

Emission Trading

As instruments for controlling pollution, how do emissions taxes and emissions trading compare in terms of the incentives they create to adopt cleaner technologies? Emissions taxes may have a slight advantage over emissions trading.

Seminar paper from the year 2012 in the subject Business economics - Business Management, Corporate Governance, grade: 1,7, University of Applied Sciences Paderborn, language: English, abstract: The goal and purpose of this paper is to describe the necessity and functionality of emission trading. Furthermore, it illustrates the basic procedure of emission trading and explains its general parts, in order to be able to evaluate the efficiency of emission trading and emphasize its critical aspects. Firstly, this paper explains the basic principles of emission trading, initially special terms and definitions. Then chapter two continues to clarify why emission trading exists and why its importance constantly rises. After that, chapter three deals with important boundary conditions. Chapter four contains the functionality of emission trading and its corresponding procedures. The term paper ends up with a brief conclusion, including a little forecast for the near future.

Seminar paper from the year 2015 in the subject Economy - Environment economics, grade: Very good (German: 1,6), University of Glasgow (Adam Smith Business School), course: Sustainable Development, language: English, abstract: Following the introduction, important terms will be defined. Arguments about the advantages and disadvantages of both approaches will be discussed briefly, followed by a closer look into some scholarly evidence.

Emissions trading (ET) challenges business managers in an entirely new manner, changing the criteria by which environmental policy steers management decisions from hierarchical to monetary. The 24 contributions to this volume discuss ET theoretically and empirically in these broad topic areas: 1) Institutional design, decision making and innovation; 2) Investment and management strategies; 3) ET and business administration and 4) Effects of existing and emerging ET schemes.

Master's Thesis from the year 2011 in the subject Economy - Environment economics, grade: 1.1, course: International Business, language: English, abstract: Emitting half of the greenhouse gases in industrialised countries, the oil and gas sector plays a central role in global GHG emissions. Environmental regulations such as the EU ETS emerged to fight climate change by reducing GHG emissions. Although those regulations increasingly affect oil and gas companies, specific implications of the EU ETS on business strategies are widely unknown. Therefore, this dissertation explores strategic responses to the EU ETS and analyses the impact of the regulation on the oil and gas sector. A strategic response framework, derived from the literature review, provides the basis for the analysis and is consequently adapted to the research findings. Empirical case studies of BP and Shell, combine secondary data and expert interviews to identify and further outline specific responses to the EU ETS. The research findings indicate that the EU ETS significantly impacts business strategies of oil and gas firms. The resulting strategic responses are mainly influenced by regulatory pressure, economic factors and competitive implications. Responses in various corporate, managerial and operational areas could be identified. From a corporate perspective, oil and gas companies support the EU ETS, as a trading scheme for carbon is preferred to other options, such as carbon taxes. Managerial responses comprise the introduction of environmental risk management systems, incorporating a carbon price into investment decisions, and the establishment of carbon trading teams, mitigating the costs of the EU ETS. Operationally, oil and gas firms responded directly by engaging in carbon trading and investing in Carbon Capture and Storage technologies. While, process improvements and lower emission generating products such as

