EU ETS: implementation of the funding mechanisms

***Draft Agenda***
(Speakers are being confirmed)

**Date:** September 12, 2018

**Time:** 10:00–15:00 (including lunch)

**Location:** University Foundation, rue d’Egmont 11, Brussels

The revision for the fourth phase of EU Emissions Trading System (2021-2030) introduced a number of important changes concerning funding mechanisms in the system. Existing mechanisms – solidarity provision and 10c derogation – were updated, and new instruments – the Modernisation Fund and the Innovation Fund – have been added. Adoption of the ETS Directive was merely a first step; important questions remain to be answered in the implementation phase.

The European Roundtable on Climate Change and Sustainable Transition (ERCST), in cooperation with Central European Energy Partners (CEEP), prepared a paper that is intended to guide stakeholders through the complex infrastructure of funding mechanisms in the revised EU ETS. This meeting aims to discuss the findings of the paper and to provide a platform for actors from the industry, governments and NGOs to engage in a constructive dialogue about challenges and expectations for the implementation of funding mechanisms.

09:30 Registration and coffee

10:00 Welcome and introduction
A. Marcu, Director of ERCST and Senior Fellow at ICTSD
M. Jakubik, Executive Director of CEEP

10:15 – 10:35 Presentation of ”ETS Funds Manual paper”
A. Marcu, Director of ERCST and Senior Fellow at ICTSD
M. Jakubik, Executive Director of CEEP
10:35 – 12:00  **Innovation Fund: Questions and issues to be solved**

The Innovation Fund is intended as a successor of the NER 300 mechanism present in the previous phase of the EU ETS. It aims to support technologies that are not yet commercially available, but that are mature enough to be ready for demonstration at a pre-commercial scale. Open issues include: selection criteria and procedure, monetisation of allowances, and geographical distribution of projects.

- M. Ferdinand, ICIS
- J. Tunaitis, Achema
- N. Baeckelmans, Exxon Mobil
- L. Szabó, REKK
- P. Zamyslicky, Czech Republic

*Roundtable discussion with participants
Invitation for the European Commission to comment*

12:00 – 13:00  **Lunch**

13:00 – 15:00  **Solidarity Provision, article 10c derogation and Modernisation Fund: Questions and issues to be solved**

The three other funds of phase four of EU ETS are closely connected, as they are intended to support the transition to low-carbon economy in Member States with below-average levels of GDP. The ETS directive also allows for a transfer of allowances from one fund to another, if certain conditions are met. Open issues include: monetisation of allowances, interactions and overlap between the funds, impact of the Market Stability Reserve, bidding process for Modernisation Fund projects, and influence of the funding mechanisms on investment plans of Member States and companies.

- M. Berg, EIB
- J. Gaventa, E3G
- M. Burny, PGE
- Tbd, HEP
- Tbd, Romania

*Roundtable discussion with participants
Invitation for the European Commission to comment*

15:00  **Concluding Remarks**