



Expert meeting: The role, state and future development of EU ETS

Date: 11 July 2012

Place: KOBIZE, Chmielna St. 132/134, 4th floor, conference room

10:30 - 10.45 *Opening comments* (Paweł Mzyk, Olaf Kopczyński, Karsten Neuhoff)

10.45 - 14.00 *Experience with EU ETS*

... in the power sector : (20min)

Speaker: Will Blyth (Oxford Energy Associates)

- Role of carbon price for investment

... in the industry : (60min)

Speaker: Ralf Martin (Imperial College/LSE)

- Impact of EU ETS on Capturing Awareness, Strategic Choices, Project Implementation

Speaker: Chris Beauman (EBRD)

- Experience in Steel sector – and the role of complementing policy support (finance etc)

Speaker: Daria Kulczycka (PKPP Lewiatan)

- EU ETS: Success or failure

(coffee break at +/- 12`00)

... in the carbon market : (40min)

Speaker Anne Schopp (DIW)

- Current Situation

Speaker: Robert Jeszke (KOBIZE)

- Polish experience with EU ETS



Discussion panel – moderation Karsten Neuhoff (60min)

The European Union has implemented the EU ETS to ensure a long-term framework for low emission investments in energy and industry. After 8 years of implementation of EU ETS and incoming major changes of the allocation rules in its the third phase, there is time for some reflections. During the panel and interactive discussion expert will share their opinion on experience and role of EU ETS as an instrument for climate change mitigation and reduction of GHG's and its influence and for: economic growth, support for low-carbon innovation / investment choices, power and goods trade/flows with other countries, with regard to carbon leakage, etc.

14:00 – 15:00 **Lunch break**

15:00 – 16:30 Policy options discussed in Europe (45 min)

Speaker: Krzysztof Bolesta (Ministry of the Environment)

- Polish perspective on the future of the EU ETS up to 2030

Speaker Karsten Neuhoff (DIW)

- Characterisation and rationale for different options

Speaker William Kyte (E.ON)

- Industry Perspective

Discussion panel – moderation Krzysztof Bolesta (45 min)

The future of the EU ETS is uncertain for many reasons, due to the economic crisis, and thus lower production and oversupply of allowances in the market, which makes it currently the subject of intense debate are the trends in the prices of EUAs. However, the EU ETS is still the main tool for achieving the CO2 emissions reductions. Currently the biggest challenge is to expand the discussion on EU ETS which is often focused on carbon leakage, to ensure the delivery of emission reductions through investments, more efficient production of goods and behavioral change in consumer choices. During the panel discussion there will be a chance to share opinion and reflections on some of the policy interventions and mechanisms currently explored in Europe, such as set aside, tightening 2020 target, and setting the future/longtime milestones, EU ETS trajectory post 2020. In this respect it is raising general question to what extent can they address the situation of different countries in EU, especially in Poland? And what supposed to be the shape of the EU ETS to reach climate policy goals?



Speakers

Mr Christopher Beaman is a Senior Adviser at the European Bank for Reconstruction and Development, which he joined at its inauguration in 1991. He has special responsibility for the Steel industry, and has worked on major projects in Russia, Ukraine, Kazakhstan, Poland and Romania. He is also involved in initiatives on Energy Efficiency and Climate Change, including major energy efficiency loans in Russia.

Mr Beaman's experience in the steel industry was based on his role as strategic adviser at British Steel Corporation during its period of major restructuring and plant rationalisation between 1976 and 1981. Before joining the Bank, Mr. Beaman had worked for three London merchant banks both in corporate finance and as Director, Planning, Morgan Grenfell Group, and at the Central Policy Review Staff, UK Cabinet Office.

Dr William Blyth has worked for over 18 years in the field of modelling and analysis of energy security and climate change policy. He is an Associate Fellow of Chatham House, Visiting Research Fellow at London Business School, and Director of Oxford Energy Associates, an independent research company. His work focuses on the role of policy on investment decision-making and risk, and how to deliver secure energy supplies within a context of transition to a low-carbon economy.