natural gases and bi

'Emission markets are crucial both to provide the right incentives to reduce GHG emissions and to fund investments necessary for a transition to a low carbon world. Emission markets however cannot achieve these objectives if inappropriately designed. This book is a novel and fresh attempt to look at the real functioning of the EU Emission Trading Scheme and to assess its effectiveness and inconsistencies, its positive and negative impacts on industrial and financial markets. With the overall objective to improve its design and performance.' Carlo Carraro, University of Venice, Italy '... this important book has the great achievement of addressing a complicated and socially highly debated issue of how society could be given optimal incentives for emission reductions from a legal and economic perspective. Moreover, it not only addresses the various issues from a theoretical perspective, but provides important empirical evidence on the working of emissions trading as well. The book will undoubtedly have important lessons not only at the theoretical level, but also for policy makers interested in improving the effectiveness of emission trading schemes.' From the foreword by Michael Faure This unique and up-to-date book analyses the functioning of the European Emissions Trading Scheme (ETS) and assesses the extent to which relevant legislation has affected its capacity to promote cost-effective reduction of European carbon emissions. The author investigates whether inefficiency has been caused by both the ETS cap setting procedure and by the ETS relevant allocation rule, as defined by Directive 2003/87/EC. He then considers whether the new Directive 2009/29/EC, which reforms the ETS institutional design, is likely to improve the scheme's effectiveness by reducing the risk of carbon leakage which could potentially be a consequence of implementing a unilateral policy across the asymmetric political landscape of Europe. This well-documented book will appeal to researchers and postgraduate students in environmental law and environmental economics, as well as policymakers within environment, industry and economics, and electric and industrial operators and stakeholders. Environmental NGOs, energy and environmental consulting groups, members of the European Commission, and energy and environmental think-tanks will also find much to interest them in this insightful book.

The EU Emissions Trading Scheme (EU ETS) has been characterized as one of the most far-reaching and radical environmental policies for many years. Given the EU's earlier resistance to this market-based and US-flavoured programme, the development and implementation of the EU ETS has been rapid. This novel approach to environmental regulation has the potential to affect not only greenhouse gas emissions in the EU, but also international strategies for climate change protection. This book investigates the origins, evolution and consequences of the EU ETS and offers significant contributions to the literatures on climate policy and EU policy making.

Acid Rain and Environmental Degradation is a succinct yet comprehensive survey of emission trading - a significant research and policy field of increasing importance for both Europe and the USA. Against the background of environmental policy instruments in general, Dr Klaassen presents a state-of-the-art survey of both the theory and actual applications of tradable permits. This survey also analyses international theory and experience. Later chapters examine the European acid rain issue and discuss how it can be addressed by means of tradable permits with particular relevance to sulphur emissions. Acid Rain and Environmental Degradation responds to current European policy discussions to apply emission trading on a continental scale. Because of its unique blend of theory and practice, this volume not only sets the tone for future discussions in Europe on transboundary pollution control, but also offers something for the academic economist, the environmentalist and the policymaker.

Empirical and theoretical perspectives on the first two phases of the European Emissions Trading Scheme, the largest cap-and-

trade market established so far.

Given the rapid spread of ETSs in an increasing number of countries and the important role that they are likely to play for the success or failure of the environmental policy in the years to come, this book provides an interdisciplinary analysis of the EU ETS from both the legal and economic perspectives comparing it with the other main ETSs existing worldwide, in order to assess whether the EU ETS has truly represented a prototype for the other ETSs established around the world and to investigate the current perspectives for linking them in the future. Through the years, the EU ETS has progressively gained a paramount position within the EU environmental policy and climate change legislation and currently represents the most striking flagship in this sector, with more than 11.000 installations covered by the scheme. In parallel, the EU ETS has paved the way for the establishment of many other ETSs in several other jurisdictions. Such schemes are now recognized worldwide as the “cornerstones” of the climate change policy.

Authoritative, comprehensive, accessible—the definitive guide to a new approach in environmental policy Emissions Trading: Environmental Policy's New Approach presents the work of an outstanding group of contributors on the successes and limitations of this new and exciting incentive-based tool for reducing environmental pollutants. By including the comments of emitters, regulators, public interest group representatives, and academics, the book reveals the criticisms, disagreements, and growing resolution of numerous environmental questions, including: * Can markets be used to correct market environmental failure? * Will decentralized decisions by emitters produce an improvement in air quality? * Can this approach realize significant control cost savings? * Can emissions trading be monitored and enforced effectively at a reduced cost? * Will affected groups support this dramatic innovation? Supported with sound analytical thinking and careful consideration of the evidence, Emissions Trading presents an open and candid discussion of the issues and choices that lie ahead. As emissions trading is extended to air pollutants such as nitrogen oxides and carbon dioxide, the data and information contained in this book will become even more important and compelling for anyone interested in matters destined to have a profound impact on the economy, the environment, and public health.

