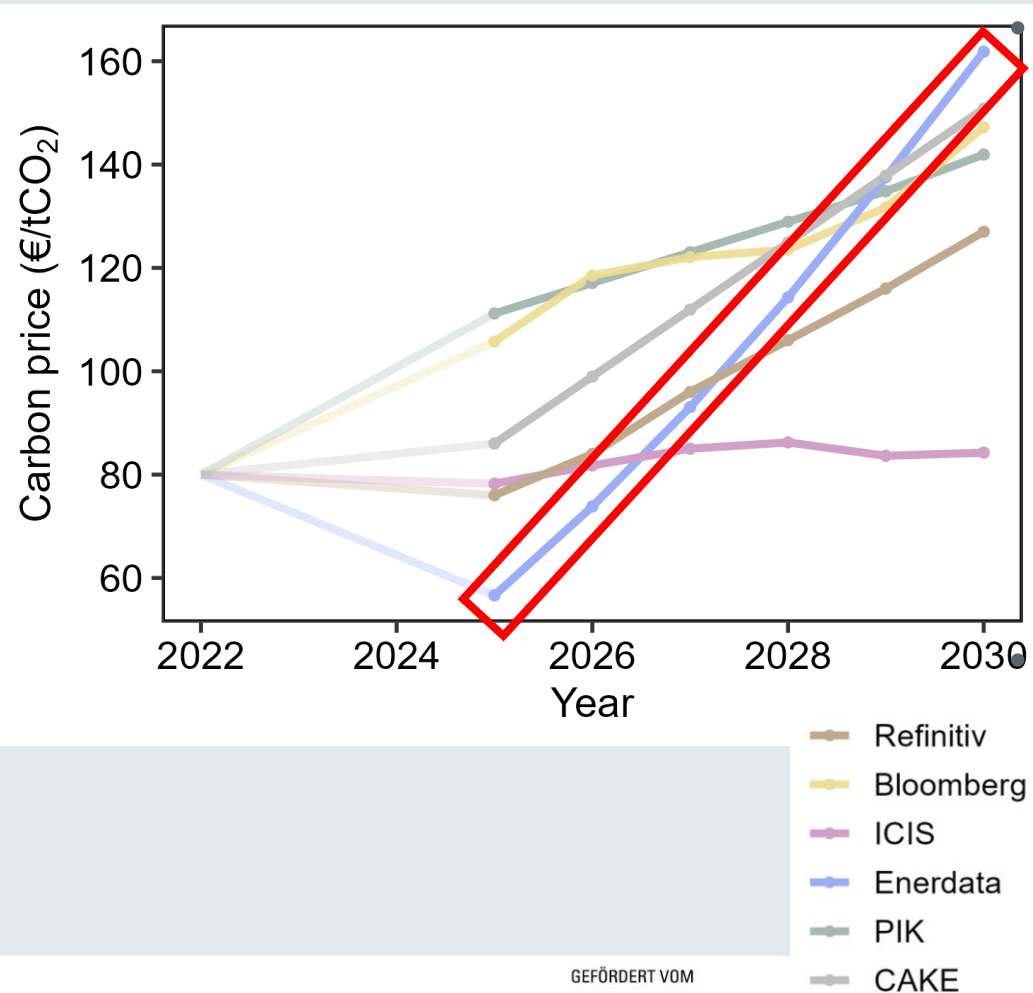# *WEBINAR „TEAM-SLIDE": ENERDATA*

What **drives the price** (in your model) in a nutshell?

- Market fundamentals, with power sector playing a main role in the 2025 to 2030 horizon

- Policy parameters, including design of the market (MSR, etc.) and interactions with other policies (e.g. RES, EE targets) & Behaviour of actors, incl. hedging and banking of EUAs

What are the **main workshop takeaways**?

- A lot of approaches not having an integrated view on the energy systems; yet somewhat comparable results.

- Post-2030 issues taking a large place in the discussions, showing a shared need to deal with these in the near future.

