Ariadne @ Brussels 30 November 2022

THE EU-ETS PRICE THROUGH 2030 AND BEYOND: A CLOSER LOOK AT DRIVERS, MODELS AND ASSUMPTIONS

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KOPERNIKUS
Ariadne ≫ PROJEKTE
Die Zukunft unserer Energie

AGENDA

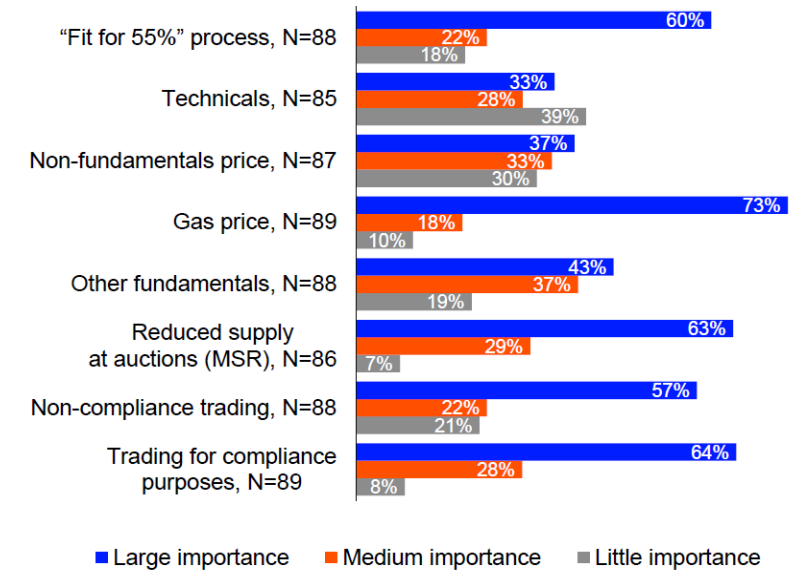| Time	Activity
09:00 – 10:30	**Session I: What are the main price drivers through 2030?** • Overview of team's price projections, and ranking of the role of driven price drivers • Discussion of the price drivers: Why is a price driver relevant, what are assumptions and expected effects? • Outcome: Matrix on ranking of different prices driver, collection of arguments and range of assumptions
10:30 – 11:00	**Coffee break**
11:00 – 12:30	**Session II: Types of models and behavioural assumptions – how will trading in 2030 differ from trading now?** • Overview of team's types of models and behavioural assumptions • Discussion of the implications of different model types and trading assumption similar to first session • Outcome: Overview of different approach, collection of pro and con arguments • Wrap-up and brainstorming on whether to have a written output
12.30 – 13.30	**Light lunch**
13.30 – 15.00	**Webinar to summarize and discuss the results (HYBRID)** • Welcome by moderator (Ben Garside, Carbon Pulse) [5 min] • Opening remarks by Ottmar Edenhofer: Why we should care about the ETS price in 2030 and beyond? [15 min] • Synthesis of key overarching findings by organizers [5 min] • One pre-structured slide per team, template will be prepared (main insights, contrasted with own results?) [6*2 min] • Q&A by participants, optimally structured along guiding questions [45 min]
15.00 – 15.30	**Coffee (break)**
15.30 – 17.30	**Debriefing and further discussions (optional)**
17.30 – 18.30	**Reception (TBC)**

GOALS OF THE WORKSHOP

- Discuss **in-depth** the types of EU ETS models, price drivers as well as core assumptions

- **Specific questions** include:
  - Impact of prices **being more and more determined by non-energy factors** (industry, CDR, etc.?)
  - Capacity of modelling to **deliver robust estimates** in times of high (political) uncertainty?

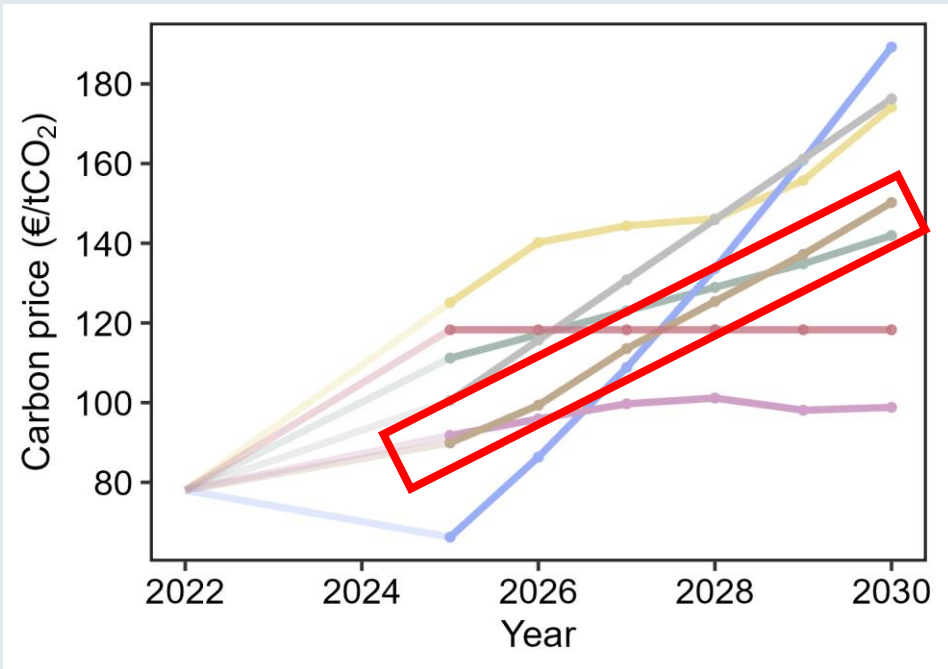- Bringing together the **analyst and scientific community**, **creating synergies** from their mutual expertise

Figure 1.3. Price drivers
Respondents were asked how important they consider the following price determinants, on a scale from 1 to 5. Ranks 1 and 2 here are subsumed as not important, 4 and 5 as very important

"Fit for 55%" process, N=88 — 60% / 22% / 18%
Technicals, N=85 — 33% / 28% / 39%
Non-fundamentals price, N=87 — 37% / 33% / 30%
Gas price, N=89 — 73% / 18% / 10%
Other fundamentals, N=88 — 43% / 37% / 19%
Reduced supply at auctions (MSR), N=86 — 63% / 29% / 7%
Non-compliance trading, N=88 — 57% / 22% / 21%
Trading for compliance purposes, N=89 — 64% / 28% / 8%

■ Large importance ■ Medium importance ■ Little importance

Source: Refinitiv

WEBINAR „TEAM-SLIDE" TEMPLATE: NAME OF ORGANIZATION

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

  - Statement 1

  - Statement 2

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

  - Statement 1

  - Statement 2