The Nordic Council of Ministers commissioned an update study on the developments of the European Emissions Trading Scheme (EUETS). The focus of the study is the interaction between the EUETS and the Nordic electricity market in general and the electricity prices to the industry in particular. The study was presented a seminar organised by the NCM in mid-march to discuss the developments with industry and market actors.

Starting from January 1, 2005 the European Union will implement a scheme for trading with greenhouse gas (GHG) emission allowances. During the first trading period, 2005-2007, the scheme covers only CO₂, and there is no international commitment to reduce the emission of GHG. During the second period, 2008-2012, the European Union has committed to reducing their emissions of GHG by 8% compared to 1990 levels. Emissions trading will create a cost of CO₂ emissions and increase the marginal cost of producing electricity in fossil-fueled plants. This will result in an increase in the electricity price. For the period of

2005-2007, the likely range of allowance prices in the EU is estimated to be 1-5/tonne CO₂ and for 2008-2012, 8-13/tonne CO₂. Based on these estimates the effect on the price of electricity is analyzed. In the short run, the price increases in the Nordic countries, except Jutland, is less than the increase in marginal cost for coal plants. In the somewhat longer run (2012) the price increase is approximately the same as the increase in the marginal cost of modern gas-fired plants.

Seminar paper from the year 2005 in the subject Business economics - Business Management, Corporate Governance, grade: 1,0, University of Hull, language: English, abstract: 1 Introduction During the last century the Earth's average surface temperature has risen by 0.6 degrees Celsius. It is expected to warm by 1.4 to 5.8 degrees Celsius by the end of this century. The current warming trend is expected to cause extinctions. Many plant and animal species, already damaged by pollution and loss of habitat, are not expected to survive till the next century. Human beings are likely to face mounting impacts such as raising sea level, decrease of drinking water springs and, deserts may expand into existing farmlands. The main reason for growing thermometer is the industrialisation with burning of ever-greater quantities of oil, gasoline, and coal, the destroying of forests and some farming methods which especially causes carbon dioxide, methane, and nitrous oxide. These activities cause an increasing amount of 'greenhouse gases' in the atmosphere. The effect is that the global temperature is increasing artificially. Global warming involving the entire world which most countries joined an international treaty, under the umbrella of the United Nations, to begin to consider what can be done to reduce global warming. Therefore, in 1997 governments agreed to an addition to the consisting treaty, namely the 'Kyoto Protocol' (UNFCCC, 2005). [...]

This timely book addresses the need for further measures to reduce greenhouse gas emissions in the European Union, arguing that the EU Emissions Trading Scheme does not offer sufficient incentives for the carbon-intensive materials sector. It highlights the challenge that emissions from industries such as iron and steel, cement and aluminium, amongst others, pose to the EU's commitment to significantly cut emissions by 2030.

The emission trading scheme is the most recent instrument of the EU environmental policy. Its underlying mechanisms and economic consequences are yet less straightforward than policymakers initially had expected: As this study shows, the regulation probably yields unintended distributional effects and imposes additional risk on the regulated companies. Consequently, meaningful accounting for emission rights is not only a necessity for regulators and customers, who need transparency, but also for investors on capital markets, who bear the additional regulatory risk. This study empirically assesses the usefulness of various accounting alternatives and provides evidence that cost and fair value approaches dominate the widely used mixed models.

