



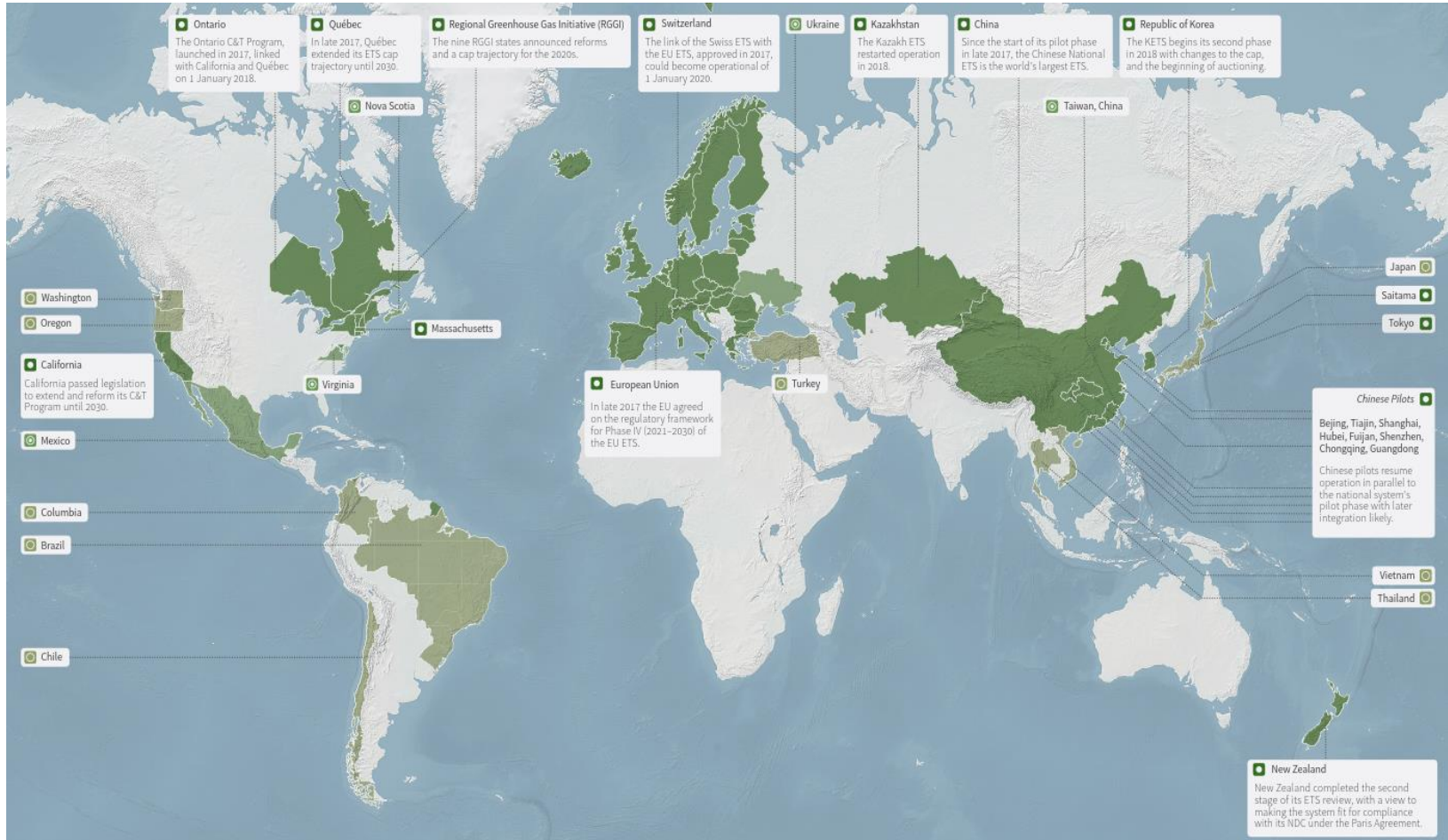
ETS worldwide – trends and perspectives

Constanze Haug

ICAP Secretariat

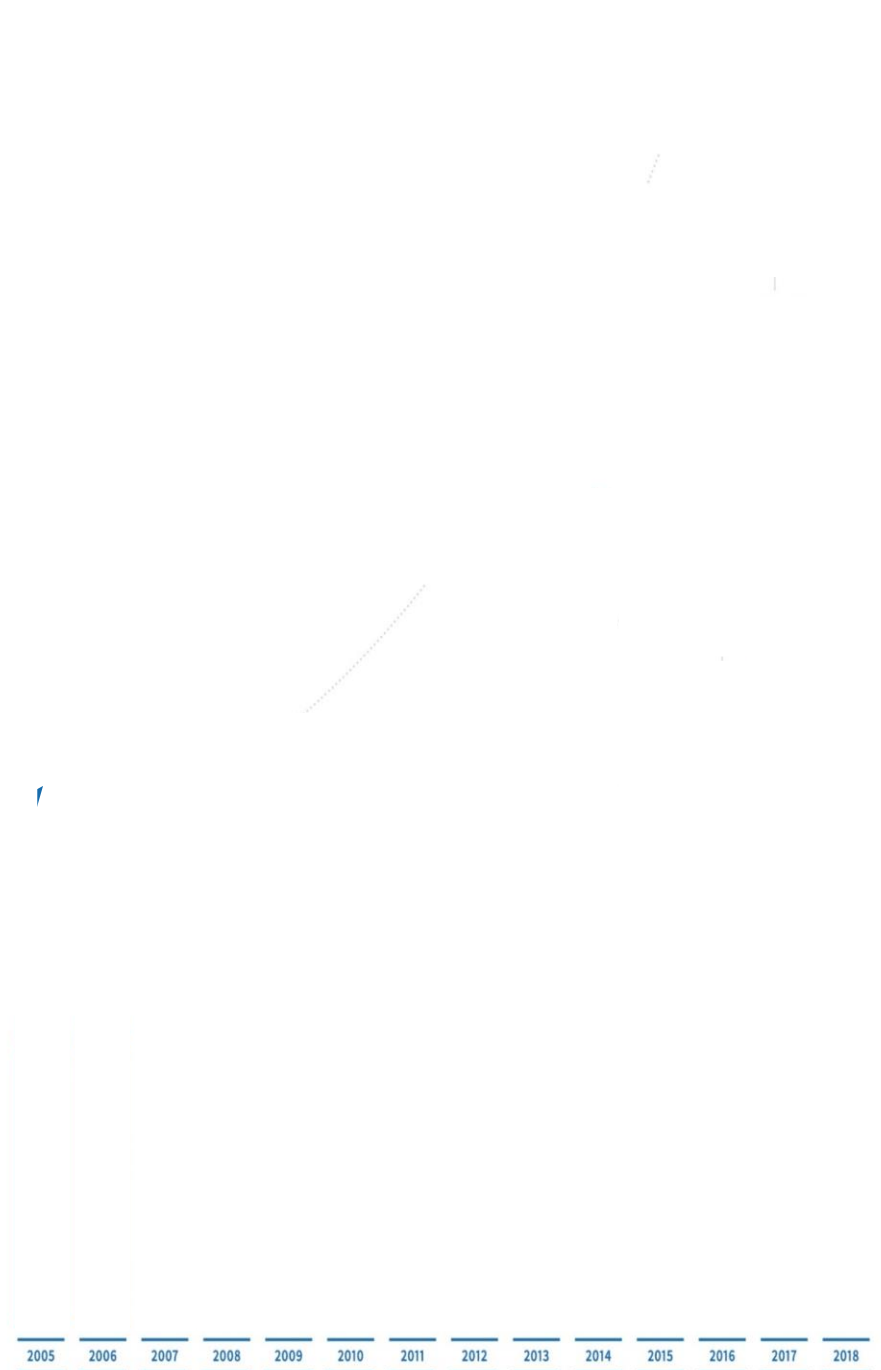
Global ETS count, Nov. 2018

20 ETS worldwide, regulating emissions from more than 7 billion tCO₂e.



Tripling the Share

Emissions coverage over time



Mature systems: implementing the 2017 reforms



1. **Cap** decline factors: increases in ambition for 2020s.
2. **Allocation** – better targeting free allocation to those sectors that need it most.
3. **Market stability** – introducing or fine-tuning instruments to manage allowance quantity or price, reflecting the experience of the past.
4. **Offsets** – increasing the emphasis on domestic abatement – at least in the short-term.

