Emissions Trading Scheme (ETS)

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Emissions Trading Scheme (ETS) Latest News

The Surat Emissions Trading Scheme (ETS) is the world's first market-based mechanism specifically designed to control particulate air pollution.

What is an Emissions Trading Scheme (ETS)?

- An **Emissions Trading Scheme (ETS)** is a **regulatory tool** that aims to **reduce air pollution** by introducing **economic incentives**.
  - Under ETS, a **cap** is imposed on the total permissible emissions.
  - **Industries receive emission permits**, which can be **bought and sold**, allowing companies to **trade pollution rights**.
  - This system is also referred to as **"cap-and-trade"**.
  - **Cleaner industries** can sell their unused permits to **polluting units**, creating an **economic incentive for pollution reduction**.

Why is the Surat ETS Significant?

- The **Surat Emissions Trading Scheme (ETS)** launched in **2019,** is the **world's first ETS focused on trading particulate pollution** (not CO_2), and **India's first emissions market** for any pollutant.
- It targeted **342 high-emitting industries**, mainly in the **textile sector**, which used solid fuels like **coal and lignite**, and liquid fuels like **diesel**.
- The scheme was developed by the **Gujarat Pollution Control Board (GPCB)** in collaboration with **J-PAL**, **EPIC**, and **Yale University**.

Source: IE
