

CARBON MARKET FORUM



Thinking ahead for Europe

EU ETS: Supply Side Flexibility

ANNOTATED AGENDA

Seventh meeting of the CCMF Task Force on “EU Emission Trading System”

Date: April 23, 2013

Time: 10:30 am – 16:00 pm

Venue: CEPS, 1 Place du Congrès, Brussels

CEPS, through the CMF, is of the opinion that the EU ETS needs to remain a market-based system, without price-regulation. Therefore we would like to discuss in-depth other models of instilling flexibility in the supply side of the EU ETS. Therefore it is holding a daylong discussion on this specific subject.

The intention is to have a number of presentations from those that have brought up this topic in their submissions to the EC on EU ETS structural reform or have spoken on the topic.

We do not intend to have a discussion on the merits of government intervention, but rather HOW would the presenter see that supply side flexibility could be introduced, without having carbon price as a target, or a trigger.

Chair: A. Marcu, CEPS

10:30 Welcome

A. Marcu, CEPS

10:35 Agenda for the meeting

A. Marcu, CEPS

10:40 Introductory remarks

- **Y. Slingenberg & P. Zapfel, DG CLIMA Head of Unit Implementation of ETS / Office of Policy Coordination**

11:00 Session 1: Options for structural measures in the EU ETS

- **EU Institutional Supply Side Flexibility** **M. Incerti**
- **CEPS Submission to the EC** **A. Marcu**

This session will provide an overview of both the CEPS submission on the EU structural reform (submitted 28th of February) and institutional aspects of a possible supply side flexibility regime within the EU ETS

11:40 Session 2: Presentations of various models

- **A. Harris & F. Jotzo, Australia**
- **D. Agostini, ENEL**
- **S. Schleicher, University of Graz**
- **M. Austin, CMIA**
- **D. Morris, Sandbag**
- **J. Pavi, Government of Finland**
- **R. Trotignon, Chaire Economie du Climat**

During this session we invite contributors to discuss their proposals for specific supply side mechanisms. We will focus on three aspects:

- How to operationalize these models
- Which institutional arrangements for the EU ETS would need to be made during their implementation and
- In what way they are different from price-targeting instruments

13:15 Lunch

14:00 Session 3: Identify and discuss main issues from Session 2

- **C. Hood, IEA**

The speaker will summarize the morning session, and identify the issues that need to be discussed and the different views expressed in the morning session. The afternoon session will debate those points, focusing on governance, institutional and market functioning implications, including impact on linking.

15:45 Concluding remarks/overview for the day's discussions

16:00 **End of meeting**

The topic of supply side flexibility in the EU ETS has emerged as an interesting option. In many of the submissions made to the EC on EU ETS structural reform, as well as the in the discussions that took place during the first consultation on the 1st of March, 2013, there was interest in exploring how to show flexibility on the supply side, but in a way that would not be driven by price targets. We believe that this is a very interesting avenue to elevate the current lack of flexibility in the EU ETS and we welcome stakeholders to this meeting, hoping that a lively and constructive debate will ensue.