THE STATE OF THE EU ETS

A utility’s view on the report

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CONCLUSION 1 OF THE REPORT/ IN THE POWER SECTOR YOU CANNOT TAKE IT FOR GRANTED THAT THE ETS DOES THE JOB

- It takes 30 €/t to make RES competitive in the ‘20s.
- Even with 30 € the case between coal and gas is not clearly settled
CONCLUSION 2: AS FAR CONTROL AND COMMAND POLICIES HAVE DRIVEN EMISSIONS REDUCTIONS IN THE POWER SECTOR

- Expected factors (carbon content of kWh from fossils) have hardly played any role
- Emissions were driven upwards by nuclear phase-out and downwards by RES binding targets
CONCLUSION 3: WITH MORE AND MORE OVERLAPPING POLICIES THE ETS’ ROLE MIGHT REMAIN EXTREMELY LIMITED

- « An increase in the RES and EE target [...] would lead to additional CO₂ reductions in the ETS and will further impact its supply-demand balance. »
- « The MSR may not [...] be able to mitigate the impact of all other potential policies on the EU ETS during phase 4. »
The post-2020 LRF will not be sufficient to put the EU ETS on the pathway outlined in the 2050 Roadmap.

Reaching the goal set out in the Paris Agreement will surely require additional efforts.

The governance framework which needs to be well synchronized, is essential in making any needed [...] changes in a predictable way.
THANK YOU