

The current carbon price drivers, an empirical analysis

Background

The European Union Emission Trading Scheme (henceforth EU ETS) is the world's first large-scale CO₂ emission trading system. This market was organized in four phases: Phase I in 2005–2007, Phase II in 2008–2012, Phase III in 2013–2020 and Phase IV nowadays.

Much has been written on the EU ETS in phases I and II. However, several marked changes have occurred in the European context over the years. In particular, the electricity sector, which is the most important sector covered by the EU ETS regulation, has experienced a remarkable transformation prompted by the rapid deployment of renewable energy sources and the relative decline of coal-fueled thermal generation. Such changes have important implications for the demand for emission credits. Consequently, one can wonder whether the determinants of the carbon price have changed over time.

Missions

This internship aims to empirically investigate these determinants during the current and previous phases of the EU ETS and document the changes.

The analysis will be structured as follows:

- Study the relationships between carbon prices and energy prices using modern time-series techniques,
- Write a research paper in English.

Profile

This position is for a master's student in econometrics or applied statistics interested in the economics of carbon markets.

The ideal candidate:

1. has a good knowledge of time-series models,
2. has an interest in research in applied econometrics,
3. demonstrates good writing skills in English.

The candidate must have organizational ease, autonomy, and the ability to interact with various interlocutors of the Chair.

A personal interest in the areas of the economics of climate change is an asset.

Duration: Starting March-April 2024 for a 6 month-period

Location : Chaire Economie du Climat, Palais Brongniart, 28 Place de la Bourse, 75002

Salary: 80% minimum wage + meal vouchers-face value 9€

Contact and documents: send CV, Cover letter **plus** Master 1 grades (and Master 2 grades available) in **only ONE PDF file** to claire.berenger@chaireeconomieduclimat.org indicating the internship offer's (**only 2 applications maximum on all CEC internships offers**)

Application closure: January 9th, 2024

Interviews from January 10th, 2024

Final response to candidates: January 31st, 2024