



THE EU ETS: FROM ZERO TO HERO?

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Outline

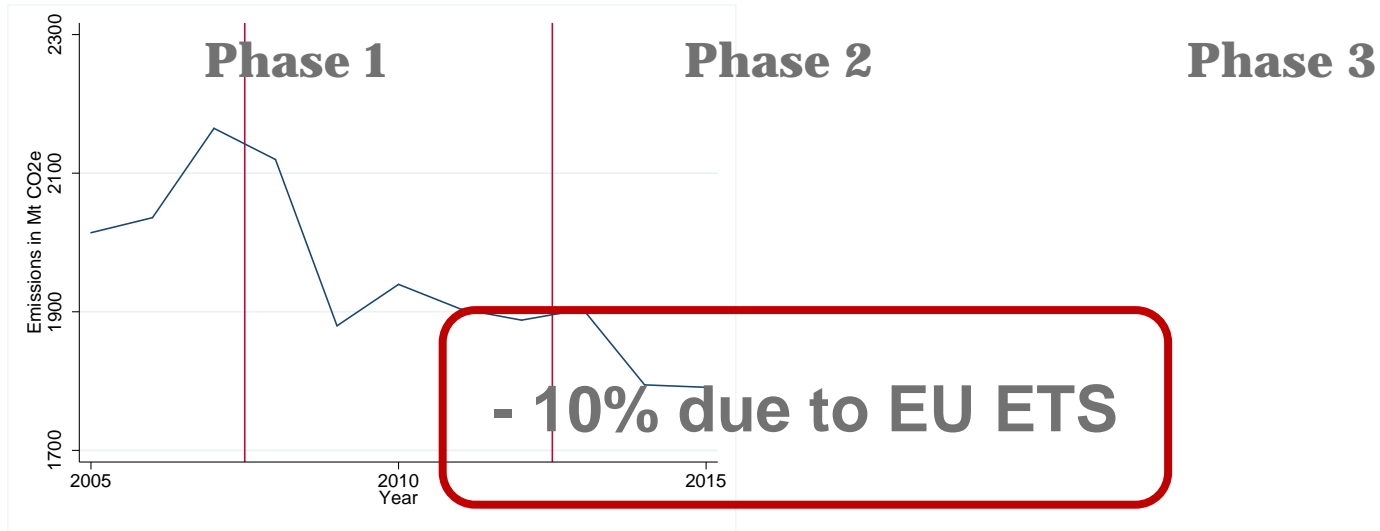
From Zero?

To Hero?

