

General Equilibrium Analysis of CO₂ Mitigation Options

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Abstract

Recent years have seen many suggestions for policies that would assist New Zealand to meet a 'post-Kyoto' type of international emissions reduction obligation. These range from having government purchasing emission permits offshore, financed by general taxation; to targeted policies such as use of biofuels, banning thermal generation, energy conservation and efficiency programmes, and numerous variations on an emissions trading scheme (ETS). Some tenuous policies have been discarded, but there is still interest in many options other than a pure ETS or pure carbon price. In this presentation we examine an ETS and some of the more prominent alternative (or complementary) policies in a consistent general equilibrium framework. Our objective is to ascertain which policy or policies enable New Zealand to meet some given international emissions obligation at lowest economic cost.

Biography

Adolf has been responsible for managing Infometrics consulting services since 1997. He has a PhD in economics and specialises in mathematical economics, econometrics and economic modelling. His work has included general equilibrium analyses of changes in import protection, road funding, climate change and carbon charges; econometric estimation of forecasting models and empirical relationships in the areas of corporate credit risk and organisational structure; and the development of microsimulation models of savings and the tertiary student loan scheme. Adolf has been a member of the Advisory Committee on Economic Statistics since 1996 and he was an Expert Reviewer for the IPCC Working Group II Third and Fourth Assessment Reports.

