



EU ETS

Bodecker Partners seminar and network event 2019

Mia Bodin, Bodecker Partners

A political market-based scheme...

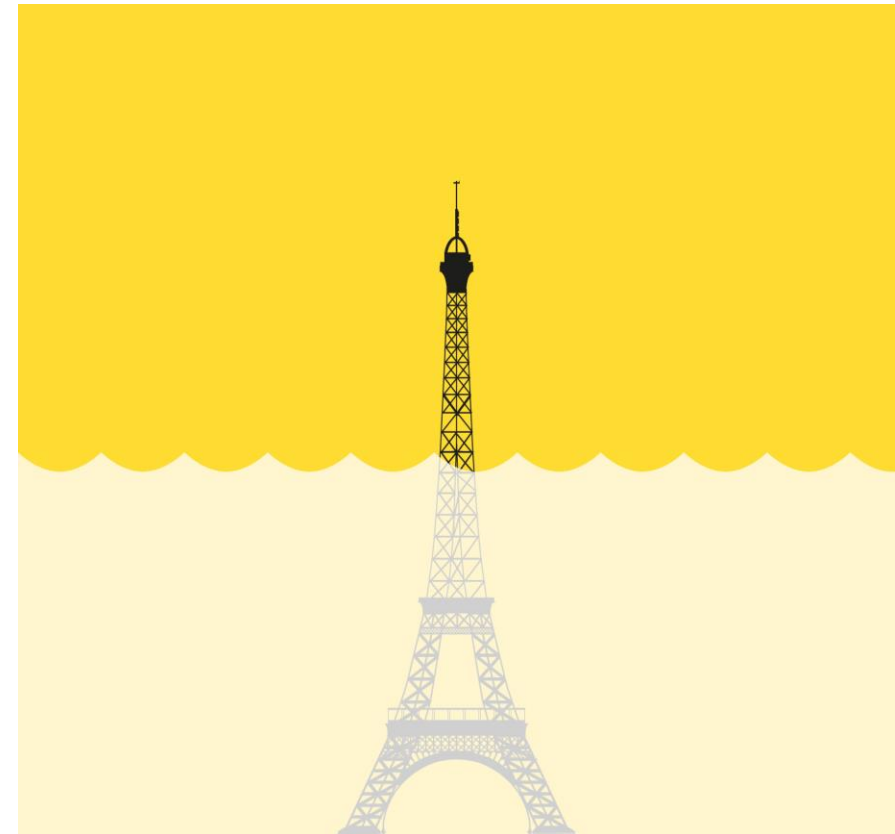
...with purpose to fulfil (Kyoto)/Paris agreement commitment

Emissions are to be reduced with *at least 40% until 2030* (compared 1990).

- ✓ 43% within EU ETS
- ✓ 30 % in other sectors (effort sharing agreement)

Will this target be increased?