Next steps



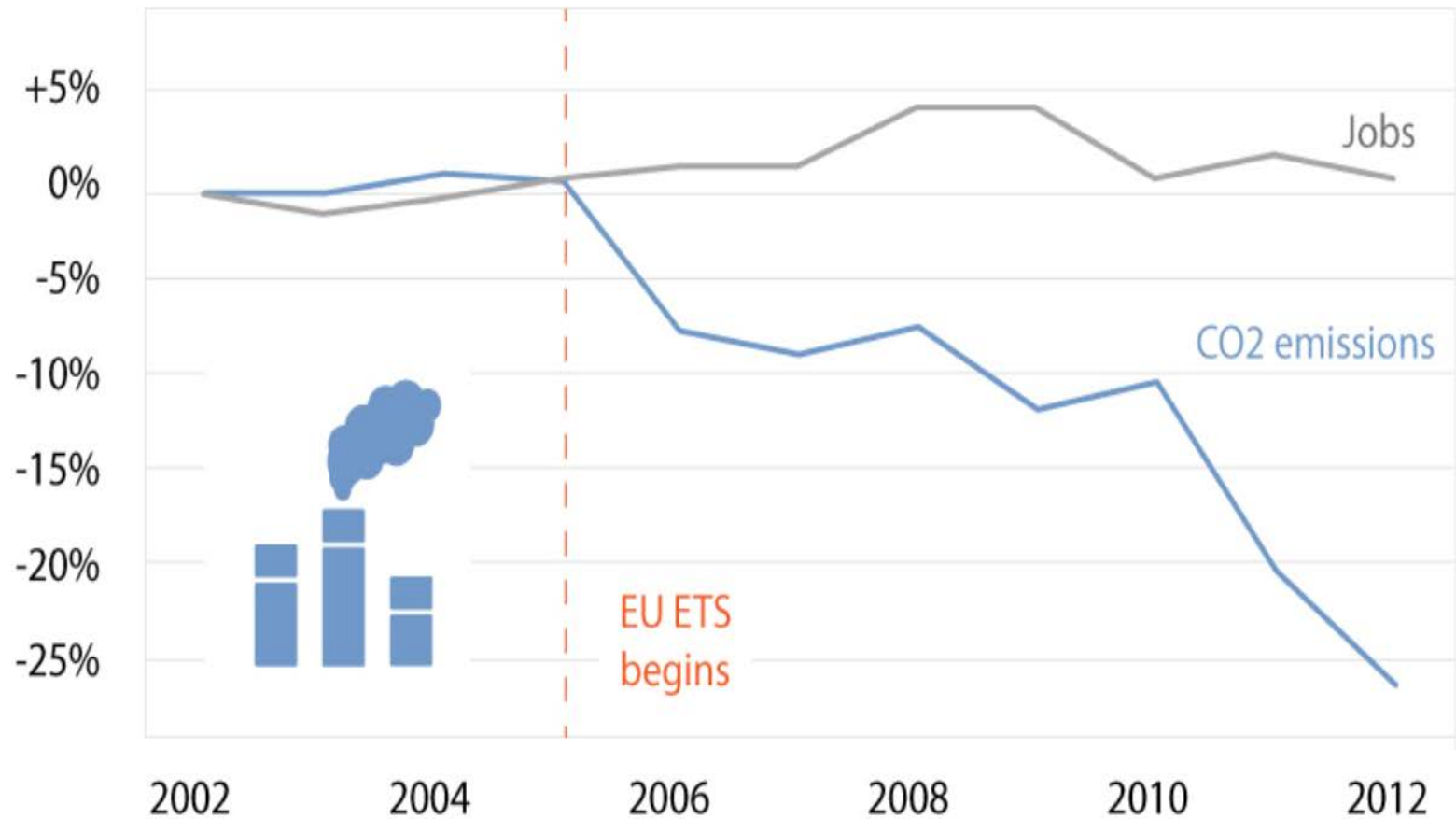
Carbon emissions are falling



-15%



Without coming at the expense of jobs



Dechezlepretre et al. (2018): The joint impact of the EU ETS on carbon emissions and economic performance



