



Finding the ways that work

Three Decades of Carbon Markets Success

For decades, and in partnership with many other groups, EDF has championed market-based solutions to environmental problems. Combining world-class analytical resources with a practical, hands-on approach, EDF has a strong track record designing and implementing markets at the international, national, state and provincial, and city levels. This timeline highlights market-based successes that EDF had a particular hand in.

► 1990's

The 1990 Clean Air Act included a pioneering cap-and-trade plan that slashed sulfur emissions dramatically, at a fraction of the projected cost—and launched a new commodities market. The Economist called it “...the greatest green success story of the past decade.”

► 2002-2009

The first two environmental market exchanges emerged in China (CBEEX in Beijing and SEEX in Shanghai); China's first voluntary carbon market trade took place; and China launched its largest national sulfur emissions trading pilot.

► 2005

The Regional Greenhouse Gas Initiative (RGGI), the first mandatory market-based program in the U.S., launched, capping the power sector over 10 (later 9) states.

► 2009

The U.S. House of Representatives passed the Waxman-Markey climate legislation with an economy-wide cap-and-trade program as its centerpiece, marking a high-water mark in U.S. climate legislation – although the Senate bill ultimately failed to pass the following year.

► 2013 to present

Seven Chinese cities and provinces implemented carbon trading pilots, informing the national carbon market launched in 2017.

► 2017

China announced it would begin phasing in a national carbon trading program, starting with the electric power sector. When the first phase of the ETS is fully implemented, it is expected to include 3.5 billion metric tons of carbon emissions from some 1,700 stationary sources; this represents roughly 39% of the nation's total emissions, and is dramatically larger than the current largest program, the European Union's ETS.

1980s

1990s

2000s

2010s

► 2017

The California legislature extended the state's cap-and-trade program, which had been set to end in 2020. The renewed commitment, along with a companion bill to address local pollution, passed by a two-thirds majority in the state legislature, enough to avoid legal challenges.

► 1997

The Kyoto Protocol established the first international carbon market system.

► 2006

The California State Legislature passed the Global Warming Solutions Act ([AB32](#)), California's landmark climate law establishing the state's cap-and-trade program. Since then, the state's carbon emissions have fallen, its economy has grown robustly, and residents across the state have reaped the benefits.

► 2005

At the UN climate negotiations in Montreal, rainforest nations proposed a mechanism to provide economic incentives for developing countries to reduce emissions from deforestation. Ten years later, this concept, known as REDD+, was formalized in Article 5 of the Paris Agreement.

► 2016

191 countries, members of the International Civil Aviation Organization, adopted a historic resolution aimed at curbing the carbon pollution of international flights. The resolution launches the development of a global market-based measure, the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), to limit the net carbon emissions of flights between participating countries, and potentially ratchet that limit down in the future.

► 2015

Article 6 of the Paris Agreement recognized the use of internationally transferred mitigation outcomes and includes provisions vital to well-functioning markets, including strong language ensuring the avoidance of double-counting of emission reductions — opening the door to countries to use international carbon markets to meet their nationally determined contributions.