subsidiary Body for Implementation (SBI) Body established under the UNFCCC to assist the COP in the assessment and review of the Convention’s implementation.

Subsidiary Body for Scientific and Technological Advice (SBSTA) Body established under the UNFCCC to provide the COP and other subsidiary bodies with timely information and advice on scientific and technological matters relating to the Convention.

Sulphur hexafluoride (SF₆) An industrial greenhouse gas used in electrical switchgear and other industrial applications. It is the most potent of the six GHGs controlled by the Kyoto Protocol, with a 100-year GWP of 23,900.

Supplemental, Supplementarity The Protocol requires use by Annex I Parties of Emissions Trading and JI to be supplemental to domestic actions to limit or reduce their emissions. Such supplementarity also applies in the case of the CDM, which Annex I Parties may use to meet only part of their QELRCs.

Surrender The transfer of a New Zealand unit (NZU), Kyoto unit, or other overseas unit (if applicable) from an individual account to the Government’s surrender account in the registry for the purpose of compliance with a unit obligation. Once a Kyoto unit has been transferred to the Government’s surrender account, the Government may retire it for compliance under the Kyoto Protocol.

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| <i>Synthetic Greenhouse Gas</i> | Refers to the greenhouse gases which do not naturally occur in the atmosphere. Includes hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF6). |
| <i>Technical Advisory Groups (TAG)</i> | TAGs set up by the New Zealand Government to administer and inform decision making under the NZ ETS. |
| <i>Temporary Certified Emission Reduction unit (tCER)</i> | Derived from the CDM and associated with an afforestation or reforestation project. tCERs are short term but can be renewed if carbon sequestration can be proved using defined methodologies. |
| <i>Trade Exposed Industries</i> | Industries that are either exporters or compete against imports and produce significant greenhouse gas emissions. Free allocations are provided in the NZ ETS to particular industries in cases where the ETS would reduce international competitiveness of domestic output relative to the output of foreign competitors. These allocations are intended to provide relief from the increased operation costs to these industries arising from the NZ ETS. |
| <i>True-up Period</i> | A period of 100 days following the completion of the Kyoto Protocol reviews of emissions information relating to the commitment period (2008–2012). Transfers of units may still take place until the end of this period, allowing Annex 1 parties to trade and retire units to comply with their emissions obligations. The true-up period is expected to commence in 2014. |
| <i>Umbrella Group</i> | Negotiating group within the UNFCCC process comprising the United States, Japan, Canada, Australia, New Zealand, Norway, Iceland, Russia and Ukraine. |
| <i>United Nations Framework Convention on Climate Change (UNFCCC)</i> | Adopted at the June 1992 ‘Earth Summit’ in Rio de Janeiro and in force since March 1994. The Convention’s ultimate objective, and that of the Kyoto Protocol and any other instruments attached to the UNFCCC, is ‘to achieve ... stabilisation of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic (man-made) interference with the climate system.’ |

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| <i>Upstream Emissions</i> | A term used in life cycle assessment for GHG emissions associated with processes that occur in the life cycle of a product prior to the processes owned, operated or controlled by an organization. |
| <i>Validation</i> | Generally refers to the assurance of a projects design under the EU ETS which describes its design, including its baseline and monitoring plan, by an independent third party, before the implementation of the project against the requirements of a specific standard. |
| <i>Verification</i> | Generally refers to an independent third party assessment of the reliability (considering completeness and accuracy) of a greenhouse gas inventory or the expected or actual emission reductions of a particular abatement project, in conformance with GHG accounting and reporting standards. |
| <i>Voluntary Carbon Standard (VCS)</i> | The VCS is a quality standard for voluntary carbon offset industry. Based on the Kyoto Protocol's Clean Development Mechanism, VCS establishes criteria for validating, measuring, and monitoring carbon offset projects. |
| <i>Voluntary Carbon Units (VCU)</i> | Description of carbon offset derived from accreditation to the Voluntary Carbon Standard (VCS) Program. |
| <i>Voluntary Emissions Reductions (VER)</i> | Reductions that, unlike CERs, are sold on the voluntary market. VERs are linked neither to the Kyoto Protocol nor to the EU ETS. |
| <i>Voluntary Market</i> | Voluntary markets for emissions reductions cover those buyers and sellers of Verified Emission Reductions (VERs), which seek to manage their emission exposure for non-regulatory purposes. |