Review of 21 **ex-post studies**

Employment



Productivity



Innovation



-  = negative
-  = insignificant
-  = positive
-  = mixed effects



Outline

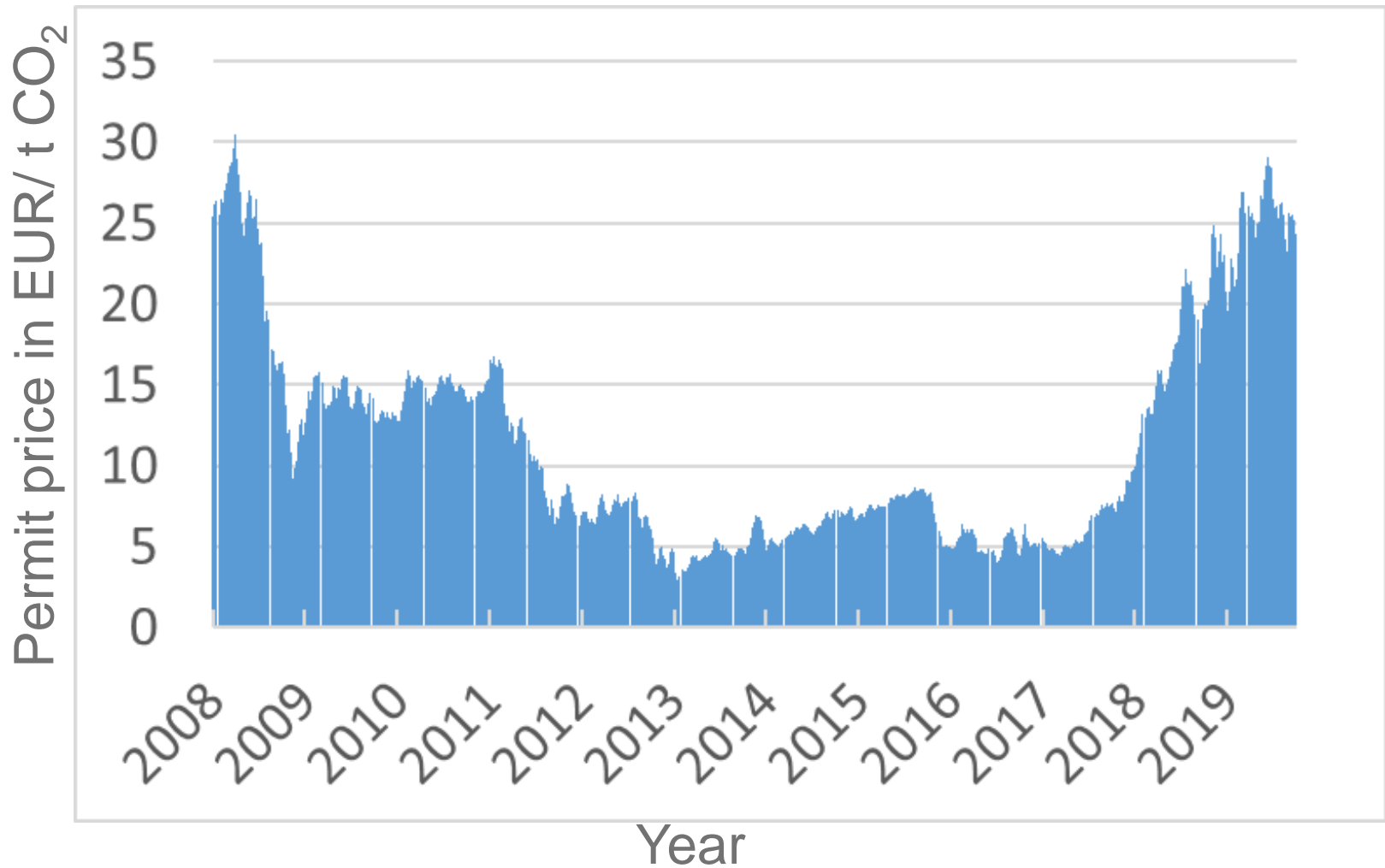
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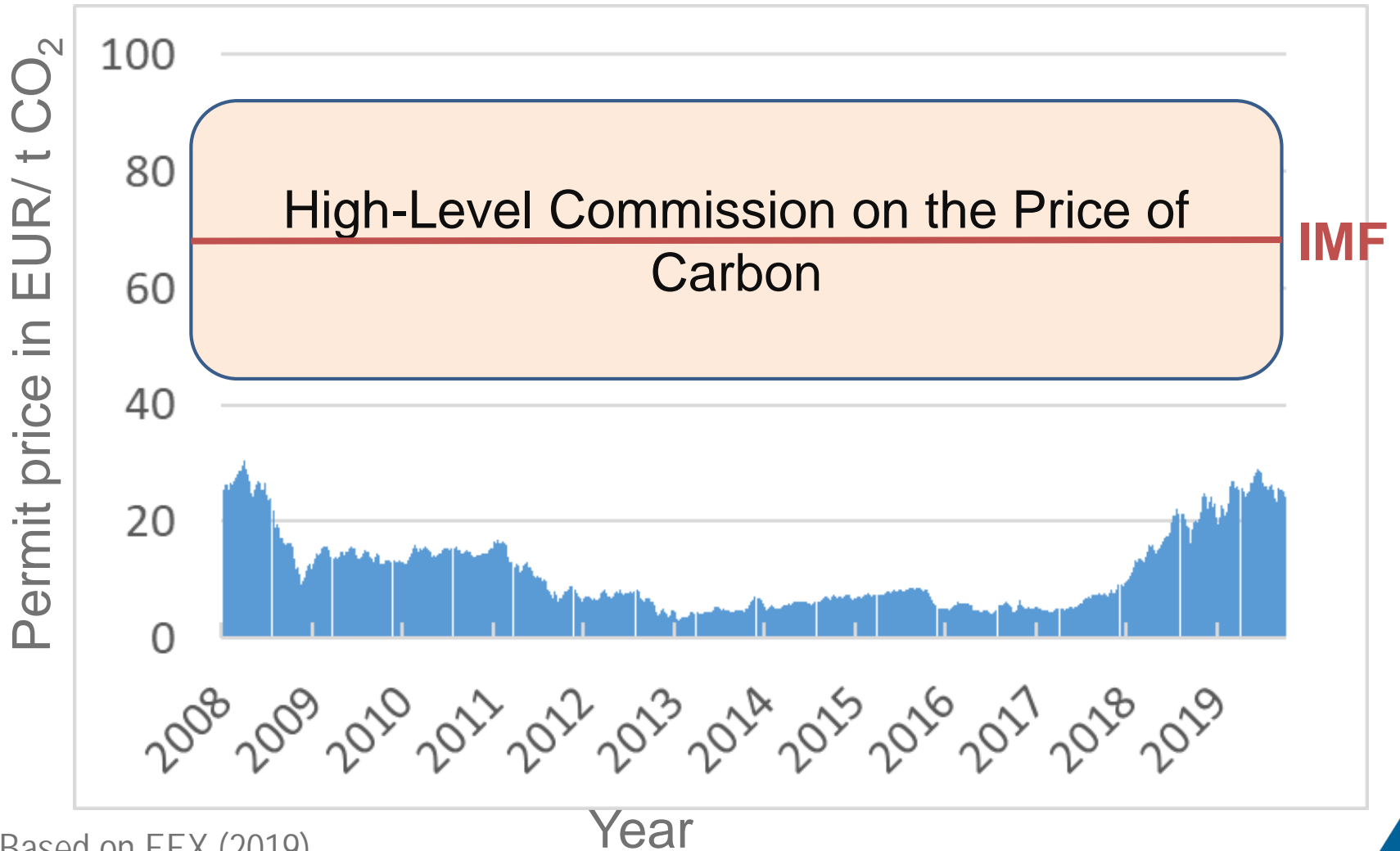
Permit prices have been rising



