

Allocation methods post 2012: *Learning by doing are 2 verbs*

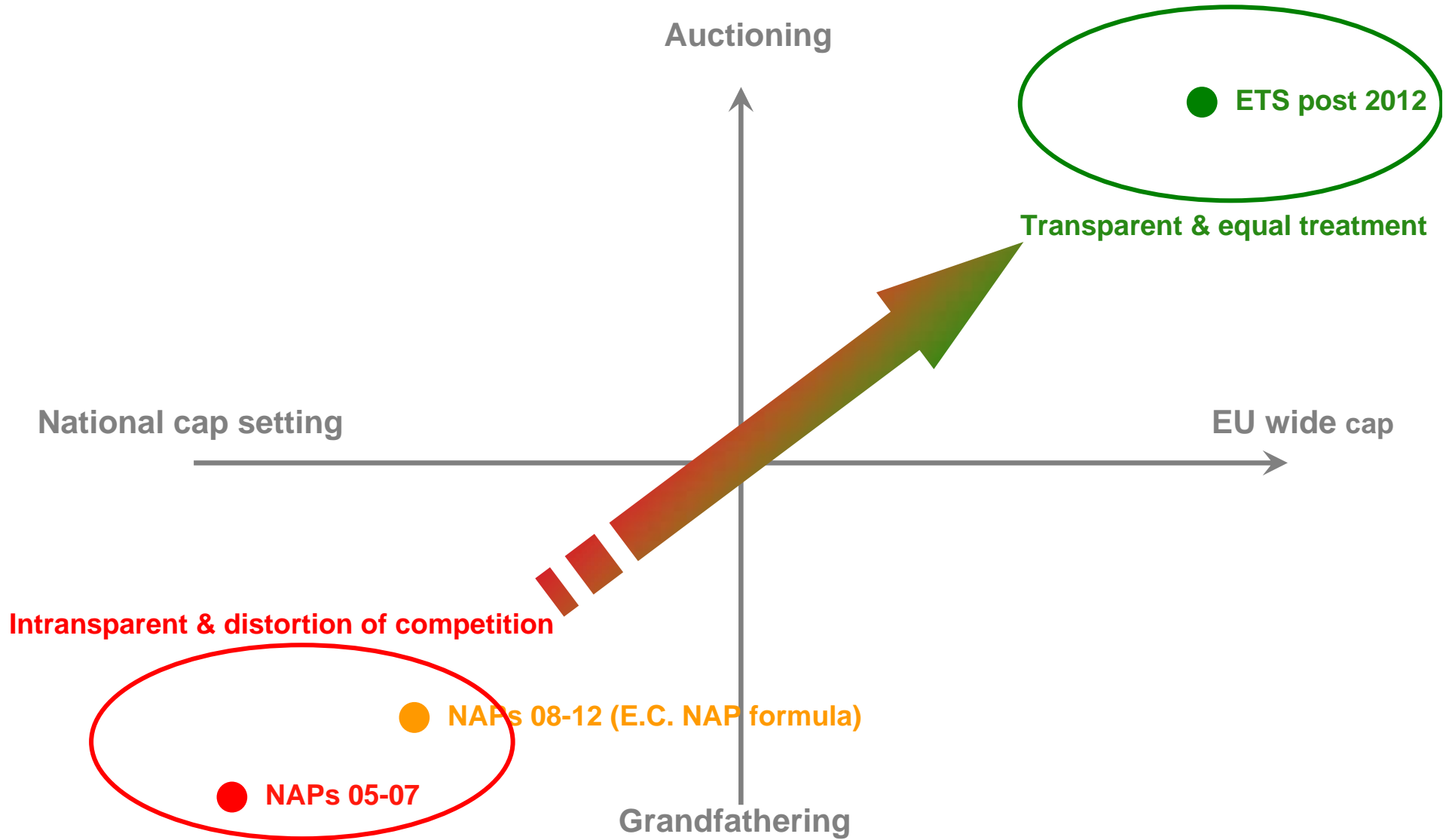
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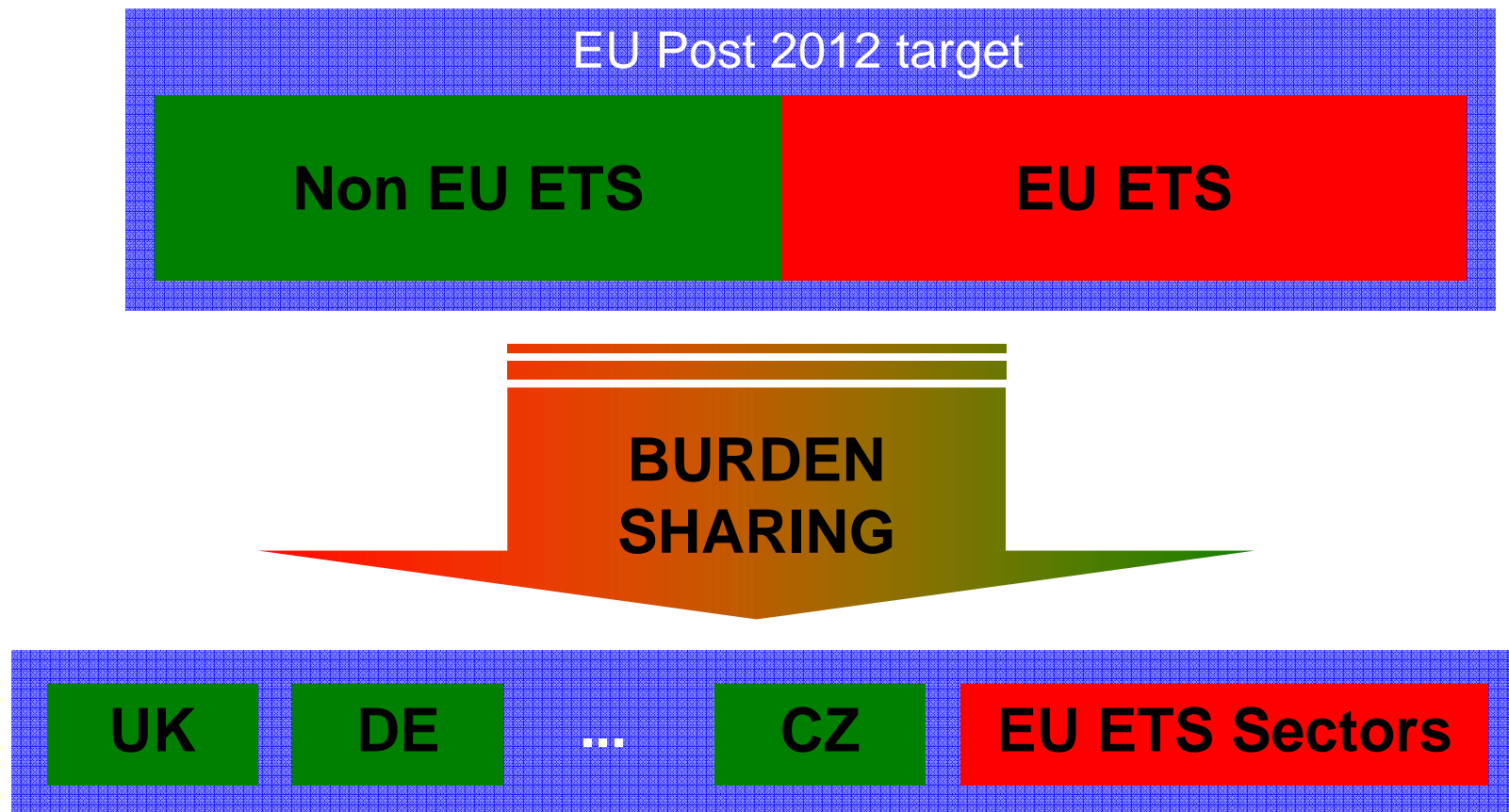


1. Charting the future EU ETS
2. Top-Down EU wide cap setting
3. Allocation method post 2012

1. Charting the future EU ETS



2. EU wide Top down cap setting



3. Auctioning of all allowances



Full auctioning as single allocation method post 2012

Why?

1. Transparency (no need for complicated formulas, historical data, B.M.,...)
2. Clear CO₂ price signal
3. Better incentive for price internalisation → investment in energy-efficient, renewable technologies
[WE WILL NEED THEM! 2050 → -80%]
4. Eliminates windfall profits
5. Eliminates intra EU distortion of competition
6. Solution for new entrant and closure issues

“Auctioning is, in principle, the best method to allocate allowances”

Let's apply this principle!

Thank you for your attention

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