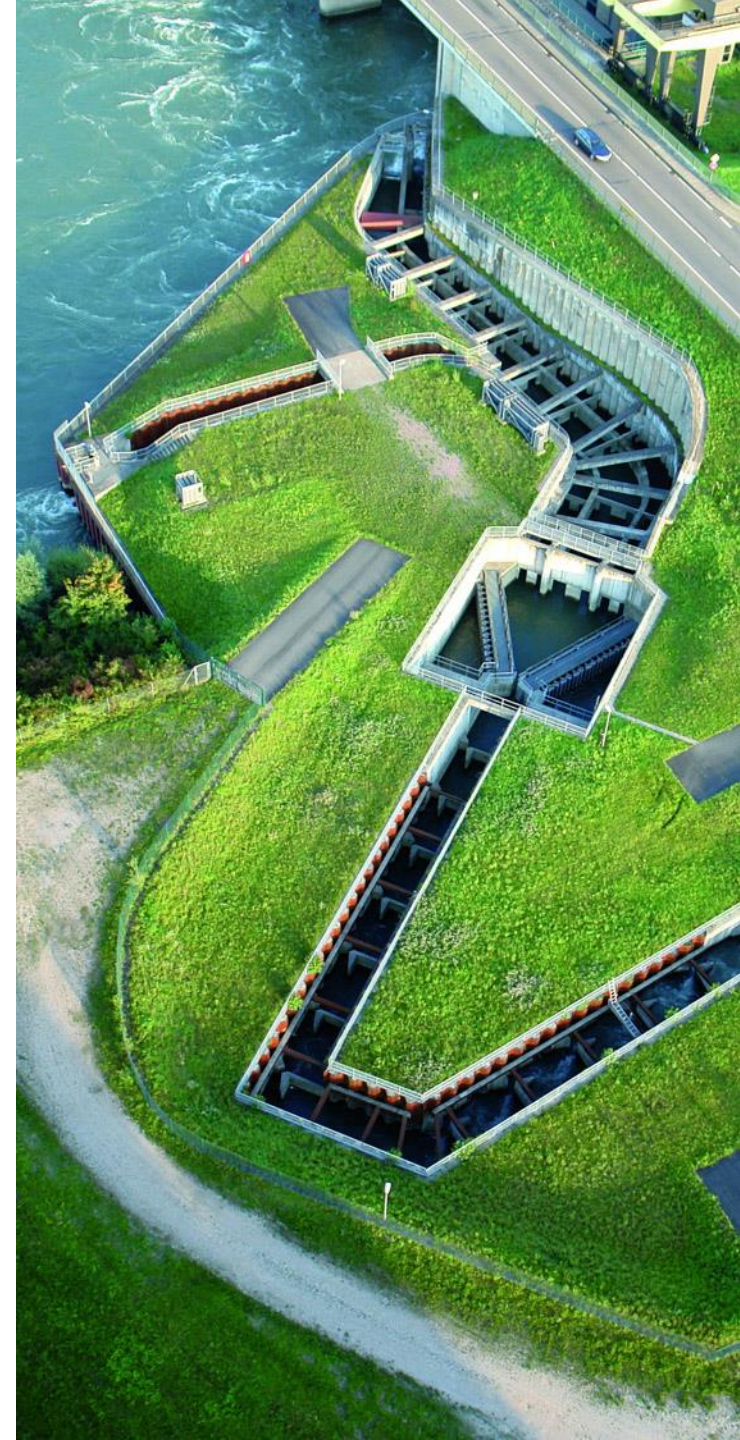




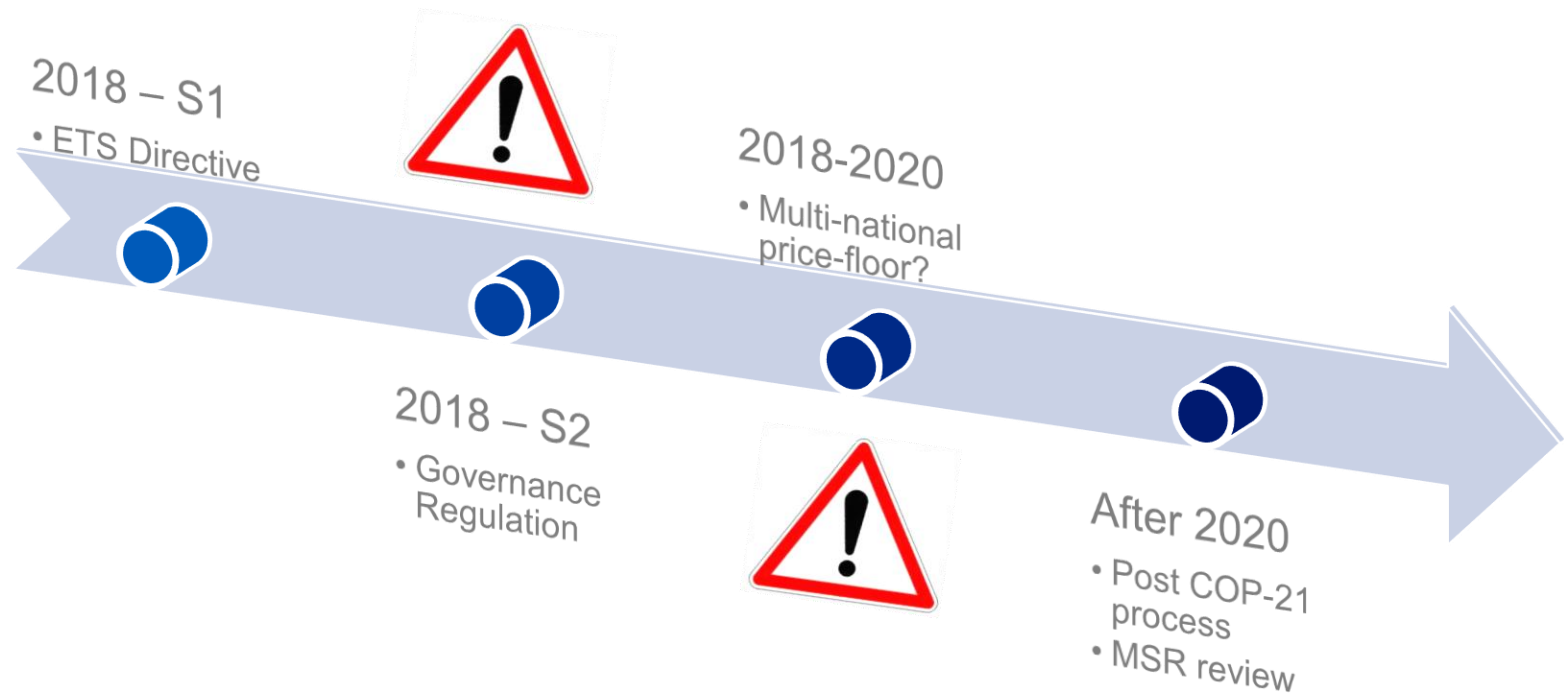
THE EU ETS REFORM – A LOW CARBON UTILITY'S PERSPECTIVE

Florent LE STRAT
EDF R&D

April 2018



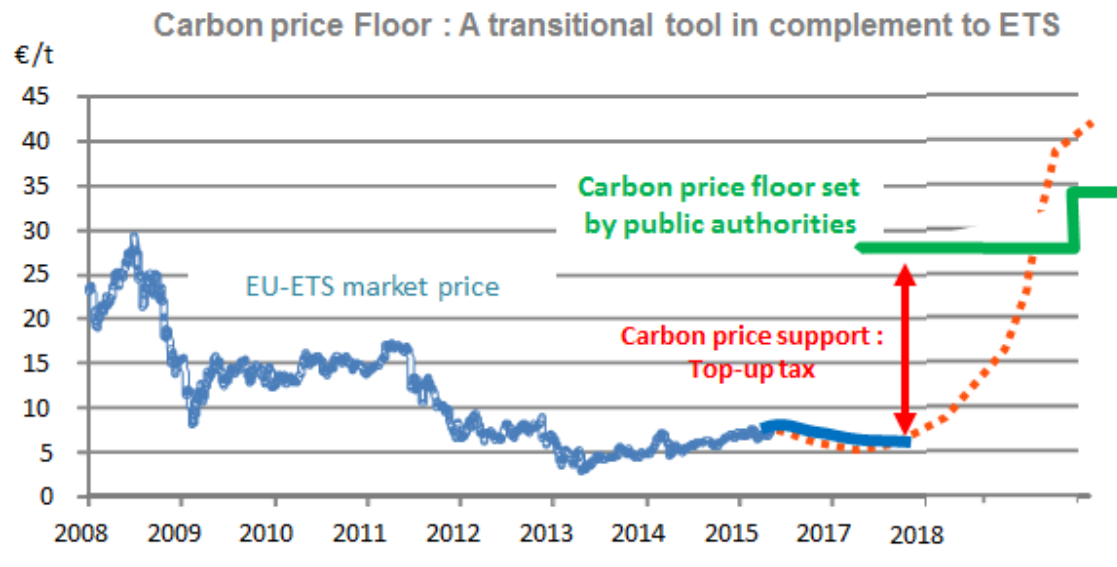