Based on EEX (2019)



But are still too low to meet Paris targets



Based on EEX (2019)



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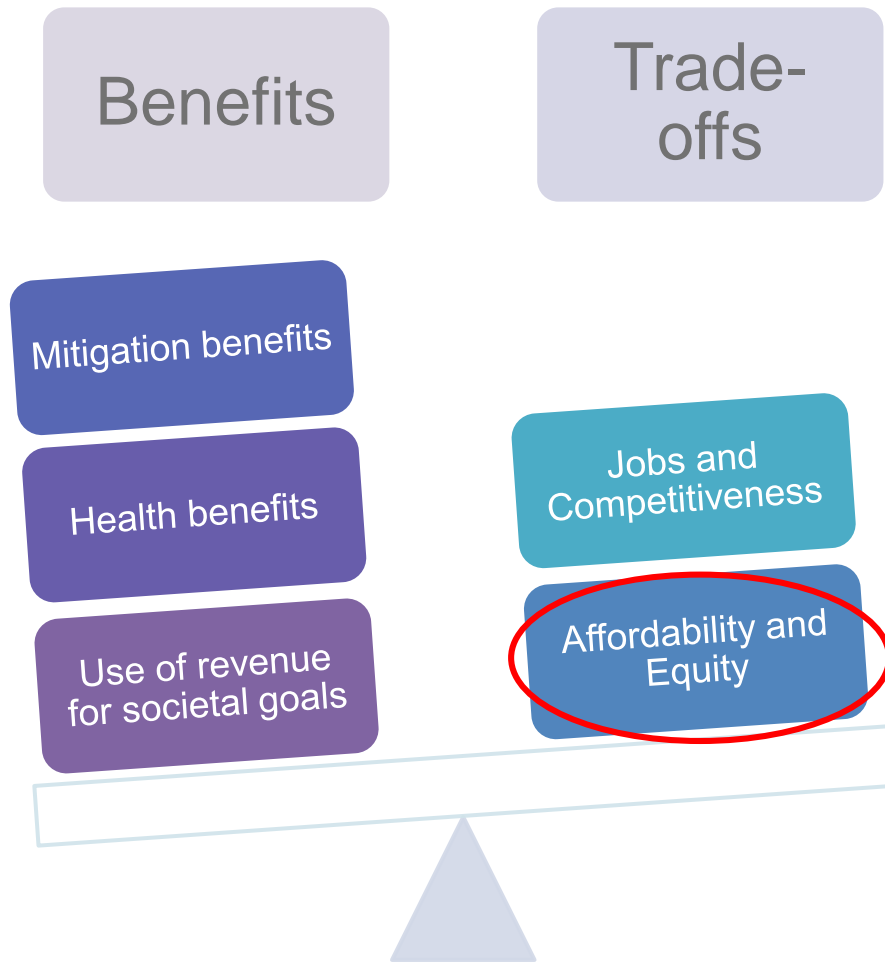
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The EU ETS and well-being





Addressing affordability problems

1. Identify vulnerable households

- LIHCS indicator
 - Low income (below poverty line)
 - High cost share (>10% of disposable income)

2. Targeted support

- Energy cheque
- Investments in energy efficiency



Thank you

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