CARBON MARKETS AROUND THE WORLD

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EUETS

• Policy
  – Short-term and long-term market intervention measures all looking grim
  – Post-2020 discussion underway
  – Demonstrated willingness to link (Australia)

• Market
  – Current price around $7
RGGI

• Policy
  – Program review 2011-2013 resulted in market intervention to reduce supply (and boost prices)
  – Demonstrated fluidity in membership (NJ), open to linkage with other states
  – EPA Section 111 probably limits international linkages

• Market
  – Phase 1 (2009 – 2011): oversupplied
  – Current price around $3
California/WCI

• Policy
  – Post-2020 discussion starting soon
  – Low expectations for 2013 – 2020 ETS reform
  – Open to linkage with other WCI states/provinces
  – EPA Section 111 probably limits international linkages

• Market
  – Phase 3 (2018 – 2020): oversupplied
  – Current price around $12
Australia

• Policy
  – Previous government established EUETS linkage
  – New government set on dismantling ETS
  – Medium expectation it will succeed

• Market
  – Current price (tax) at $22
  – Caps not set, but program most likely oversupplied (with EUAs) through 2020
China

• Policy
  – Pilot ETSs in seven jurisdictions: Shenzhen, Guangdong, Beijing, Tianjin, Shanghai, Chongqing, Hubei
  – High expectation 13th Five Year Plan (2016 – 2020) will include national cap
  – NDRC signed MOUs with most ETSs

• Market
  – Shenzhen only pilot trading carbon
Shenzhen

• Policy
  – Intensity-based ETS started June 18, 2013
  – Reduction target not yet set
  – MOU with California

• Market
  – Current prices around $13
Korea

• Policy
  – Program (to start in 2015) will set 2020 emissions 30% below BAU
  – BAU forecast being developed by government

• Market
  – Medium expectation of high prices