

Conference

“The Economics of Energy and Climate Change”

Toulouse, September 8-9, 2015

CONFERENCE VENUE

MERCURE ATRIA TOULOUSE

Boulevard Lascrosses

8, Esplanade Compans-Caffarelli

31000 Toulouse – www.mercure.com - www.accorhotels.com

ORGANIZING COMMITTEE

Stefan Ambec

Claude Crampes

Thomas-Olivier Léautier

Jean Tirole

CONFERENCE SECRETARIAT

Christelle Fauchié,

IDEI-TSE

Manufacture des Tabacs

Aile Jean-Jacques Laffont

21 allée de Brienne

31000 Toulouse – France email: elecconf@tse-fr.eu

Tuesday, September 8

8:15-8:45 Registration

8:45-8:50 Welcoming address: J. Tirole (TSE) Room: Amphithéâtre Gavarnie

8:50-10:30 Keynote Lectures (40'+10')

- **L. Bretschger** (ETH Zurich)
“*Efficient and Equitable Climate Policy in a Dynamic World*”
- **F. Wolak** (Stanford University)
“*Role of Financial Market Participants in Improving Wholesale Electricity Markets Performance*”

10:30-11:00 Coffee break

11:00-12:20 Parallel sessions

International agreements 1 Chair: S. Chabé-Ferret Room: Amphithéâtre Gavarnie

- **C. Almer** (University of Bath) and **R. Winkler** (University of Bern)
“*Analysing the Effectiveness of International Environmental Policies: The Case of the Kyoto Protocol*”
Discussant: **S. Chabé-Ferret** (TSE)
- **O. T. Acikgoz** (Yeshiva University) and **H. Benchebkroun** (McGill University)
“*Anticipated International Environmental Agreements*”
Discussant: **J.P. Amigues** (TSE)

Market mechanisms 1 Chair: E. Cantillon Room: Pic du Midi/Lourdes

- **P. Holmberg** (Research Institute of Industrial Economics, Stockholm)
“*Pro-Competitive Rationing in Multi-Unit Auctions*”
Discussant: **P. Cramton** (University of Maryland and European University Institute)
- **R. Li** (University of Berkeley, Berkeley), **A.J. Svoboda** (Pacific Gas and Electric Company) and **S. S. Oren** (University of California, Berkeley)
“*Efficiency Impact of Convergence Bidding in the California Electricity Market*”
Discussant: **E. Cantillon** (ECARES, ULB)

Storage Chair: G. Lafforgue Room: Cordes

- **I. Lazkano** (University of Wisconsin-Milwaukee), **L. Nostbakken** (Norwegian School of Economics) and **M. Pelli** (Université de Sherbrooke)
“*From Fossil Fuels to Renewables: The Role of Electricity Storage*”
Discussant: **G. Lafforgue** (TBS)
- **T. Durmaz** (Norwegian School of Economics)
“*Precautionary Energy Storage*”
Discussant: **M. Liski** (Economics Department of the Aalto University)

12:20-14:00 Lunch

Plenary sessions: 40 minutes for speakers, 10 minutes for discussants.

Parallel sessions: 25 minutes for speakers, 5 minutes for discussants and 10 minutes for questions.

14:00-16:00 Parallel Sessions

Renewables

Chair: **S. Ambec**

Room: Amphithéâtre Gavarnie

- **S. Ambec** (TSE, INRA-LERNA-IDEI) and C. Crampes (TSE, Gremaq and IDEI)
“*Environmental Policy with Intermittent Sources of Energy*”
- Discussant: **L. Bretschger** (ETH Zurich)

- M. Lopez-Botet Zulueta, M. Perrot, P. Fourment, T. Hinchliffe and **V. Silva** (EDF R&D)
“*Economic and Technical Analysis of the European System with a High RES Scenario*”
Discussant: **T. Durmaz** (Norwegian School of Economics)

- **M. Liski** (Economics Department of the Aalto University) and I. Vehviläinen (Gaia Group and Aalto University)
“*Gone with the Wind? An Empirical Analysis of the Renewable Energy Rent Transfer*”
Discussant: **M. Reynaert** (TSE)

Adaptation

Chair: **N. Treich**

Room: Pic du Midi/Lourdes

- **C. Raux**, A. Chevalier, E. Bougna (Laboratory of Transport Economics, CNRS, University of Lyon) and Denis Hilton (University of Toulouse)
“*Mobility Choices and Climate Change: Assessing the Effects of Social Norms and Economic Incentives through Discrete Choice Experiments*”
Discussant: **H. Andersson** (TSE)

- F. Cohen (London School of Economics and Political Science, London), **M. Glachant** and M. Soderberg (MINES ParisTech, Paris)
“*Adaptation of American Homes to Climate Change*”
Discussant: **C. Nauges** (TSE)