„New kids“ on the ETS block

Asia

- **Korea:** 2nd ETS phase started in 2018
- **China:** 2018 focus on ministerial reorganization, continued commitment to ETS

The Americas

- Systems scheduled for implementation in **Mexico** and **Nova Scotia**
- **Virginia** and **New Jersey** seem set to (re-)join RGGI in 2020
- Legal basis for ETS adopted in **Colombia**
- ETS preparations in **Oregon**

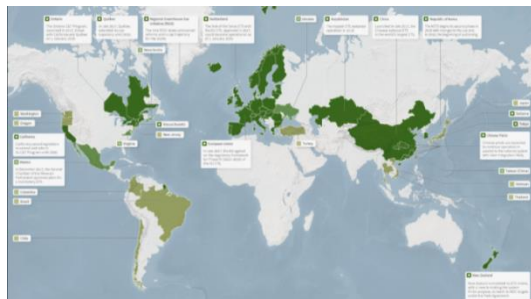
ETS in 2018 in a nutshell

- Overall trend: positive.
- **Converging allowance prices** in major systems
- **ETS revenue**: nearing USD 50 billion globally
- The **politics** of carbon pricing: ex. Ontario
- Consolidating ETS best practices: towards “building blocks” and “plug and play”?
- Task ahead: Expanding carbon pricing & maintaining (or adopting) 2degree-compatible cap trajectories in the face of rising carbon prices

ICAP ETS knowledge resources (selection)

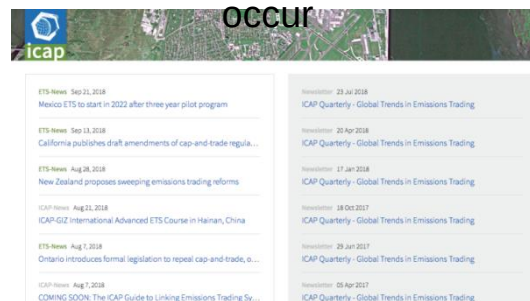
ICAP Interactive Map

→ ETS state of play worldwide
(3-monthly updates)



