

Panel debat DØRS EE-conf 25-26 aug 2016

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(chairmanship the economic
councils)

Question addressed

What is the cost of Danish climate policy?

Should we subsidize windmills?

Cost of fossil free DK in 2050 (together with the EU etc.)

We compare

DK follow EU in going fossil free

with

Free riding DK that does nothing

(in ambitious world e.g. EU fossil free in 2050)

22 billion DKK (0,7% GDP 2050)

Cost of fossil free DK in 2050 (Going it alone)

We compare

DK going fossil free alone

with

DK following EU in doing nothing

(in unambitious world e.g. EU does no more than today)

18 billion DKK (0,6% GDP 2050)

Going it alone good or bad idea?

	Fossil free Non-Quota sector	Fossil free Quota sector
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--Billion DKK per year (2015-prices) --

Energy costs	8,3	10,0
Welfare costs	7,6	9,2
Health and Climate benefit	4,5	0

Going it alone good or bad idea?

- Bad idea in the quota sector!
- DK should not subsidize windmills

Extra slides

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- Price and Market Behavior in Phase II of the EU ETS: A Review of the Literature (2015, REEP)
 - Beat Hintermann*, Sonja Peterson_y, and Wilfried Rickels_z
 - Though they cant be ruled out no clear signs of market distortions during phase II (with banking)
 - Seems the ETS is functioning reasonably well.