Ariadne @ Brussels

WEBINAR „TEAM-SLIDE": BLOOMBERGNEF
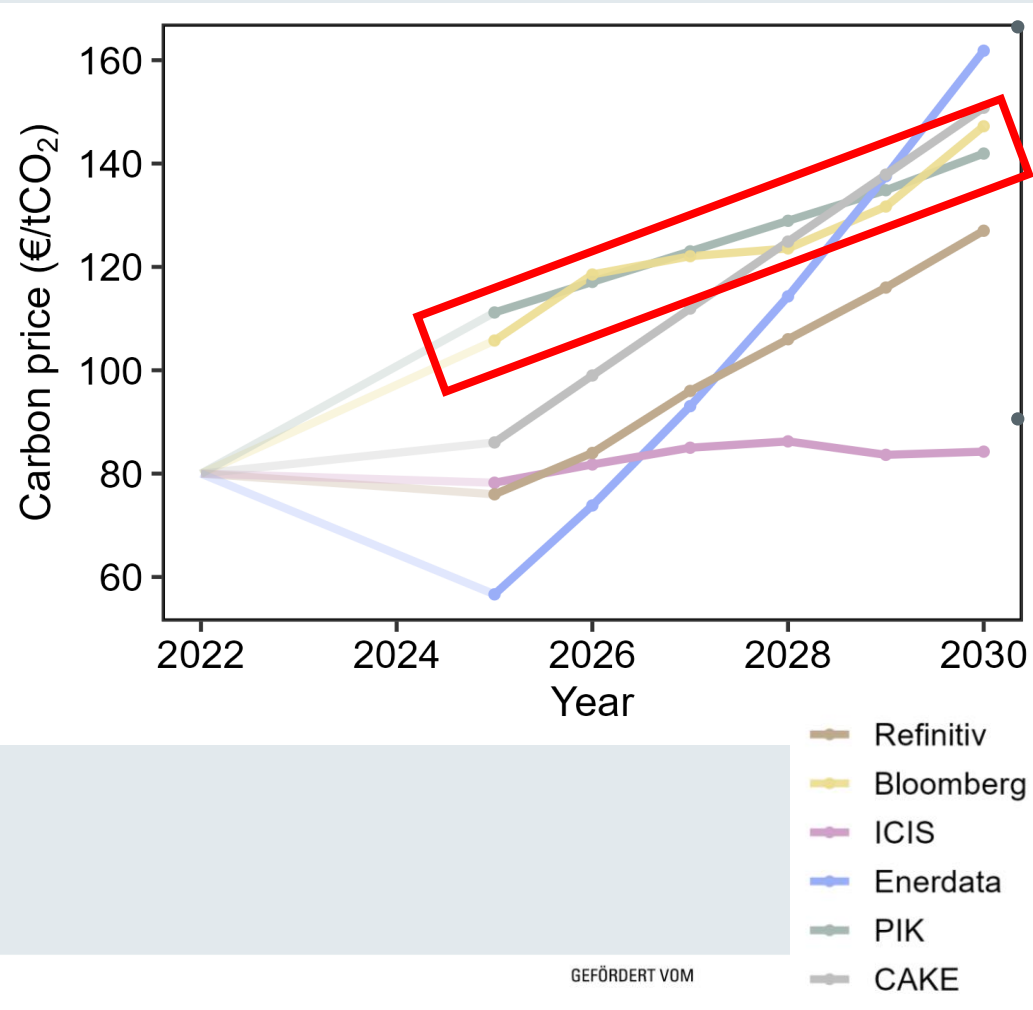
What **drives the price** (in your model) in a nutshell?

- Power and industrial (operational and permanent) abatement costs

- Policy signals of commitment to EU climate ambitions

What are the **main workshop takeaways**?

- It is time to start considering the post-2030 evolution of the EU ETS.

- There is a wide range of disparate behaviors responding to the market, both on the analysis/modelling side but also on the participant hedging, banking, trading and strategy side.