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| <i>AEUs</i> | Australian Emissions Units |
| <i>AAUs</i> | Assigned Amount Units |
| <i>ABARE</i> | Australian Bureau of Agricultural and Resource Economics |
| <i>AGS</i> | Afforestation Grant Scheme |
| <i>Avgas</i> | Aviation gasoline |
| <i>CAR</i> | Competitiveness At Risk |
| <i>CCRA</i> | Climate Change Response Act 2002 |
| <i>CDM</i> | Clean Development Mechanism |
| <i>CERs</i> | Certified Emission Reductions |
| <i>CH₄</i> | Methane |
| <i>CNG</i> | Compressed Natural Gas |
| <i>CO₂</i> | Carbon dioxide |
| <i>CO₂-e</i> | Carbon dioxide equivalent |
| <i>CP1</i> | First Commitment Period of the Kyoto Protocol: 2008-2012 |
| <i>CPR</i> | Commitment Period Reserve |
| <i>CPRS</i> | Carbon Pollution Reduction Scheme |
| <i>DICE</i> | Dynamic Integrated Model of Climate and the Economy |
| <i>ECFP</i> | East Coast Forestry Project |
| <i>EITE</i> | Emissions Intensive Trade Exposed |
| <i>ERUs</i> | Emission Reduction Units |
| <i>ETS</i> | Emissions Trading Scheme |
| <i>EU</i> | European Union |
| <i>EUAs</i> | European Allowances |
| <i>EU ETS</i> | European Union Emissions Trading Scheme |
| <i>GDP</i> | Gross Domestic Product |
| <i>GHG</i> | Greenhouse Gas |
| <i>GWP</i> | Global Warming Potential |
| <i>HFCs</i> | Hydrofluorocarbons |
| <i>IEA</i> | International Energy Agency |
| <i>IPCC</i> | Intergovernmental Panel on Climate Change |
| <i>ITL</i> | International Transaction Log |
| <i>JI</i> | Joint Implementation |

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| <i>ICERs</i> | long-term Certified Emissions Reductions |
| <i>LPG</i> | Liquefied Petroleum Gas |
| <i>LULUCF</i> | Land Use, Land-Use Change and Forestry |

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| <i>MAF</i> | Ministry of Agriculture and Forestry |
| <i>MED</i> | Ministry of Economic Development |
| <i>MfE</i> | Ministry for the Environment |
| <i>Mt</i> | Megatonne, equal to one millions tonnes |

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| <i>N₂O</i> | Nitrous oxide |
| <i>NAPs</i> | National Allocation Plans |
| <i>NES</i> | National Environmental Standard |
| <i>NGA</i> | Negotiated Greenhouse Agreements |
| <i>NZETS</i> | New Zealand Emissions Trading Scheme |
| <i>NZEECS</i> | New Zealand Energy Efficiency and Conservation Strategy |

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| <i>PFCs</i> | Perfluorocarbons |
| <i>PFSI</i> | Permanent Forest Sink Initiative |
| <i>PGGRC</i> | Pastoral Greenhouse Gas Research Consortium |
| <i>PRE</i> | Project to Reduce Emissions |

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| <i>RMus</i> | Removal Units |
| <i>SAI</i> | Strongly Affected Industries |
| <i>(SF₆)</i> | Sulphur Hexafluoride |

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| <i>tCERs</i> | temporary Certified Emission Reductions |
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| <i>UNFCCC</i> | United Nations Framework Convention on Climate Change |
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Units of Measure

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| <i>kL</i> | Kilolitres |
| <i>kt</i> | Kilotonnes |
| <i>ktCO₂-e</i> | Kilotonnes of carbon dioxide equivalent |
| <i>ML</i> | Megalitres |
| <i>Mt</i> | Megatonne |
| <i>PJ</i> | Petajoule |
| <i>TJ</i> | Terrajoule |

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