

## R&D the simpler way to reduce carbon

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**Robert Pritchard**



Following the recent Cancun climate negotiations, the Australian government is mounting a renewed push for a carbon price. Actually, a carbon price is not essential for emissions reduction.

A carbon price could reduce investment uncertainty in the power generation industry but technology innovation is the key to reducing carbon emissions.

The market in low-carbon energy technologies has been systematically advancing for more than a century.

These technologies include: hydroelectricity; gasification of coal for domestic heating and street lighting; steam turbines for power generation; long-distance electricity transmission over land and under the sea; gas compression; gas pipelines; processing gas into liquid a 600th of its original volume so it can be transported by LNG tankers across the oceans; converting uranium into electric power; wind turbines; solar panels; green building systems; electric trains; electric vehicles; and smart electricity grids.

The global innovation race is on for incremental efficiencies in energy production as well as for major breakthroughs in low-carbon conversion of primary to secondary energy. This is a competitive race with enormous rewards for the winners, driven by the profit motive.

You can speed up the pace of innovation by contriving to establish an artificial carbon market to operate alongside the low-carbon technology market – much the same as you can by introducing accelerated tax deductions for research and development in low-carbon energy innovation.

Accelerated tax deductions offer a simpler, quicker, more direct and potentially more effective method of reducing carbon emissions than creating an artificial carbon market or imposing a carbon tax. There is also no scope for arbitrary political tightening of emissions limits – with the market upheaval that could cause.

Robert Pritchard, founder, ofResourcesLaw International, has 40 years 'experience as an adviser on energy and natural resources law.

The Australian Financial Review

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