

Post 2020 Energy and Climate Protection Targets



CLIMATE
PROTECTION
EUROZONE
CRISIS
WEALTH
DISPARITY
INNOVATION
ENERGY
YOUTH
UNEMPLOYMENT

The 2030 Climate and Energy Framework

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ENTRACTE – Overlapping regulation

Policy overlap

- one target – one instrument (Tinbergen)
otherwise: ineffective or too high costs
- before: triangle of targets, now: number of targets reduced to two
→ communicate market failures better and reason behind policy mix
- in the EC communication COM(2014) 15 de facto only emissions target is binding: already with current set of policies renewable share in Gross Final Energy Consumption 2030 is 24.4 % (GHG - 32.4 %)
→ rationale behind set-up unclear

Impact Assessment

EC commissioned Impact Assessment of potential 2030 policy scenarios

- Emission reduction targets between 35 and 45% vs. 1990
- RES targets between 24 and 35% shares of final energy consumption
- Energy savings between 24 and 34% against 2007 baseline projections

Results

Study assesses **system costs** and **GDP** of different policy scenarios under different technology assumptions.

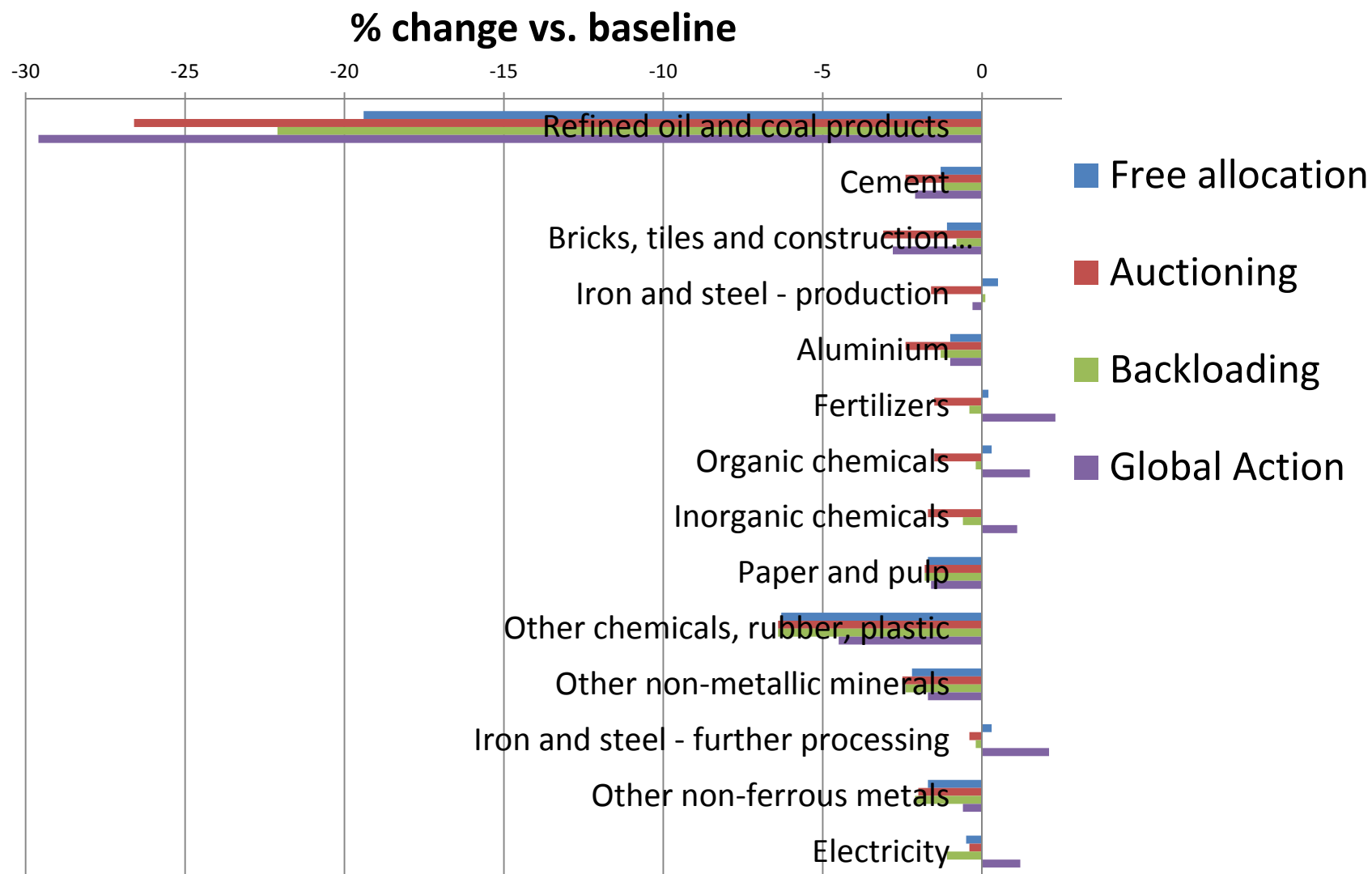
Impact Assessment

ZEW studied e.g. role of auctioning, backloading, int. agreement

ZEW results

- CO₂-prices increase from around 35 €/tCO₂ to 45-60 €/tCO₂
- strong CO₂-price increase deters banking
- welfare impacts slightly negative, slightly positive for strong international action → crucial development
- stronger impacts on sectoral level

Impacts on Sectoral Value Added



Key Messages

- clear differences in sectoral impacts between free allocation and full auctioning, but less pronounced for welfare impacts
- global agreement most important factor influencing economic welfare of the EU
- Germany energy transition with above EU ambition levels
→ not possible if gap is too large, see e.g. current EU ETS situation and climate policy targets in Germany

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