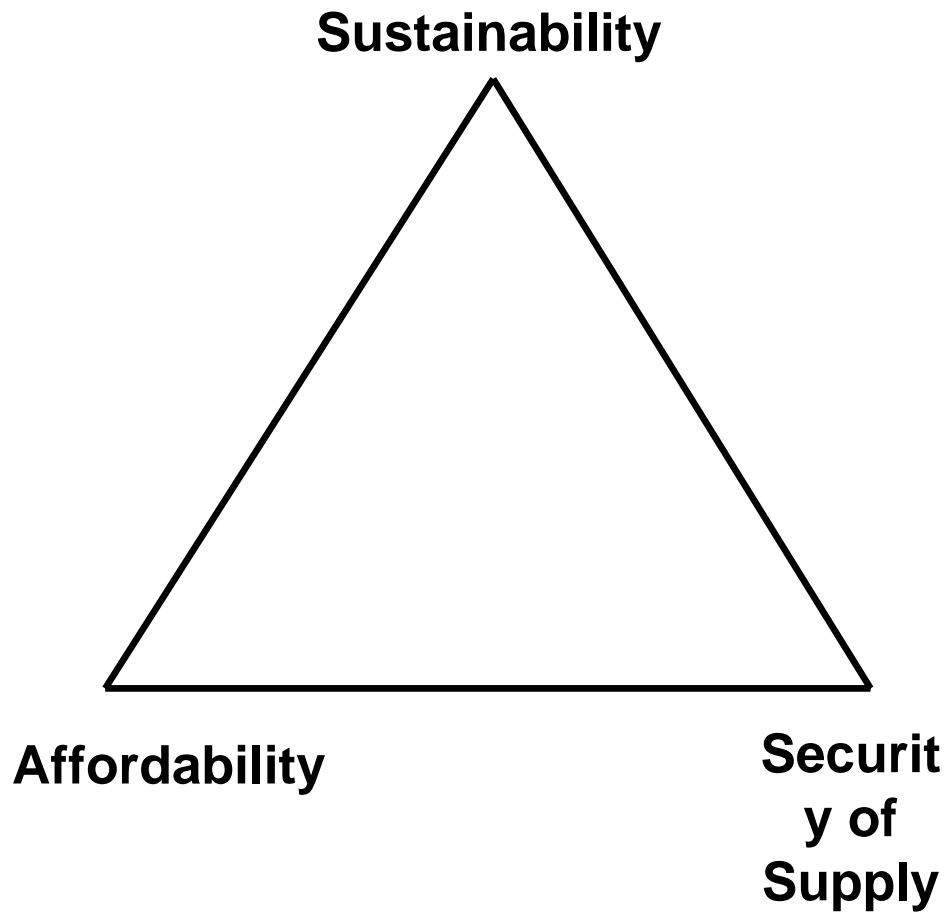


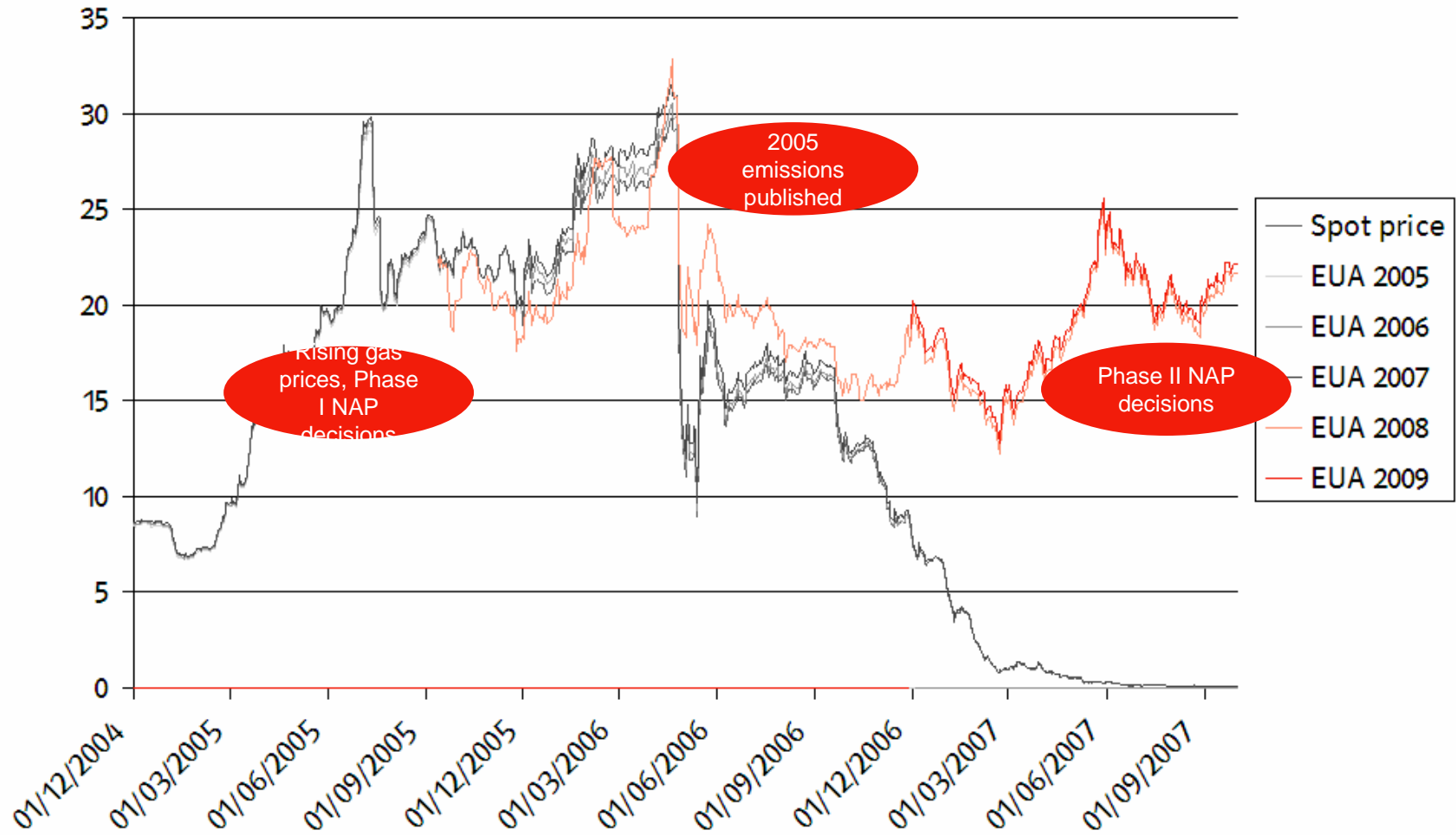
## Objectives

- Highlight the challenges facing the energy sector in the UK
- Consider the role of the EU ETS as a policy instrument
- Share some experiences from the operation of the EU ETS to date
- Consider where next for the EU ETS

