EU emissions trading: A model to follow or one to avoid?

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12.30pm - 1.30pm
Acton Theatre, Level 1, JG Crawford Building 132
Light lunch will be provided
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The EU Emissions Trading Scheme (EU ETS) is the first large-scale multi-national greenhouse gas (GHG) trading program and a central instrument of European climate policy. The EU ETS market is still young, but growing rapidly. Several countries, including Australia, are considering the introduction of emissions trading and the EU scheme provides an obvious model for the design of these systems. What are the different design elements of the EU emissions trading scheme and what is the economic appraisal of these features? Firms have been operating for over 5 years under the EU emissions trading scheme. Despite the high relevance of the emissions market for both market participants and stakeholders, the data concerning developments and expectations in supply and demand as well as prices of emission allowances and emission reduction certificates is still lagging behind. In this presentation, the results of a new survey among German firms covered by the EU ETS and international carbon experts (the KfW/ZEW CO2 Barometer) will be presented, and lessons drawn on actual experiences with emissions trading.

Andreas Löschel is head of the department “Environmental and Resource Economics, Environmental Management” at ZEW. Andreas Löschel has advised the European Commission, the European Parliament, and national ministries in Germany and the UK on environmental, energy and climate change issues. He is lead author for the Fifth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) and was a member of the delegation of the European Commission at the climate conference in Bali (2007). His research interests are international environmental economics, especially the economics of climate change and energy policy, and quantitative economic modeling.