WEBINAR „TEAM-SLIDE": PIK
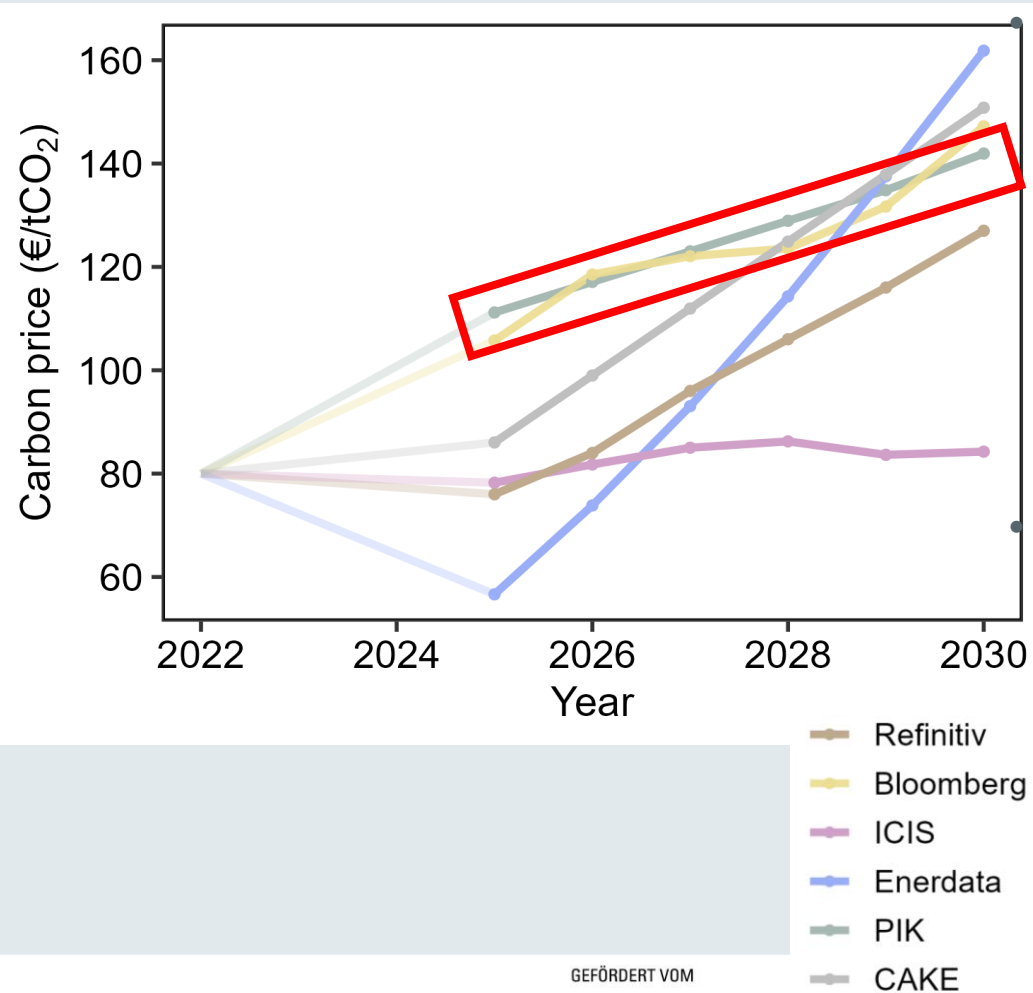
What **drives the price** (in your model) in a nutshell?

- Targets (medium and long-term) -> perfect foresight assumption (and full confidence that policy will remain in place)

- Discount rates: strong impact on banking decisions (and thus on MSR operation)

What are the **main workshop takeaways**?

- Perfect foresight is a too strong assumption, but what is the most appropriate time horizon?

- Overlapping policies seem to play a key role in price formation

- Seem clear the 'required' price in 2030 but not how to get there (lack of convergence in 2025 prices) -> points to implicit trust in policy