THERE ARE LIMITED, BUT REAL, OPPORTUNITIES TO ACT BEFORE IT IS TOO LATE



The ETS is exposed to major threats between now and the 20s

“INTRODUCING PROVISIONS TO ADAPT POLICIES ACCORDINGLY”

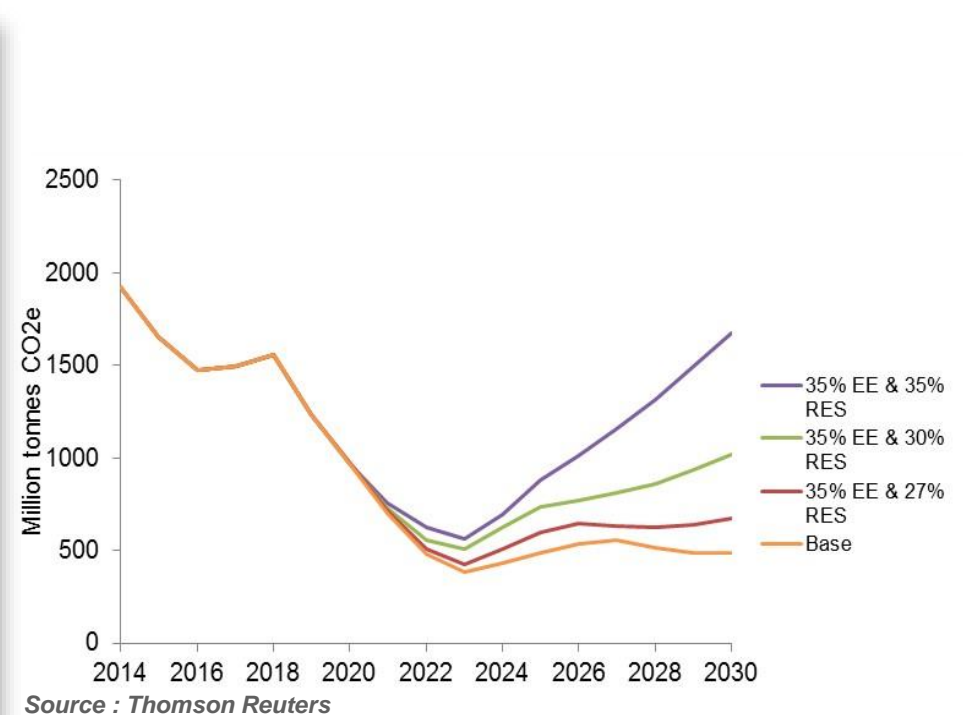
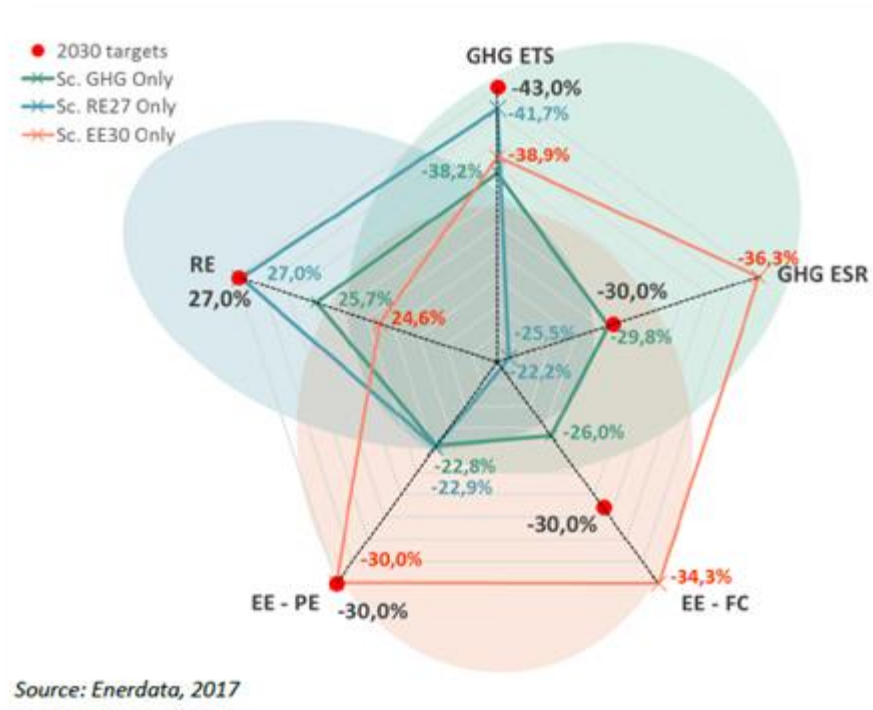
- If strong RES & EE targets are decided, very low price are to be expected in the 2020's
 - Present price increase very likely to be transitory if strong RES/EE targets are decided
 - A CPF would immediately trigger more low carbon generation dispatch