Seminar paper from the year 2016 in the subject Politics - International Politics - Topic: European Union, grade: 2,0, ISEC-Institut Supérieur de l'Économie (dern. eufom University), language: English, abstract: This term paper discusses how to improve the European Union Emission Trading Scheme to have the lowest possible influence on companies with the highest possible reduction of greenhouse gases. Even though in theory this scheme may appear flawless there are a few conflicts and negative consequences which have a big influence on some participating countries. To get an overview, the problem of the emissions has to be explained first. After that, it is essential to explain

the theory of the European Union Emission Trading Scheme with a summary of the main expected theoretical effects. There must be an empirical evaluation about the real effects in comparison to the theoretical expected ones. This part will be followed by a discussion on how the government needs to change the scheme to improve the consequences. At last, there will be a conclusion which will sum up the outcome of the discussion and give a perspective on the future. Being and staying healthy is one of the greatest wishes of humanity because it is assuring a longer life. But not only a highly developed health system protects people from illnesses, also living in a clean and safe environment extends the span of life. This is why it is always interesting to discuss new solutions of the government which shall protect the environment, improve our climate and increase our sustainability. In year 1997 the Kyoto protocol was added to the United Nations Framework Convention on Climate Change, short UNFCCC, to reduce those emissions gradually. In addition to this contract the European Union created in 2005 the European Union Emission Trading Scheme, short EU ETS. It allows companies to buy and trade a certain amount of emission permits.

The 1997 Kyoto Conference introduced emissions trading as a policy instrument for climate protection. Bringing together scholars in the fields of economics, political science and law, this book, which was originally published in 2005, provides a description, analysis and evaluation of different aspects of emissions trading as an instrument to control greenhouse gases. The authors analyse theoretical aspects of regulatory instruments for climate policy, provide an overview of US experience with market-based instruments, draw lessons from trading schemes for the control of greenhouse gases, and discuss options for emissions trading in climate policy. They also highlight the background of climate policy and instrument choice in the US and Europe and the foundation of systems in Europe, particularly the EU's directive for a CO₂ emissions trading system.

The world is gearing up for the Copenhagen Summit, a factor which will decide the future of the climate change policies for the world. Hence, understandably, a lot of discussion and debate about sustainable development, emissions cut and emission trading. At this time, it becomes very important for all to understand and appreciate the importance of such a profound concept of emission trading, and its inextricable link with global climate change. For this, various national and International programmes undertaken by the government and voluntarily or by the non-government agencies have positively impacted the progressive reduction of emissions only to some insignificant extent in many parts of the world. The book provides valuable and updated information on the state of global climate change, principally resultant of emissions, the compositions and characteristics of greenhouse gases and their impact particularly on environment and human life, modus operandi of emissions trading and accounting of carbon credits, global initiatives and cooperation in abatement of emissions, regulatory and governance aspects of carbon credit flows, carbon management and International carbon finance, carbon neutrality, carbon footprints and last but not the least carbon literacy to help build a carbon-neutral global community.

Winner of the Choice Outstanding Academic Titles of 2010 award. This book is a comprehensive and accessible guide to understanding the opportunities offered by regulated and voluntary carbon markets for tackling climate change. Coverage includes: - An overview of the problem of climate change, with a concise review of the most recent scientific evidence in different fields - A highly accessible introduction to the economic theory and different constitutive elements of a carbon allowances market - Explanation of the Kyoto Protocol and its flexibility mechanisms - Explanation of how the EU Emissions Trading Scheme works in practice - Ongoing developments in regulated carbon markets in the US - Up-to-the-minute coverage of regulated carbon markets in Australia - Developments in New Zealand and Japan - Carbon offsetting and voluntary carbon markets. Combining theoretical aspects with practical applications, this book is for business leaders,

financiers, carbon traders, lawyers, bankers, researchers, policy makers and anyone interested in market mechanisms to mitigate climate change. The carbon emissions resulting from the production of this book have been calculated, reduced and offset to render the book carbon neutral. Published with CO2 Neutral

