

## **FERC: US needs carbon trading regulatory regime**

The US needs a “regulatory regime for carbon”, according to Federal Energy Regulatory Commission Chair Joseph Kelliher, adding that while it is one thing to propose a cap-and-trade regime, “you have to sweat the details and come up with some means to regulate” it. Kelliher says that with the exception of a proposal by Democrat Representative John Dingell to give FERC authority to regulate carbon trading by creating and overseeing trading exchanges, “many of the climate change bills actually don’t bother to spell that out”. FERC has not asked to be designated as the regulator, but Kelliher says he takes Dingell’s proposal as a vote of confidence in the agency. He identifies two other regulatory options: the Commodity Futures Trading Commission or a new agency, potentially under the Environmental Protection Agency, dedicated to carbon trading. In addition to regulating a cap-and-trade program, there must be a way to allow it to interact in international markets, Kelliher says. “If we end up with a European carbon trading regime, a Japanese trading regime, an Australian trading regime, a US trading regime, [then we] will end up with a more costly approach toward cap-and-trade,” Kelliher cautions. Perhaps “at some point we [will] have one international trading market”, but an interim step would be “some way to trade credits among the different trading regimes,” he suggests, “almost like currency trading”.

**Source: esaa news**