He has recently worked with a wide range of international organisations including the International Institute of Sustainable Development, International Renewable Energy Agency, OECD, International Energy Agency, the Electric Power Research Institute, European Bank for Reconstruction and Development, as well as several UK government departments and institutions. He has published widely on a range of topics related to climate and energy security, and is the author of over 20 peer reviewed papers and books. William previously worked at the International Energy Agency in Paris. Prior to joining the IEA, he worked for a short period at the European Environment Agency in Copenhagen having previously worked for over 8 years at AEA Technology Environment. William has a DPhil in Physics from Oxford University.

Dr Bill Kyte (OBE, MA, PhD, CEng, CEnv, FICHEM, FEI, FRSA) is Senior Advisor on Climate Change at E.ON (one of the largest investor owned utilities in the world), where he has addressed climate change issues internationally, particularly at the EU level, for over 20 years. He is a founder member and Honorary President of the UK Emissions Trading Group (ETG) Ltd and Chief Advisor, International Climate Policy at EURELECTRIC and past Chairman of the EURELECTRIC Environment & Sustainable Development Policy Committee. He is Director of the International Electricity Partnership and Co-chair of the GSEP Power working group.

He is a chemical engineer with a first degree and doctorate from Cambridge University. He has worked in the electricity sector in numerous roles for over 50 years - from nuclear safety and research through pollution control and sustainable development to climate change politics. He was awarded an OBE (Officer of the Order of the British Empire) by the Queen for 'Services to the Environment in the Power Sector' in 2003.

Anne Schopp is currently pursuing her doctorate from the German Institute for Economic Research (DIW). Anne received a Master's in International Economics from the University of Tübingen. In addition to her work experience in Germany with the Federal Environment Ministry and the German Development Bank, she has international work experience in the US and India.

Ralf Martin (PhD) is an Assistant Professor of Economics at Imperial College Business School, London and a Senior Research Associate at the Centre for Economic Performance (CEP) at the London School of Economics. In his research he studies the determinants of various aspects of business performance including carbon emissions and energy consumption. He has done extensive work evaluating the impacts of climate policies on business



performance. He has been consulting various UK governments departments and agencies including the Department for Climate Change and Energy (DECC) and the UK Committee on Climate Change. He holds a PhD in Economics from the London School of Economics.

Karsten Neuhoff (PhD) leads the Department Climate Policy at the German Institute for Economic Research (DIW Berlin). Previously he was senior research associate at the Faculty of Economics at the University of Cambridge, leading projects on the future of UK power system, renewable integration and technology policy and coordinating for the research network Climate Strategies European projects on the implementation of the European Emissions Trading Scheme and North-South Climate Cooperation. He holds a Diplom in Physics from the University of Heidelberg, an MSc in Economics from the London School of Economics, and a PhD in Economics from the University of Cambridge.

Daria Kulczycka, Director of Energy and Climate Protection, PKPP Lewiatan Expert to the Polish Confederation of Private Employers Lewiatan since 2005. Head of Energy and Climate Department. Responsible for evaluating the environment legislation on the national and EU level. Advisor to the industry unions in the energy and chemistry sector. Member of energy and climate protection working groups at BUSINESSEUROPE. Formerly an employee of the Polish consulting company NICOM for 15 years where she was responsible for privatisation and restructuring projects. She was educated at Warsaw Economy School.

Krzysztof Bolesła, an economist; currently principal adviser on energy and climate policies to the Polish Minister of Environment; dealing with energy issues since 2000 when started his professional career at the Polish Committee for European Integration supporting accession negotiations on energy issues; since 2004 at the European Commission – at DG Competition dealing with energy and environment related state aid schemes – and later DG Energy dealing with coal, oil policies and CCS. Author of a number of publications on energy issues and state aid.

Robert Jeszke, Head of Strategy and Analysis Unit in the National Centre for Emission Management (KOBIZE). He has played numerous senior roles in government processes related to climate and energy policy, most important of which was negotiations of the EU Climate and Energy Package, developing the architecture of the Kyoto Protocol based mechanism - the Green Investment Scheme (GIS). He is polish national expert for evaluation of policies and measures nominated to the UNFCCC Roster of Experts Robert is author or co-author of several publications dealing with the emissions trading and climate policy issues. He had served as a civil servant in public administration (e.g. as Head of Environmental Health Unit in the Ministry of Health) and formely held numerous positions with non-governmental organizations dealing with sustainable development issues. He holds a M.Sc. and engineer degree in Sustainable Development and Environmental Management from the Warsaw University of Life Sciences.