A collection of twelve superbly written contributions by leading researchers and scientists on greenhouse gas emissions trading by members of the European Union, as well as alternatives and new developments in this specialized area of global warming and reduction related commercial exchange. . . a seminal and strongly recommended work of particular relevance and value for both academic and governmental reference library collections on international environmental studies. Midwest Book Review This timely book focuses on the EU-wide greenhouse gas emissions trading scheme for major sources. It combines legal and economic approaches and reviews the major revision of this scheme. A distinguished range of authors assess the experiences thus far and also consider future development from both theoretical and practical perspectives. They also discuss many design options, including auctioning, credit and trade, the inclusion of aviation emissions, and linking possibilities. Moreover, attention is paid to the role of legal principles, the role of case law, and to aspects of democratic accountability within an emissions trading scheme. Ways to avoid carbon leakage and the role of national climate policies are also discussed. This book makes clear that the economic efficiency and effectiveness of an emissions trading scheme depend to a large extent on the specific legislative choices, and hence the legislative design of such a scheme deserves meticulous attention. Discussing legal and economic aspects of emissions trading, this book offers new insights to academics and policy makers both in the public and private sector. Those insights are not only relevant for understanding the past, but moreover for guiding the future design of emissions trading for greenhouse gases.

Seminar paper from the year 2019 in the subject Politics - Environmental Policy, grade: 1,7, University of Applied Sciences Stuttgart, language: English, abstract: The work discusses the European Union Emission Trading System and analyses its chronological progress. The European Union has a fundamental role in setting bindingly ambitions for member states to fight the global warming with global and international, not national measures. Between 1990 and 2012 the EU achieved a decrease of greenhouse gas emission by 19 percent meanwhile the economy grew about 45 percent at the same time. The European Union campaigns for the climate protection. The reason why is the fact that the percentage of greenhouse gases, mainly carbon dioxide, in the Earth's atmosphere is higher as it was at least 800 thousand years ago. 80 percent of the greenhouse gases produced in the European Union (EU) derive from the combustion of energy carriers like fossil fuels, which leads to the problem that the more greenhouse gases we have in the atmosphere, the less sun energy can escape it and the earth starts to heat up. As a result of the increasingly noticeable consequences of the climate change the policy must diminish the anthropogenic greenhouse gas emission. For that, the most approved instrument is the Emission Trading System (ETS), which all 28 EU member states plus Iceland, Liechtenstein and Norway have already inserted.

Research Handbook on Emissions Trading examines the origins, implementation challenges and international dimensions of emissions trading. It pursues an interdisciplinary approach drawing on law, economics and at times, political science, to present relevant research strands regarding emissions trading. Intermixing theoretical insights with experiences from existing trading systems, this Handbook offers insights that can be applied around the world. It identifies key bodies of research for both upcoming and seasoned people in the field and highlights future research opportunities.

Paying the Carbon Price analyses the practice of freely allocating permits in Emissions Trading Schemes (ETs) and demonstrates how

many heavy polluters participating in ETSs are not yet paying the full price of carbon. This innovative book provides a framework to assist policymakers in the design of transitional assistance measures that are both legally robust and will support the effectiveness of the ETSs whilst limiting negative impacts on international trade.

Emissions trading is becoming an increasingly popular policy instrument with growing diversity in design. This book examines emissions trading design, emissions trading implementation problems and how to address them. In an easily accessible way

Emissions Trading Principles and Practice Routledge

The European Union's Emissions Trading Scheme (EU ETS) is the world's largest market for carbon and the most significant multinational initiative ever taken to mobilize markets to protect the environment. It will be an important influence on the development and implementation of trading schemes in the US, Japan, and elsewhere. However, as is true of any pioneering public policy experiment, this scheme has generated much controversy. Pricing Carbon provides the first detailed description and analysis of the EU ETS, focusing on the first 'trial' period of the scheme (2005–7).

Written by an international team of experts, it allows readers to get behind the headlines and come to a better understanding of what was done and what happened based on a dispassionate, empirically based review of the evidence. This book should be read by anyone who wants to know what happens when emissions are capped, traded, and priced.