# Balancing the Energy Policy Goals

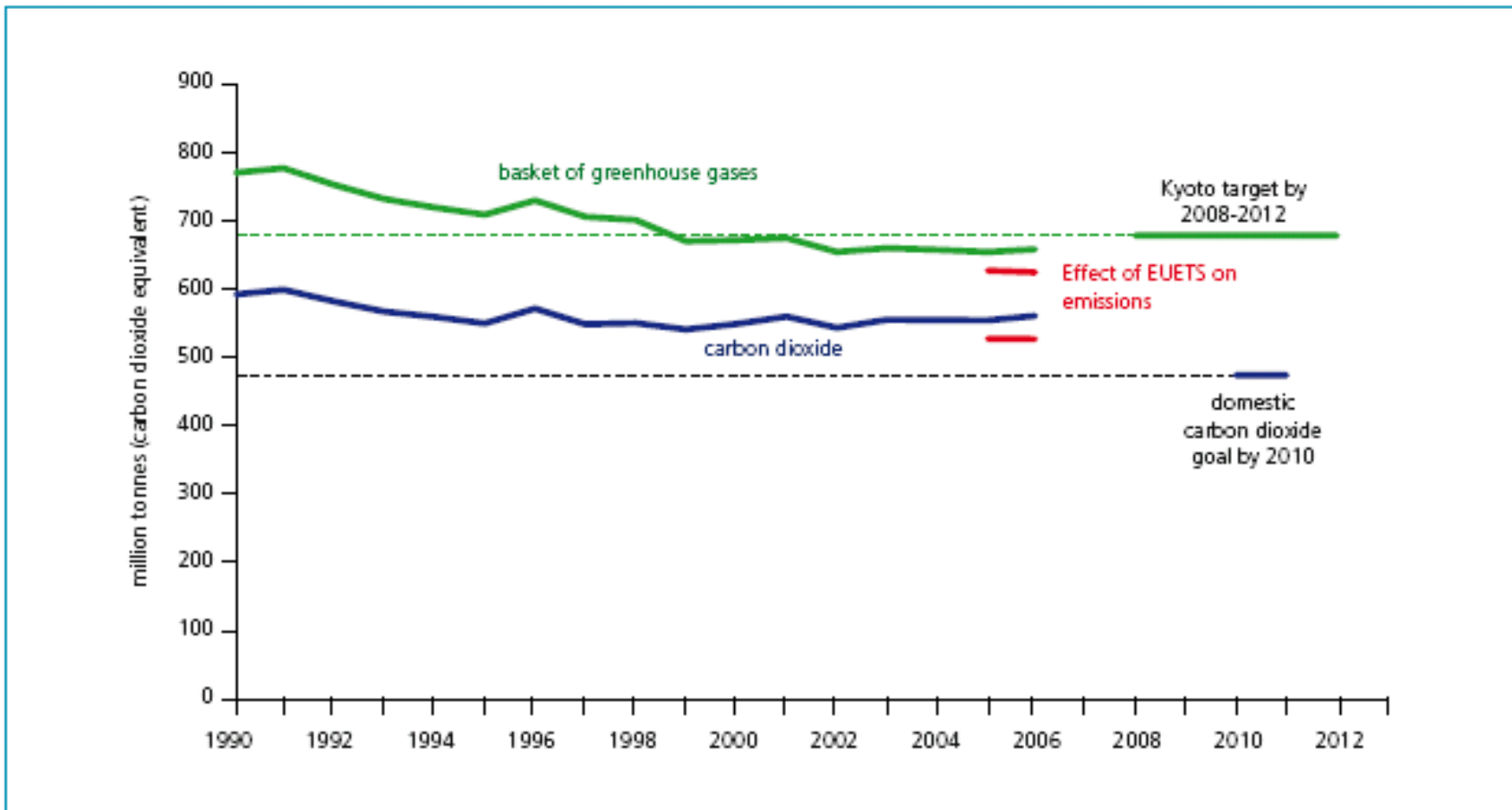


# Price history of EU ETS

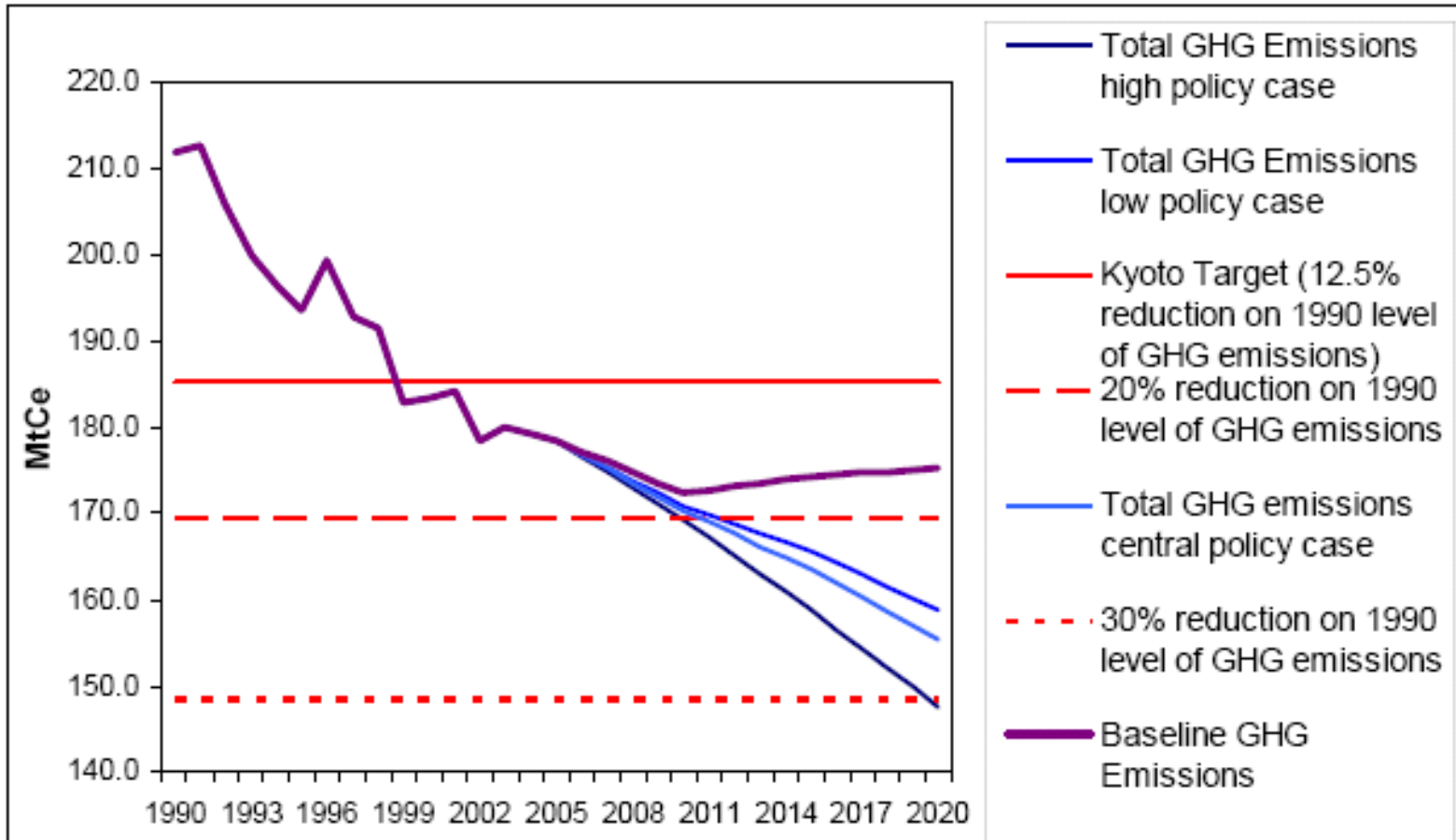


# Impact of EUETS on UK Greenhouse Gas Targets

Figure 2: Effects of EU ETS on UK greenhouse gas emissions 1990–2006 (2006 results are provisional)



# UK Greenhouse Gas Targets



## Conclusions

- EU ETS has become the engine room for the Kyoto protocol
- Long term certainty is the key to build investor confidence
- Harmonisation – comparable installations should be treated in a consistent manner