

CARBON MARKET FORUM



Thinking ahead for Europe

Task Force: EU ETS Market Stability Reserve

DRAFT AGENDA

Second meeting of the CMF Task Force

“Exploring alternative parameters and the basis for intervention”

Some speakers are being confirmed

Date: May 14, 2014

Time: 10:00 am – 16:30 pm

Venue: CEPS, 1 Place du Congrès, Brussels

Chair: A. Marcu, CEPS

One important element in the recently published proposal of the European Commission 2030 framework for climate and energy policies is the creation of a potential market stability reserve for the European carbon market. This mechanism is not the only proposal for structural reform of the EU ETS. The discussions on including the stability reserve to render auction more flexible, and on technical aspects, have been taking place since March 2013 at the European level, which launched the proposal on market stability reserve as part of the structural reform of the EU ETS post 2020.

The Carbon Market Forum will examine this proposal in three dedicated sessions focusing on the following topics:

- 1) **April 10, 2014** - Understanding the proposal and its market impacts;
- 2) **May 14, 2014** - Exploring alternative parameters and the basis for intervention;
- 3) **June 26** – The last meeting is tentatively scheduled for June 26

10:00 **Welcome and Introduction**

A. Marcu, CEPS

10:05 **Review of market impact discussion**

- CEPS summary of April 10, 2014 meeting A. Marcu, CEPS
 - Objectives
 - Impacts

- Impact of the MSR (recap from last meeting) S. Schjolset,
Thomson Reuters

- A. Perez, Mercuria
- Reaction, Y. Slingenberg, EC
- RT discussion

This session will start with a short presentation by Andrei Marcu on the main points from Session 1 on April 10, together with a review of the scenarios of the impact of the MSR from Thomson Reuters. This should be about 30 min max, in total.

This will be followed by any reaction Yvon Slingenberg may have to the April session as well as to the summaries by the two speakers.

The balance of the session will include a moderated Roundtable with participants.

11:00 **Alternative models & parameters**

- Percentage withdrawn and returned I. Tschach (confirmed)
- Governance C. Egenhofer, A. Marcu
G. Grosjean, Potsdam Institute

As Session 2 on the MSR is dedicated to looking at alternative to the MSR model proposed by the EC, a number of component are examined for options and how these changes would impact the MSR proposal.

The morning session will include two discussions: "Percentage Withdrawn and Returned" and "Governance".

This segment will start with a 15 min presentation by Ingo Tschach on "Percentage Withdrawn and Returned" followed by a RT discussion.

The balance of the session will be dedicated to Governance, an important issue that is also a function of EU institutional arrangements.

Andrei Marcu will kick off the debate with a presentation of alternative governance models from other jurisdictions: California, Quebec, Australia and RGGI.

Christian Egenhofer from CEPS will comment on the institutional arrangements in the EU for an MSR point of view.

Godefroy Grosjean will present on the issue of “is delegation key to the EU ETS reform” (15 min).

This will be followed by a discussion with a number of experts on institutional arrangements, including from CEPS.

12:30 Lunch break

1:30 Alternative parameters

- Bandwidth – ceiling and floor triggers S. Schjolset, Thomson Reuters
Confirmed
- Triggers O. Strecker, CEZ (confirmed)
- Timing & end of period cross over D. Agostini (confirmed)
Discussions Leader

The afternoon will be dedicated to three issues that are important to the MSR – bandwidth, triggers and timing. Each topic will have a 15 min presentation, followed by a discussion.

4:00 End of meeting