WEBINAR „TEAM-SLIDE": REFINITIV
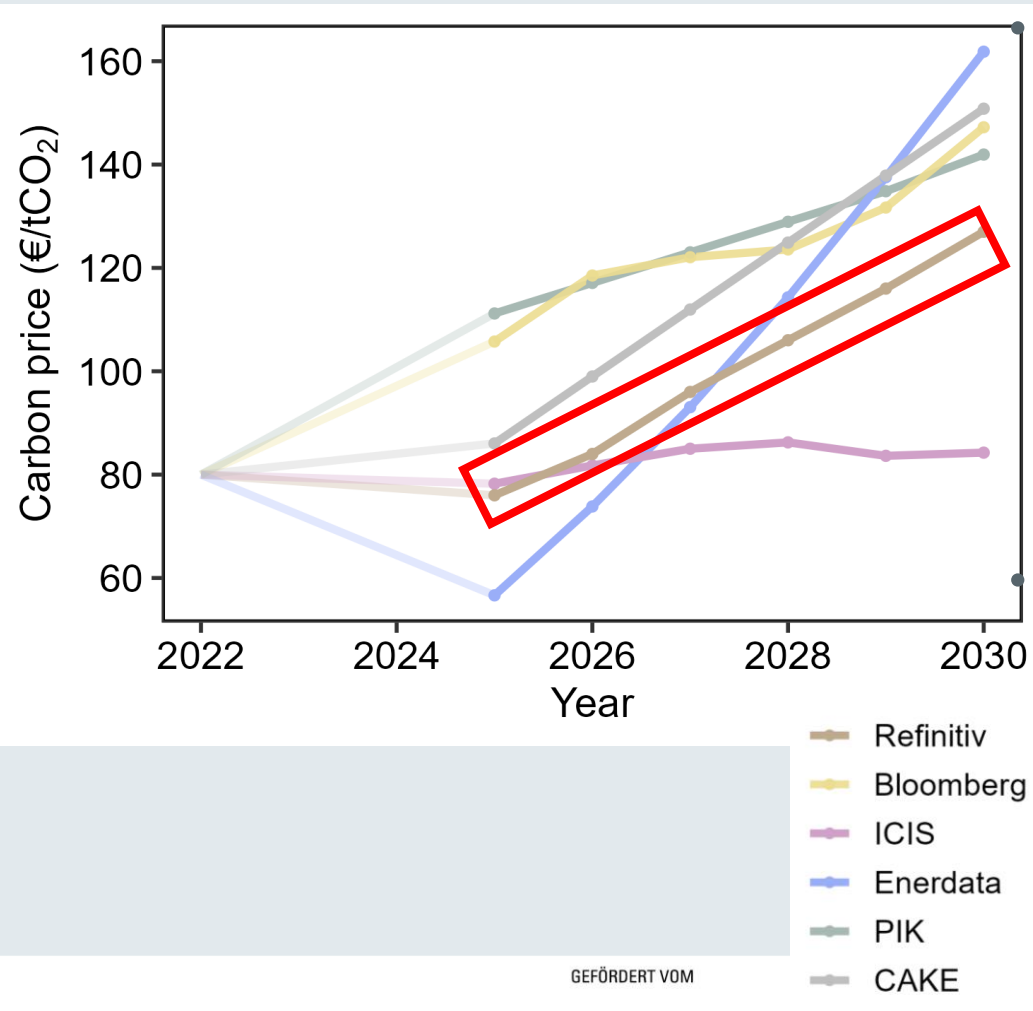
What **drives the price** (in your model) in a nutshell?

- EU's long-term climate goals support ETS prices and confidence among market participants of the scheme

- Industry abatement costs will be the important ETS price-setter going forward with abatement potential declining in the Power sector

What are the **main workshop takeaways**?

- Foresight horizon is a crucial assumption behind the models and need to be taken into consideration when interpreting the various carbon price projections

- How to model the reality that investments might not be made in time (market imperfection)?

WEBINAR „TEAM-SLIDE": CAKE/KOBIZE
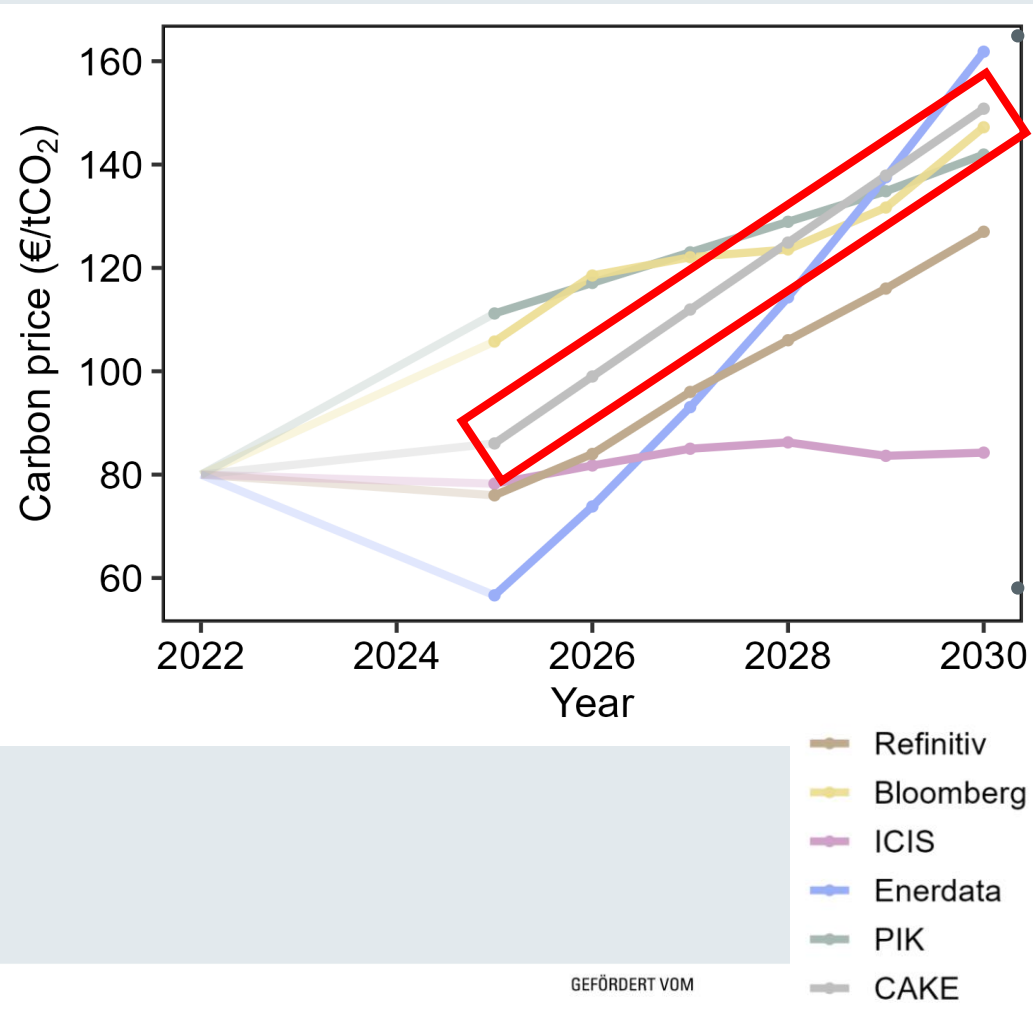
What **drives the price** (in your model) in a nutshell?

