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

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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

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

Source: I4CE
THANK YOU