News

→ Objective coverage on all regulatory ETS developments as they occur



ETS briefs

→ Introduction of the basics of cap-and-trade

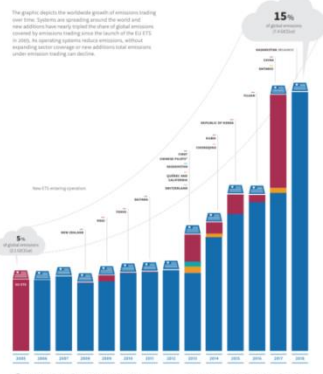


Infographics

→ Visualization of key ETS trends

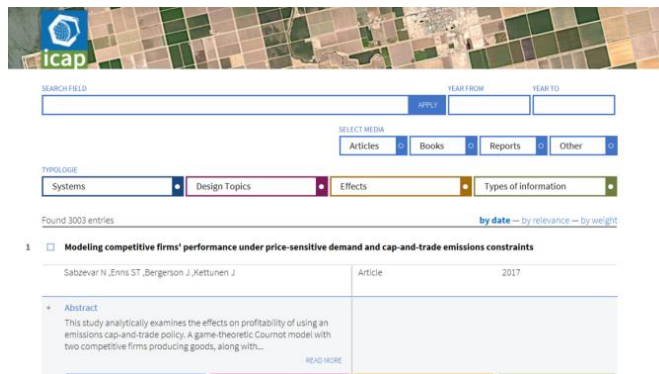
Tripling the Share

Emissions coverage over time



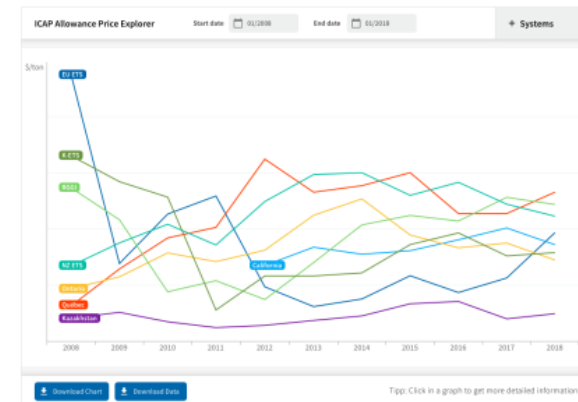
In 2019: ETS Library

→ Reference database for key ETS literature



Allowance Price

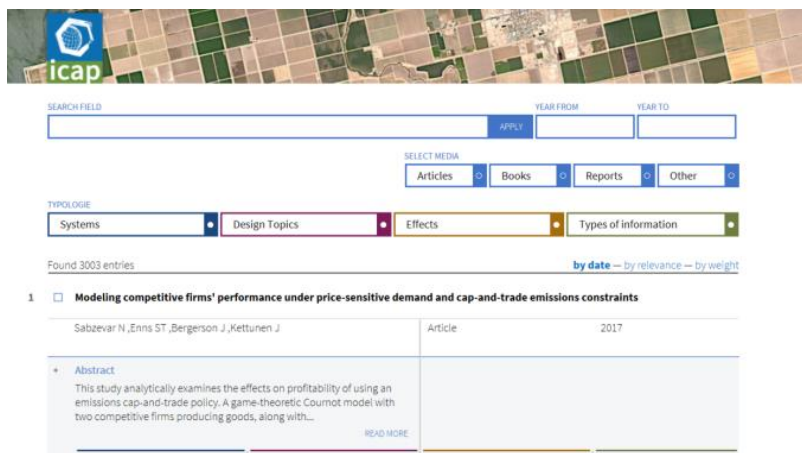
Explorer → Historical and current carbon prices worldwide



Expanding the ETS knowledge hub

ETS Library

→ Reference database for key ETS literature



The ETS Library search interface features a search field, filters for year range, media type, and typology. It displays a list of search results, including a highlighted entry about modeling competitive firms' performance.

SEARCH FIELD: YEAR FROM: YEAR TO:

SELECT MEDIA:

TYPOLGIE:

Found 3003 entries [by date](#) [by relevance](#) [by weight](#)

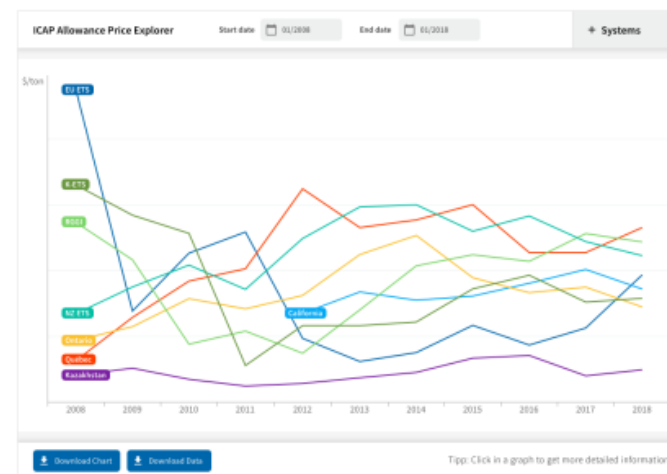
1 ☐ **Modeling competitive firms' performance under price-sensitive demand and cap-and-trade emissions constraints**

Sabzevar N, Enns ST, Bergerson J, Kettunen J Article 2017

Abstract
This study analytically examines the effects on profitability of using an emissions cap-and-trade policy. A game-theoretic Cournot model with two competitive firms producing goods, along with...

[READ MORE](#)

Allowance Price Explorer → Historical and current carbon prices worldwide



Thank you for your attention!

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