**EC Stakeholder Consultation on EU ETS revision:**

**Round table**

**\*\*\*Speakers to be confirmed\*\*\***

Date: February 18, 2015

Time: 09:30 – 16:00

Venue: CEPS, 1 Place du Congrès, Brussels – Working Party Room (3rd floor)

**Chair: A. Marcu, CEPS**

The European Commission is holding a public consultation on the revision of the EU ETS Directive. The consultation covers free allocation; the innovation and modernisation funds as well as questions on administrative matters and the general functioning of the ETS.

CEPS will prepare a submission to the EC and is interested in discussing some of the key topics with stakeholders. We intend to focus in particular on the chapters on **free allocation** and the **general review of the EU ETS**.

This first meeting is intended as an input session. CEPS will prepare some initial positions and opening remarks. This will be followed by discussion on some of the issues in-depth in a round-table setting. On the basis of this discussion, we will prepare our submission, which we will discuss before finalising the questionnaire in March.

**The timeline is as follows:**

* **Feb 18**: round table
* **Mar 6**: discussion of output (conference call)
* **Mar 16**: deadline for submission

Please refer to [this Commission page](https://ec.europa.eu/eusurvey/runner/ETS_revision) for the full list of questions in the consultation.

09:30 **Registration and coffee**

10:00 **Welcome and outline of the day**

Andrei Marcu, CEPS

10:15 **Introductory comments**

Peter Zapfel, DG CLIMA, EC

10:45 **Session 1: Free allocation and addressing the risk of carbon leakage**

The first session is dedicated to free allocation as a safeguard against carbon leakage. In particular, questions concern the modalities with regard to efficiency benchmarks and technological progress, the inclusion of indirect carbon costs, the relationship to innovation incentives and affordable energy, and the treatment of pass-through sectors. [**please note that the bullet points below may only refer to parts of the full question**]

**We are particularly interested in your views on:**

* How should the approach to periodic revisions of benchmarks look like? Which data should be used and at what interval should benchmarks be revised? [Q1.1]

**Comments by:**

* + L. Rathe, Hydro
  + C. Miaux, Total
  + O. Imbault, Air Liquide
* How can free allocation take into account indirect carbon costs? [Q1.2]

**Comments by:**

* + B. Borkent, Ecofys
* How to determine the risk of carbon leakage [Q1.3]

**Comments by:**

* + A. Marcu, CEPS

12:45 **Lunch break**

13:45 **Session 2: General evaluation and other issues**

The second session deals with the general evaluation of the EU ETS, including questions on the scheme’s strengths and weaknesses, its role in delivering overall EU climate policy objectives, costs of implementation, and its relationship to other policies. In this session we will also deal with some of the questions from the ‘Other’ category, on the earmarking of auctioning revenue, and on the treatment of small emitters in the ETS.

**We are particularly interested in your views on:**

* Is the use of auctioning revenue essential to the scheme’s success? [Q5.5]
* How can the ETS adapt to scientific and technological change? [Q6.1]
  + Is it a matter of governance?
  + Good versus bad surpluses?
  + Changes to the cap or to reduction factors?

**Comments by:**

* + JY. Caneill, EDF
  + P. Chauveaux, Solvay
* Are EU ETS objectives sufficiently aligned with EU climate change policy objectives? [Q6.1]
* How well does the EU ETS fit with other relevant EU legislation? [Q6.4]

**Comments by:**

* + S. Kumar, Change Partnership
  + P. Botschek, CEFIC

16:00 **Wrap-up:** A. Marcu, CEPS