



## Agenda

### CEPS Carbon Market Forum

#### Task Force EU ETS

*Please note that this is meant as brainstorming session ahead of our first meeting on May 29<sup>th</sup> and will be used to draft the ToR for the EU ETS TF.*

Date: April 17

Time: 11.00 - 13.00

Place: Orbeo offices, Paris

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| 1. <b>Welcome</b>  | <b>A. Marcu</b>  |
| 2. <b>Introduction</b>                                   | <b>T. Ribera</b> |
| 3. <b>Latest developments in EU ETS</b>                  | <b>A. Marcu</b>  |
| 4. <b>Messages from CEPS TF</b>                          | <b>A. Marcu</b>  |
| 5. <b>New CMF EU ETS TF Study – “Cost of non-EU ETS”</b> | <b>A. Marcu</b>  |

*Action/Objective*

*CEPS would like the CMF to commission "3/4 wise people /organizations" to do a 90 day report on **"The Cost of non EU ETS"***

*Rationale*

*We have had long discussions on how to deal with carbon prices (set asides, etc) - the mechanics of addressing the problem. The question that must be asked is “why do we want to influence prices in a market?”*

*The honest answer must be that the EU ETS is a political creation and that at a certain price it will simply not survive. In that scenario, as climate change as an issue does not go away, the EU ETS will be replaced by other policies and measures.*

*What can we expect as a replacement and at what cost for those that have compliance obligations and for society as a whole?*

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| 6. <b>CMF Issues for the EU ETS Task Force</b> | <b>All Participants</b> |
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*We will ask CMF participants to provide their views on **what**, given the current circumstances related to EU ETS, are **the issues** that the CMF should take on at this stage in order to make a real difference in ensuring a well functioning EU ETS in the long term.*



We would also like to hear to views of the CMF participants on the **format** that they perceive as a good way forward - another report, a series of roundtables in Brussels and in other capitals, etc.

One view that was raised by one CMF participant was that we should first discuss about the effectiveness (in reducing emissions) of the ETS and the "non-ETS", i.e. the alternative mechanisms.

One could argue that the current CO2 price is low because of three reasons:

i) There may have been many (do we know how many?) CO2 emission reductions as a consequence of other regulations. Have those policies been more effective than the ETS?

ii) The larger than expected influx of CER's and ERU's.

iii) The economic downturn and less consumption.

**This discussion will also include views of the CMP participants on the "Cost of non EU ETS" study.**

## 7. Way forward

A. Marcu