Væksten i og betydningen af transportsektorens CO₂ emissioner, kombineret med de relativt høje reduktionsomkostninger i transportsektoren, peger på, at der kan opnås fordele ved at inkludere sektoren i EUs kvotehandelssystem

This book focuses on the linking of the European Union Emissions Trading System (EU ETS) with other independent regional ETS. While rich practical and academic research has evolved on the economic and technical side of ETS linking, political drivers and barriers have so far been underrepresented in this debate. Filling this lacuna and based on international relations theory, existing research and qualitative fieldwork, this book introduces the range of political conditions that influence linking, such as political leadership and stakeholder activity. Specifically, it analyzes which of these aspects have played a role in three different linking activities of the EU: (1) a failed linking attempt: EU ETS–California Cap-and-Trade Program; (2) a successful linking treaty: EU ETS–Switzerland Emissions Trading System; and (3) an agreed-upon but not realized link: EU ETS–Australia Carbon Pricing Mechanism. Through an interrogation of these examples, Dr. Unger concludes that it is not only the technical challenges or the overall economic benefit but rather domestic interests, structural aspects, and external international political developments that have jointly dominated linking

activities, especially those in which the EU takes part. This book will be of great interest to scholars and policy-makers working in climate policy and EU environmental politics.

International emission trading will be one of the most important tools in the effort to reduce greenhouse gas emissions in the atmosphere. While the private sector has embraced the concept and is well equipped to use it, implementation at the international level remains incomplete. This book provides a broad assessment of the issue from the 'perfect' system envisaged in economic models to a more realistic view of how trading can actually work. The review is based on market experiments and modelling undertaken by the International Energy Agency and other institutions. It takes an in-depth look at implications for the power generation sector, and considers how developing countries could be included in a future trading regime. The aim of the book is to clarify what can be expected from international emission trading in the energy sector, and in other activities.

Emissions trading challenges the management of companies in an entirely new manner: Not only does it, like other market-based environmental policy instruments, allow for a bigger flexibility in management decisions concerning emission issues. More importantly, it shifts the mode of governance of environmental policy from hierarchy to market. But how is this change reflected in management processes, decisions and organizational structures? The contributions in this book discuss the theoretical implications of different institutional designs of emissions trading schemes, review schemes that have been implemented in the US and Europe, and evaluate the range of investment decisions and corporate strategies which have resulted from the new policy framework.

First published in 1985, Emissions Trading was a comprehensive review of the first large-scale attempt to use economic incentives in environmental policy in the U.S. and of the empirical and theoretical research on which this approach is based. Since its publication it has consistently been one of the most widely cited works in the tradable permits literature. The second edition of this classic study of pollution reform considers how the use of transferable permits to control pollution has evolved, looks at how these programs have been implemented in the U.S. and internationally, and offers an objective evaluation of the resulting successes, failures, and lessons learned over the last twenty-five years.

This special issue of the Climate Policy journal outlines the fundamentals of the new European Emissions Trading Scheme (EU ETS), assesses the strategies for and impact of implementation and highlights the scheme's potential, including positive aspects and remaining hurdles. The EU Emission Trading Scheme (EU ETS) is the first international trading scheme for CO₂ in the world. Its aim is to reduce the cost of compliance to existing targets under the Kyoto Protocol. From 1st January 2005, companies in high-energy sectors covered by the scheme must limit their CO₂ emissions to allocated levels, arranged in two periods: from 2005-2007 and 2008-2012 (to match the first Kyoto commitment period). In practice, the scheme is likely to cover over 12,000

installations across the European Union, corresponding to approximately 46% of the total EU CO₂ emissions. The EU ETS represents a significant development in working at an international level to combat dangerous climate change. The EU Emissions Trading Scheme presents a comprehensive and insightful analysis of the EU ETS, written by international experts in the field. The publication includes the latest research on emissions credits, the interaction of the trading scheme with national energy policies and the debate on future expansion.

