

Strategic challenges to the EU ETS in the long-term

Agenda

Date: November 18, 2019

Time: 09:45 - 12:00

Location: Room Cattier, University Foundation, 11 rue d'Egmont, 1000 Brussels

With the Phase 4 review, concluded in early 2018, the European institutions attempted to make the EU ETS fit for life up till 2030. While the implementing process is still fully ongoing, the EU ETS has to continue to internalise new developments. These developments can be domestic, most notably the recent call by European Commission President-elect Von der Leyen to increase the EU's 2030 climate target and to explore the inclusion of new sectors in the EU ETS, as well as the goal of carbon neutrality by 2050 being supported by increasingly more Member States. These developments can also be international, such as the ongoing efforts to finalise an agreement of Article 6 of the Paris Agreement, or efforts by other countries to reduce their emissions, including developing carbon pricing initiatives, as well as the level of ambition of other countries.

In light of such developments, it is useful to think about the EU ETS both in the 2030-timeframe, as well as in the longer-term, and explore how it could adapt and address issues that emerge. A first brainstorm session was organised by ERCST on September 27, which had the intention to discuss, and discover, key issues, if any, that would need to be explored, as well as possibly identify work that may need to be done in the medium to long-term to help the EU ETS remaining resilient, relevant and acceptable.

After that meeting, ERCST produced a reflection note, which in no way is intended as a summary or conclusions of this session, but should be seen as general reflections from ERCST on the issues that were discussed, and an exploration of their articulation with the EU ETS.

These issues include:

- Review and revision of the Market Stability Reserve responding to market developments;
- Addressing competitiveness concerns in the long-term by introducing carbon border adjustments and operationalising Article 30;
- Exploring the role of using domestic offsets through operationalising Article 24a;
- Exploring options for international links with the EU ETS;
- Managing policy fragmentation through effective governance;
- Explore mechanisms to incentivise the deployment of Carbon Dioxide Removal Technologies.

During this meeting, we will continue to discuss these, and other, issues, and identify any work that should be done.

09:45 **Welcome**
A. Marcu, Director, ERCST

09:50 – 10:05 **ERCST presentation of reflection note ‘Strategic Challenges to the EU ETS
in the long-term’**

We will start with a short presentation by ERCST of the reflection note it produced, and discuss any new issues that may have emerged from the new European Commission since the last meeting.

This will be followed by a roundtable discussion, where speakers are invited to comment on the reflection note, each focussing on one of two of the issues raised, as well as raise any issues that are missing in their opinion.

10:05 – 11:55 **Roundtable discussion**

- F. Hannerz, Sweden EPA
- S. van den Plas, Carbon Market Watch
- L. Rathe, Norsk Hydro
- A. Graf, Agora Energiewende

11:55 **Way forward and end of the meeting**
A. Marcu, Director, ERCST

12:00 **Lunch**