Direct effect on EUA allocation 2021-2030, and thereby on prices



The 100 day promise and Brexit

Ursula von der Leyen has given her promise

Brexit means recalculation of targets and allocation

If deal: Allocation of paused volume from 2019

If no deal: Sales of potential oversupply/storage

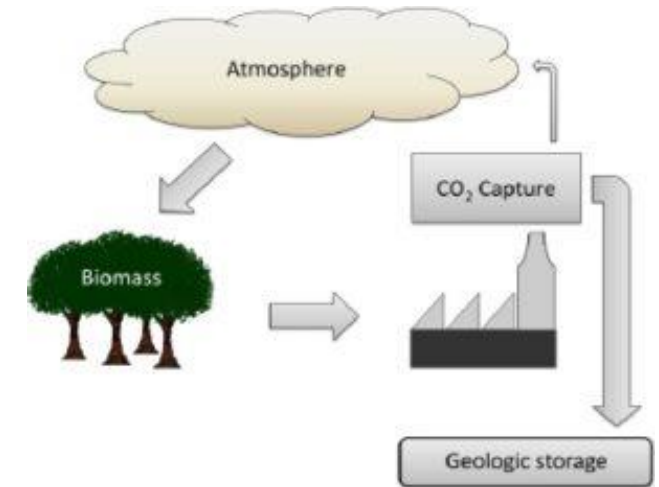


2050-targets require immediate action

Climate neutrality by 2050

Require increased 2030-target and almost double reduction factor thereafter

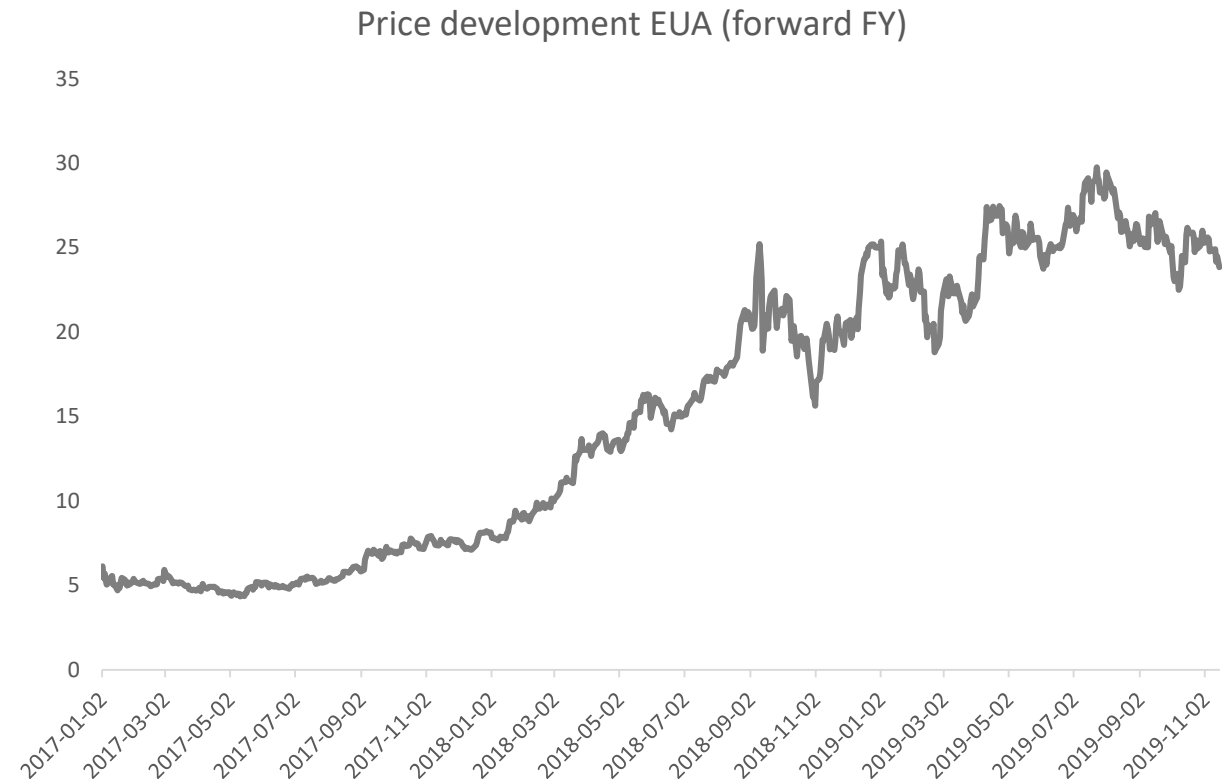
Must allow for compensating measures

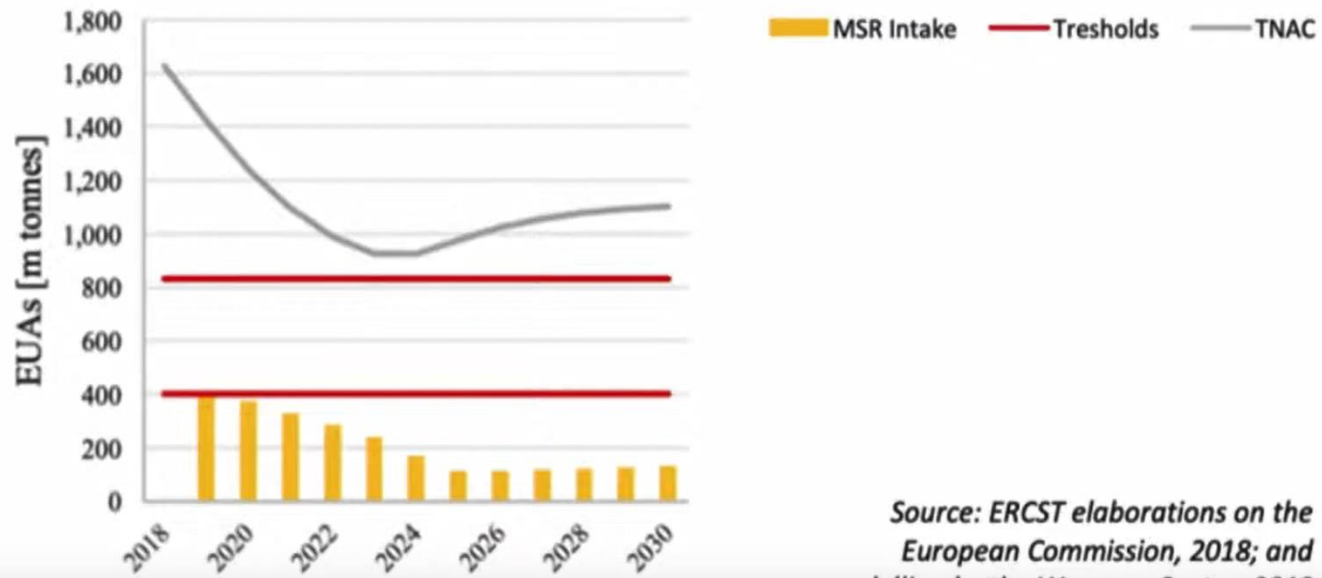


**CARBON EMISSION RIGHTS (CER)
OR
CARBON CREDITS**

