

Tradable Emission Quotas

TEQs (Tradable Energy Quotas) is an electronic energy rationing system designed to be implemented at the national scale.

Every adult is given an equal free Entitlement of TEQs units each week. Other energy users (Government, industry etc.) bid for their units at a weekly Tender, or auction.

When you buy fuel or energy, such as petrol for your car, units corresponding to the amount of energy you have bought are deducted from your TEQs account, in addition to your money payment. This is the only time you will need TEQs units, and transactions are generally automatic, using credit-card or direct-debit technology.

All fuels (and electricity) carry a “carbon rating” in units; one unit represents one kilogram of carbon dioxide – or the equivalent in other greenhouse gases – released in the fuel’s production and use. If you use less than your Entitlement of units, you can sell your surplus. If you need more, you can buy them. All trading takes place at a single national price, which will rise and fall in line with demand. Buying and selling would be as easy as topping up an Oyster card or mobile phone.

The total number of units available in the country is set out in the TEQs Budget. The size of the Budget goes down year-by-year – step-by-step, like a staircase. The Budget is set by the Committee on Climate Change, which is independent of the Government. The Government is itself bound by the TEQs scheme; its role is to support the country in thriving on the available carbon/energy. Since the national TEQs price is determined by national demand, it is transparently in everyone’s interest to help each other to reduce their energy demand, and to work together, encouraging a national sense of common purpose.

Find out more here:

http://www.youtube.com/watch?v=qHJnBQ_m4e0&feature=player_embedded

Basis of sharing	Equal per capita shares
Where is the cap enforced?	Downstream: Individuals and companies would need to surrender TEQs units in order to purchase fossil energy
Main advantages	<ol style="list-style-type: none"> 1. The guarantee that the budgeted energy descent will be achieved because the cap will be firmly enforced 2. The assured ration of energy for individuals at a time of scarcity 3. The long term budget, which gives time to plan ahead. 4. Specified in terms of energy (not money), so it involves everyone in energy-planning 5. Since TEQs (not money) are the <i>numéraire</i>, the system is resilient to the deep economic changes which are in prospect. 6. The system depends on local and individual ingenuity to develop solutions. 7. It generates a common purpose between all participants – individuals, industry, the government