Transitional CPF makes sense considering the perspective of depressed ETS prices

“EX-ANTE/POST ASSESSMENT OF THE OVERLAP BETWEEN ENERGY AND CLIMATE POLICIES”

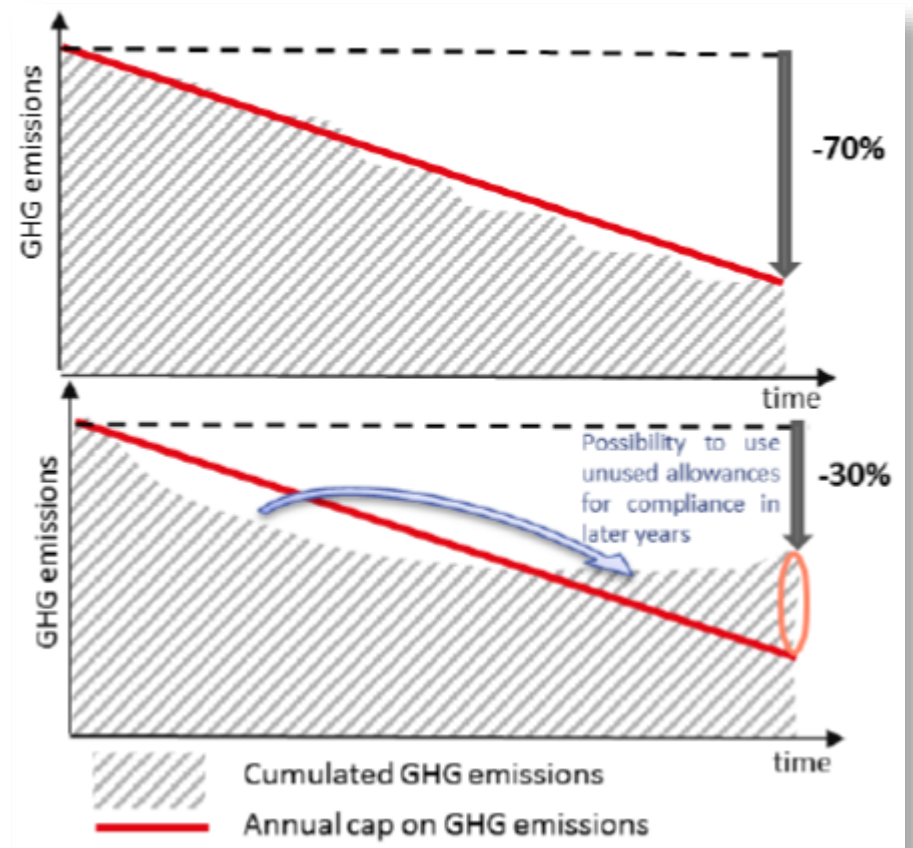
- EE and RES targets can make the EU-ETS ineffective if their impacts are not taken into account



Climate-Energy targets interactions must be managed to strengthen the role of the EU-ETS

AN UPDATED 2050 EU ROADMAP TO ALIGN WITH LONG TERM EUROPEAN CLIMATE AMBITION

- The need to have a shared vision of long term European Climate-Energy target
 - Coherence between short/medium term CO₂ price and long term reduction target
- Intermediate emission targets to consolidate European decarbonisation trajectory



Source : I4CE

Uncertainty due to the lack of clear long term target must be managed by addressing 2040/2050 time horizon

THANK YOU