Price development

- Politics...
- MSR - review 2021





Source: ERCST elaborations on the European Commission, 2018; and modelling by the Wegener Center, 2019

Price development

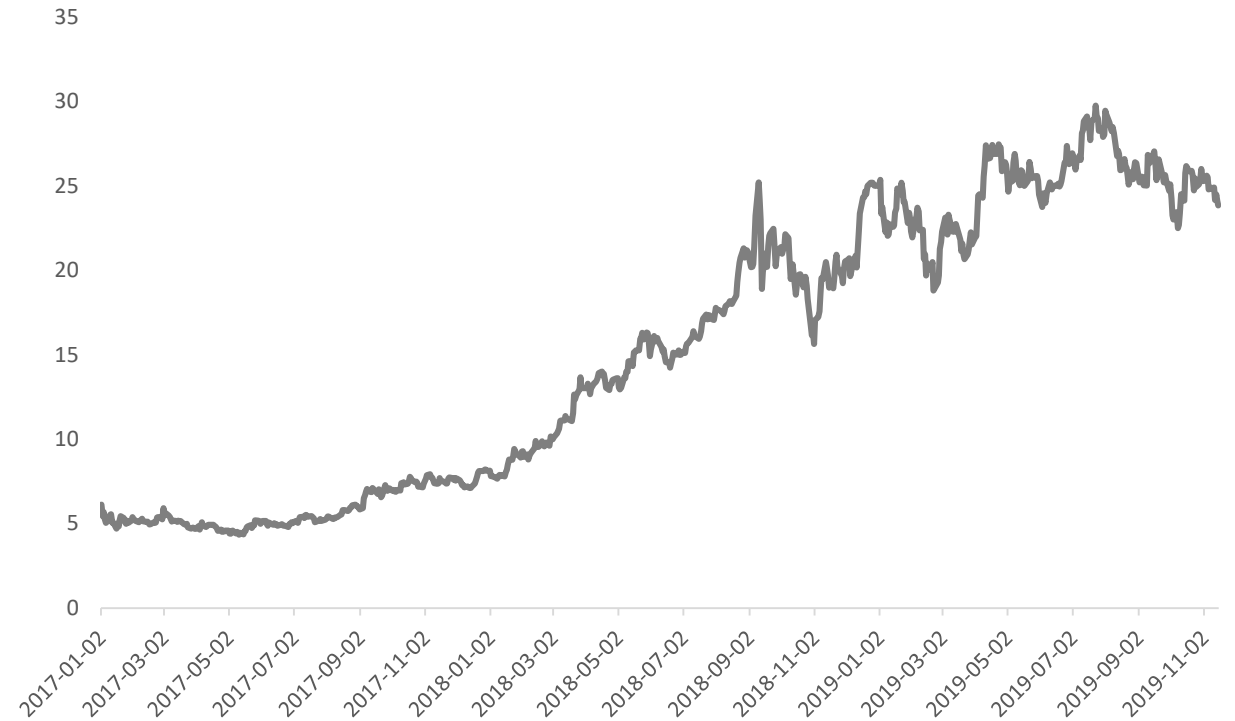
- Politics...
- MSR - review 2021
- Phase 4 coming closer

But...

- Worrying economics
- Phase-out of coal – annulment of emission rights?
- Renewable build-out
- Other national measures

And of course fuel prices

Price development EUA (forward FY)



Some external forecasts

- Average €30 year 2021-2025
- But upside towards €45 and downside €20* next 1-2 years
- Average €25 year 2026-2030
- Span between 17-35 euro, largest difference last year