- **Y. Tsur** (The Hebrew University of Jerusalem) and A. Zemel (Ben Gurion University of the Negev)
“*Policy Tradeoffs under Risk of Abrupt Climate Change*”
Discussant: **N. Treich** (TSE)

Carbon value

Chair: **F. Ricci**

Room: Cordes

- V. Bosetti (Università Commerciale “L. Bocconi”, IGIER and FEEM) and **M. Maffezzoli** (Università Commerciale “L. Bocconi” and IGIER)
“*Taxing Carbon under Market Incompleteness*”
Discussant: **F. Ricci** (University of Montpellier 1)

- **P. Krüger** (University of Geneva and Swiss Finance Institute)
“*Climate Change and Firm Valuation: Evidence from a Quasi-Natural Experiment*”
Discussant: **S. Pouget** (TSE)

- I. Ahamada, M. Fodha (Paris School of Economics and University Paris 1), **D. Kirat** (University of Orléans, CNRS, LEO, UMR 7322,)
“*Carbon Tax, Spatial Heterogeneity and Distribution: Evidences from the French Energy Consumption*”
Discussant: **N. Ladoux** (TSE)

16:00-16:40 Coffee break

Plenary sessions: 40 minutes for speakers, 10 minutes for discussants.

Parallel sessions: 25 minutes for speakers, 5 minutes for discussants and 10 minutes for questions.

16:40-18:00 Parallel Sessions

International agreements 2 Chair: F. Salanié

Room: Pic du Midi/Lourdes

- E. Billette de Villemeur (LEM UMR 9221, Université de Lille) and **J. Leroux** (HEC Montréal, CIRANO & CRÉ)
“*Track-and-Trade: A Liability Approach to Climate Policy*”
Discussant: **V. Zaporozhets** (TSE)
- B. Harstad (University of Oslo), F. Lancia (University of Vienna) and **A. Russo** (University of Oslo)
“*Compliance Technology and Self-Enforcing Agreements*”
Discussant: **F. Salanié** (TSE)

Market mechanisms 2

Chair: T.O. Léautier

Room: Amphithéâtre Gavarnie

- **P. Cramton** (University of Maryland and European University Institute)
“*Pay-for-Performance: The Essential Ingredient in Capacity Markets*”
Discussant: **T.O. Léautier** (TSE)
- **N. Wölfig** (ZEW Mannheim & ETH Zürich)
“*Forward Trading and Collusion in Supply Functions*”
Discussant: **D. Salant** (TSE)

20:00-22:00 Conference dinner

Plenary sessions: 40 minutes for speakers, 10 minutes for discussants.

Parallel sessions: 25 minutes for speakers, 5 minutes for discussants and 10 minutes for questions.

8:40-10:00 Parallel Sessions

Dynamic resource management

Chair: L. Rougé

Room: Cordes

- **J.P. Amigues** (Toulouse School of Economics(INRA, IDEI and LERNA)) and M. Moreaux (Toulouse School of Economics (IDEI, IUF and LERNA))
“*From Primary Resources to Useful Energy: The Pollution Ceiling Efficiency Paradox*”
Discussant: **L. Nostbakken** (Norwegian School of Economics)
- **O. Lecuyer** (Department of Economics and Oeschger Centre for Climate Change Research, University of Bern)and A.Vogt-Schilb (The World Bank)
“*Optimal Transition from Coal to Gas and Renewable Energy under Capacity Constraints and Adjustment Costs*”
Discussant: **L. Rougé** (TBS)

International trade

Chair : S. Caprice

Room: Amphithéâtre Gavarnie

- A. Dechezleprêtre (London School of Economics), **D. Dussaux** (CERNA Mines ParisTech), D. Hemous (INSEAD) and Mi. Muûls (Imperial College London)
“*International Outsourcing and Innovation in Clean Technologies*”
Discussant: **Y. Lefouili** (TSE)
- **C. Fischer** (Resources for the Future, Gothenburg University, FEEM, and CESifo Research Network)
“*Strategic Subsidies for Green Goods*”
Discussant: **S. Caprice** (TSE)

Transport

Chair: C. Crampes

Room: Pic du Midi/Lourdes

- **A. Creti** (Ecole Polytechnique, Université Paris Dauphine), A. Kotelnikovaa (Ecole Polytechnique), G. Meunier (Ecole Polytechnique, INRA-UR1303 ALISS), J.P. Ponsard (Ecole Polytechnique, CNRS)
“*Defining the Abatement Cost in Presence of Learning-by-doing: Application to the Fuel Cell Electric Vehicle*”
Discussant: **F. Prieur** (INRA, Université de Montpellier)
- **M. Reynaert** (Toulouse School of Economics)
“*Abatement Strategies and the Cost of Environmental Regulation: Emission Standards on the European Car Market.*”
Discussant: **M. Glachant** (MINES ParisTech, Paris)

10:00-10:30 Coffee break

10:30-12:30 Parallel Sessions

Energy efficiency

Chair: P. Bontems

Room: Pic du Midi/Lourdes

- **L. G. Giraudet** (CIRED, Ecole des Ponts ParisTech) and S. Houde (Department of Agricultural and Resource Economics, University of Maryland)
“*Double Moral Hazard and the Energy Efficiency Gap*”
Discussant: **P. Bontems** (TSE)

Plenary sessions: 40 minutes for speakers, 10 minutes for discussants.

