

# CARBON MARKET FORUM



*Thinking ahead for Europe*

booklet **EU domestic climate change policy: the future  
for the ETS and non-ETS policies**

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

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Date: June 29, 2015

Time: 09:30 – 16:00

Venue: CEPS, 1 Place du Congrès, Brussels

**Chair: A. Marcu, CEPS**

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09:30 **Registration and coffee**

10:00 **Welcome and outline of the day**  
**Andrei Marcu, CEPS**

10:05 **EU ETS restructuring: what is on the agenda?**

Following the agreement on the MSR, the European Commission will soon be forthcoming with a proposal for structural reform of the EU ETS. With this proposal, the Commission will be adding currency to the October European Council Conclusions. Preliminary discussions are also taking place among stakeholders on the contents of the Impact Assessment on amending the EU ETS Directive.

However, European Council Conclusions are political guidance, and first discussions on “what is on the agenda” took place during the CMF meeting on May 6. The results of that discussion will be summarised in preparation for this meeting and will be followed by a discussion that will also refer to the possible contents of the Impact Assessment.

**Presentation: the agenda for EU ETS structural reform**  
**A. Marcu, CEPS**

Comments by:

- Fre Maes, Belgium
- R. Lloyd, UK
- D. Schramm, BDI
- J.Y Caneill, EdF
- S. Deblock, IETA
- P. Botschek, CEFIC

**11:45 Coffee break**

**12:00 Models of Free Allocation: how to choose a model?**

**Presentation: A. Marcu, CEPS**

Any structural reform of the EU ETS will invariably involve changes to the method of free allocation. Various options have been brought into the debate so far, including the dynamic allocation models suggested in the CMF meeting on May 6 in addition to the options the Commission is assessing in its Impact Assessment. In order to choose a model of free allocation for the reformed EU ETS, we will address the following questions:

- 1) What are the options for free allocation & what elements do they consist of
- 2) How to define and measure the 'success' of any option
- 3) How to model the different options

We will then ask for comments from the panel below, in particular on how to model the various options under consideration.

**Panelists:**

- S. Schleicher, Wegener Center
- M. Sato, Grantham Institute – LSE
- F. Branger, CIRED
- E. Alberola & M. Jalard, CDCclimat

**13:00 Lunch break**

## **Non-ETS sectors and policies**

### **14:00 Brainstorming discussion non-ETS policies: What is on the agenda?**

Ahead of any proposals which address the non-ETS sectors, the Commission has started a public consultation on the ESD. CEPS will present its response to this consultation, as a starting point for a brainstorming discussion on what the EU should do to address emissions outside the ETS.

### **Presentation: CEPS response to EC public consultation on ESD**

**A. Marcu, CEPS**

Comments by:

- F. Duijnhouwer, the Netherlands
- O. Sartor, IDDRI
- S. van den Plas, WWF
- K. De Vuyst, ExxonMobil

Following the presentation of the CEPS response to the ESD consultation, we will have a brainstorming session on non-ETS policies in general.

While the EU ETS is considered the flagship instrument of EU climate change policy, over half of the EU GHG emissions are not covered by the ETS, but instead are addressed by the Effort-Sharing Decision (ESD) and several sectoral policies.

Whereas the 2020 targets for the non-ETS sector will most likely be met without much additional effort, this is different for the higher 2030 targets, when the non-ETS sectors are expected to have reduced emissions by 30% compared to 2005.

The 2030 target will need to be translated in to a revised Effort-Sharing Decision. Following the October European Council Conclusions, the flexibility mechanisms present in the ESD will be improved and expanded to aid the achievement of this target.

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