



Second meeting of the CEPS Task Force on

Benchmarking for the EU ETS and Beyond

8 July 2009

- McKinsey cost curves
- Lessons from previous benchmarking exercises for the EU ETS
- Design options
- How benchmarking can incentivise decarbonisation
- Examples from cement, refining and steel

Agenda

Big Conference Room, Ground floor,
CEPS, Place du Congrès 1, 1000 Brussels; tel.: +32 2 229 3911; www.ceps.eu , see online map

- 09:30 Registration and welcome
- 10:00 **Introduction by the Chair of Task Force**
Anna Törner, Ministry for Enterprise, Energy and Communications, Sweden
- 10:05 **Short introduction of participants**
- 10:15 **Key messages from the first meeting**
Christian Egenhofer, Head of the Energy Programme, CEPS
- [Short presentation of the principal outcomes from the first meeting with regards both process and substance. There will be a discussion at the end of the meeting – foreseen for 15h30 – regarding the next steps. Following the second meeting, CEPS will circulate detailed minutes and an amended proposal for the remainder of the Task Force.]*
- 10:25 **Session 1. Abatement potentials in EU industrial sectors**
- Introduction of the McKinsey cost curves¹**
Julien Pestiaux, McKinsey & Co Belgium
Discussion
- [Presentation of McKinsey cost curves to identify abatement potentials to allow the Task Force to ask whether benchmarks will help achieving this potential with special focus on cement, steel, refining and chemicals.]*
- 11:10 **Session 2. Main lessons from previous benchmarking exercises**
- Introduction² by **Hubert Van den Bergh**, formerly head of the Verification Office

¹ 15 minutes to 20 minutes maximum.

² Approximately 20-30 minutes

Discussion

[Focus on i) principles, ii) determination of “10% most efficient”, iii) verification of benchmark curves, iv) how to incentivise greater reductions, v) comparability of sector efforts and vi) potential competitive impacts]

12:00 Break

12:15 **Session 3. Benchmark design issues to incentivise reduction and avoid perverse effects**

Introduction by **Karsten Neuhoff**, Electricity Policy Research Group, University of Cambridge (*tbc*)

Discussion

[Introduction to implications of benchmarking design, e.g. updating, closure rules etc.]

12:45 **Light lunch at CEPS**

13:45 **Session 4. Exploring industry benchmarking issues³**

[In this session industries will be asked to present and discuss the issues that have been raised in the morning and propose possible solutions to those. Other issues specific to the industry but with a cross-sectoral bearing can also be addressed.]

Cement

Introductions by **Claude Loréa**, Technical Director, CEMBUREAU and **Bruno Vanderborght**, Vice President, Corporate Industrial Ecology, Holcim

Q&A

Refining

Introduction **Chris Beddoes**, Executive Officer, Europia

Q&A

Steel

Introduction by **Hans-Jörn Weddige**, Head of Climate Change, ThyssenKrupp AG

Q&A

Discussion

15:30 *Discussion of the Task Force terms of reference and next steps and Chair's conclusions*

16:00 **End of meeting**

Note that the Task Force meeting finishes exceptionally already at 16h00 due to a seminar of CEPS in co-operation with the EU-Japan Centre for Industrial Cooperation on **“Tackling Climate Change: A Japanese Perspective towards Copenhagen”** with **Ambassador Mutsuyoshi Nishimura**, Special Adviser to the Japanese Cabinet on Climate Change as main speaker that will be held from **17h to 18h30**. Refreshments will be served after the meeting.

³ 15 minutes presentation maximum per industry (with 20 minutes for cement as there will be two speakers for this sector) followed by open discussion.