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- **D. Lemoine** (Department of Economics, University of Arizona)
“General Equilibrium Rebound from Energy Efficiency Policies”
 Discussant: **S. Ambec** (TSE)
- **A. Karimu** and R. Brännlund (Centre for Environmental and Resource Economics Umeå School of Business and Economics Umeå University)
“Energy efficient R&D investment and Aggregate Energy Demand: Evidence from OECD Countries”
 Discussant: **J. Laurent-Lucchetti** (University of Geneva)

Environmental tools

Chair: C. Crampes

Room: Amphithéâtre Gavarnie

- S. Andrade de Sá (ETH Zurich) and **J. Daubanes** (ETH Zurich)
“Limit Pricing and the (In)Effectiveness of the Carbon Tax”
 Discussant: **P. Rey** (TSE)
- J. Coria (Department of Economics, School of Business, Economics and Law, University of Gothenburg, Gothenburg, Sweden) and **J. Jaraité** (Centre for Environmental and Resource Economics, School of Business and Economics, Umeå University, Umeå, Sweden)
“Transaction Costs of Emissions Trading vs. Carbon Taxes”
 Discussant: **M. Sarr** (University of Cape Town)

12:30-14:00 Lunch

14:00-15:20 Parallel Sessions

Gas industry

Chair: A. Creti

Room: Cordes

- **R. Ritz** (Energy Policy Research Group (EPRG) Judge Business School & Faculty of Economics University of Cambridge)
“Strategic Investment and International Spillovers in Natural Gas Markets”
 Discussant: **A. Creti** (Ecole Polytechnique, Université Paris Dauphine)
- F. Henriët and **K. Schubert** (Paris School of Economics, University Paris 1)
“Should We Extract More Shale Gas? The Effect of Climate and Financial Constraints”
 Discussant: **M. H. Nguyen** (TSE)

Electricity retail

Chair: P. Dubois

Room: Pic du Midi/Lourdes

- M. Filippini (Institute of Economics (IdEP), Università della Svizzera italiana (USI); Swiss Federal Institute of Technology (ETH), Switzerland), **B. Hirl** (Institute of Economics (IdEP), Università della Svizzera italiana (USI)) and G. Masiero (Department of Management, Information and Production Engineering (DIGIP), University of Bergamo, Italy; Institute of Economics (IdEP), Università della Svizzera italiana (USI), Switzerland)
“Rational Habits in Residential Electricity Demand”
 Discussant: **P. Dubois** (TSE)
- N. Astier (Toulouse School of Economics) and **T.O. Léautier** (Toulouse School of Economics)
“Smart Market Designs for Smart Consumers”
 Discussant: **F. Wolak** (Stanford University)

Plenary sessions: 40 minutes for speakers, 10 minutes for discussants.

Parallel sessions: 25 minutes for speakers, 5 minutes for discussants and 10 minutes for questions.

Developing countries**Chair: A. Estache****Room: Amphithéâtre Gavarnie**

- Y. Jin (Institute of Environment and Economy, College of Environmental Sciences and Engineering, Peking University), **H. Andersson** (Toulouse School of Economics) and S. Zhang (Institute of Environment and Economy, College of Environmental Sciences and Engineering, Peking University)
“Benefit-Cost Analysis of Phasing Out Coal in Power Plants and for Household Usage: An Empirical Analysis of the Chinese Action Plan Applied in Beijing”
Discussant: **A. Estache** (ULB)
- S. Di Falco, **J. Laurent-Lucchetti** (University of Geneva) and M. Veronesi (University of Verona)
“Property Rights and Conflicts: Theory and Evidence from the Highland of Ethiopia”
Discussant: **P. Scott** (TSE)

15:20-15:45 Coffee break**15:45-17:25 Plenary session Chair: T.O. Léautier****Room: Amphithéâtre Gavarnie**

- **P. Joskow** (MIT)
“Achieving Greenhouse Gas Mitigation Goals: Failing on Almost All Fronts”
- **J. Tirole** (TSE)
“Negotiating a Climate Agreement”

17:25-18:00 Farewell cocktail

Plenary sessions: 40 minutes for speakers, 10 minutes for discussants.

Parallel sessions: 25 minutes for speakers, 5 minutes for discussants and 10 minutes for questions.