This book draws upon a meticulous study of background documents and a string of fresh interviews to tell the fascinating story of how the EU's climate flagship was significantly improved. The EU's emissions trading system (ETS) covers almost half of its greenhouse gas emissions and has been hailed as the cornerstone and flagship of EU climate policy. But in spring 2013 the ETS was in severe crisis, with a huge surplus of allowances and a sagging carbon price. Even a formally simple measure to change the timing of auctioning was initially rejected by the European Parliament. Two years later a much more important 'market thermostat' was adopted (i.e. the Market Stability Reserve) and proposals for a complete ETS overhaul were put on the table. This book examines and explains how it was possible to turn the flagship around so quickly. Crucial changes at EU and national levels are identified, chief among them in Germany and the European Parliament.

Emissions trading systems have come to the fore as the most economically efficient mechanisms that can be employed to bring about an optimal greenhouse gas reduction goal. Even though much has been written about the advantages and disadvantages of these systems, one element of crucial importance and— emission allowance allocation and— has not been considered in adequate depth until the present study. Such an analysis takes on increased importance as it seems likely that market-based auctioning will become the default allocation method throughout the EU under a proposed amendment to the Emissions Trading System (ETS) established by Directive 2003/87/EC. Taking a law and economics approach and— that is, using a combined perspective of industrial economics and legal analysis and— this important book examines the potential for anticompetitive distortion that may result from auctioning emission allowances. Among the issues investigated in depth are the following: whether the current setup of the EU ETS fosters allocative efficiency or whether this allocative efficiency is hindered by legal impediments or constraints; whether EU competition law can serve to remedy anticompetitive effects stemming from Member State actions taken pursuant to Directive 2003/87/EC; which allocation formats are most desirable from an allocative efficiency and environmental effectiveness point of view; the importance of initial allocation and adjustment of out-of-equilibrium situations under the amended ETS; whether auctioning allowances serves the attainment of market equilibrium even in the continuing presence of and 'polluter havensand'; the effect of the ECJand's so-called and 'joint application jurisprudenceand' on the ETS; and the allocation of allowances from a state aid perspective. The book provides both a coherent typology of emission allowance allocation mechanisms and the main characteristics of the present emissions trading system, setting the gained insights into a broader perspective. It examines how various assignment mechanisms deal with issues such as price determination, allocative efficiency and environmental effectiveness. It considers how market-based allocation mechanisms compare with administrative allocation mechanisms,

particularly those based on the widely applied grandfathering method. And perhaps most important and— and of especial value to practitioners and policymakers and— it identifies the auction design challenges that must be addressed by the Commission in its implementing regulation due by 30 June 2010.

Bachelor Thesis from the year 2020 in the subject Economy - Environment economics, University of Münster, language: English, abstract: The study aims to investigate whether the “Emission trading scheme” (ETS) of the EU can effectively achieve the reduction of emission, energy conversation. The question whether ETS can save energy and reduce emissions in underdeveloped nations is a key factor for those countries in achieving environmental development and sustainable economy. This research looked at the CO2 reduction and energy-saving policies implemented in the EU in 2011. Moreover, by examining the data from two two-digit industry panels for the period 2005-2015, we adopted a Differences Model (DID) to explore the effect on CO2 energy savings and reduction of emissions. The results show that, compared to untested areas, the Emissions of CO2 trading scheme has reduced consumption of energy in regulated industries by 22.8 percent and Emissions of CO2 by 15.5 percent in the pilot areas. Further analysis shows that the effect of the policy is mainly due to the improvement of energy technology efficiency and the modification of industrial infrastructure. Besides, we have found that “carbon trading” works best in areas with a high level of law enforcement and marketing of the environment. Generally, our results show that “carbon trading” has saved energy and reduced emissions in underdeveloped nations.

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