- Climate policy: GHG target, MSR. Extension of the current MSR 24% intake rate until 2030 would result in a much faster tightening of supply.

- Long-term speculators (e.g. pension funds that invest for a very long period of 10-15 years)

What are the **main workshop takeaways**?

- Comparing of different approach to modelling

- Importance of assumptions (policy overlaping; capital cost; market players behavior)
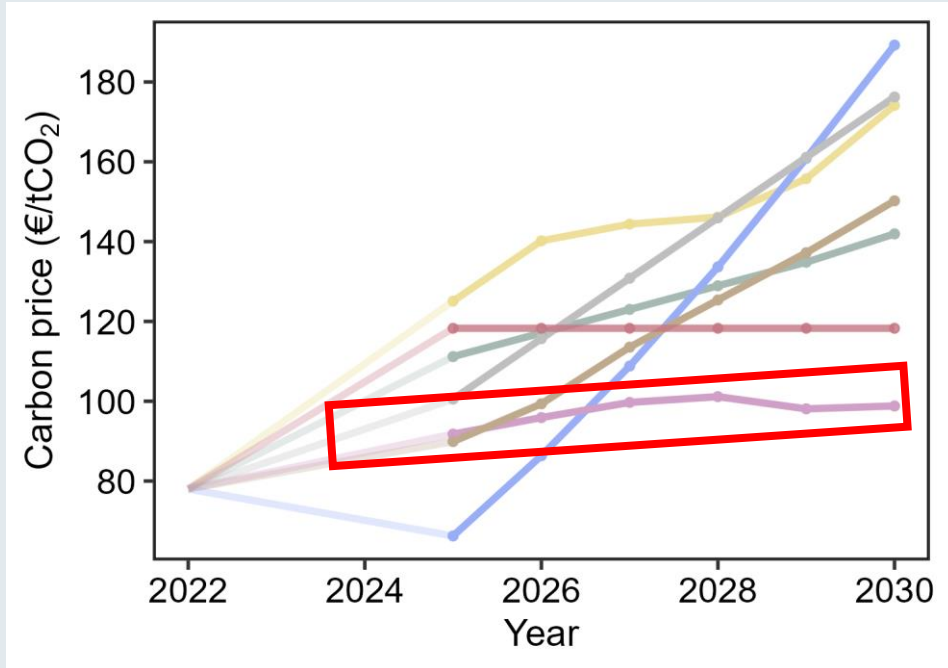
- What **drives the price** (in your model) in a nutshell?

  - Strong decarbonization of the power sector driven by overlapping policies and CO2 price eases long term balance

  - Energy efficiency and long-term abatement in industry is profitable at moderately higher prices

- What are the **main workshop takeaways**?

  - Model approaches have similarities and differences – assumptions matter

  - Market participant behavior and its imperfections needs to be considered