



INSTITUT
D'ÉCONOMIE
INDUSTRIELLE

Conference

“The Economics of Energy and Climate Change”

Toulouse, June 6-7, 2017

CONFERENCE VENUE

MERCURE ATRIA TOULOUSE

Boulevard Lascrosses
8, Esplanade Compans-Caffarelli
31000 Toulouse –www.mercure.com - www.accorhotels.com

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8:15-8:40 **Registration**

8:40-8:45 **Welcoming address: J. Tirole (Toulouse School of Economics)**

Room: Amphithéâtre Gavarnie

8:45-10:00 **Keynote Lecture**

Room: Amphithéâtre Gavarnie

- **R. Schmalensee** (MIT Sloan School of Management)
“*Near-Term Policy Priorities to Enable Deep Decarbonization*”

10:00-10:30 **Coffee Break**

10:30-12:30

Parallel sessions 1

1a. Renewables

Chair: M. Bobba (Toulouse School of Economics)

Room: Cordes

- **S. Ambec** (Toulouse School of Economics) and C. Crampes (Toulouse School of Economics)
“*Decarbonizing Electricity Generation with Intermittent Sources of Energy*”
Discussant: **M. Waterson** (University of Warwick)
- **B. Dolter** (University of Ottawa) and N. Rivers (University of Ottawa)
“*The Cost of Decarbonizing the Canadian Electricity System*”
Discussant: **V. Karplus** (MIT)
- **S. Lamp** (Toulouse School of Economics)
“*Projection Bias in Solar Electricity Markets*”
Discussant: **M. Bobba** (Toulouse School of Economics)

1b. Climate Policy

Chair: M. Reynaert (Toulouse School of Economics)

Room: Amphithéâtre Gavarnie

- **L. Ahlvik** (Norwegian School of Economics) and M. Liski (Aalto University)
“*Carbon leakage: a mechanism design approach*”
Discussant: **Johannes Horner** (Toulouse School of Economics)
- **T. Sterner** (University of Gothenburg) and S. Mukanjari (University of Gothenburg)
“*Do Markets Trump Politics? Evidence from Fossil Market Reactions to the Paris Agreement and the US Election*”
Discussant: **G. Pavan** (Toulouse School of Economics)
- **A. Trindade** (Getulio Vargas Foundation Graduate School of Economics), J.M Abito (Wharton School, University of Pennsylvania), C. R. Knittel (Sloan School of Management) and K. Metaxoglou (Carleton University)
“*Separate Markets for Externalities: Regional versus State-by-State Regulation of a Global Pollutant*”
Discussant: **M. Reynaert** (Toulouse School of Economics)

1c. Tariffs**Chair: N. Meddahi (Toulouse School of Economics)****Room: Pic du Midi-Lourdes**

- **X. Lambin** (Toulouse School of Economics, ENGIE)
“*The Social Value of Demand Response and its Integration in Capacity Mechanisms*”
Discussant: **R. Green** (Imperial College Business School)
- **B. Shaffer** (University of Calgary)
“(Mis)understanding Prices: A Natural Experiment in Nonlinear Electricity Tariffs”
Discussant: **A. Lange** (University of Hamburg)
- **F. Wolak** (Stanford University), L. M. Andersen, L. Garn Hansen and C. Lynge Jensen (University of Copenhagen)
“*Using Real-Time Pricing and Information Provision to Shift Intra-Day Electricity Consumption: Evidence from Denmark*”
Discussant: **N. Meddahi** (Toulouse School of Economics)

12:30-14:00 Lunch**14:00-15:20****Parallel sessions 2****2a. Emerging countries****Chair: S. Straub (Toulouse School of Economics)****Room: Amphithéâtre Gavarnie**

- **A. Dechezlepretre** (Grantham Institute, London School of Economics) and F. Cohen (Graduate Institute Geneva)
“*Mortality Inequality, Temperature, and Public Health Provision: Evidence from Mexico*”
Discussant: **I. Lazkano** (University of Wisconsin-Milwaukee)
- **C. Wolfram** (UC Berkeley, NBER), K. Lee (UC Berkeley) and E. Miguel (UC Berkeley, NBER)
“*Experimental Evidence on the Demand for and Costs of Rural Electrification*”
Discussant: **S. Straub** (Toulouse School of Economics)

2b. Market design**Chair: C. Crampes (Toulouse School of Economics)****Room: Cordes**

- **B. Willems** (Tilburg University & Toulouse School of Economics), P. Holmberg (Research Institute of Industrial Economics (IFN) & University of Cambridge (EPRG)) and K. Ruddell (University of Auckland)
“*Multi-product Supply Function Equilibria*”
Discussant: **J-C. Poudou** (LAMETA, University of Montpellier)
- **N. Wölfig** (ZEW Mannheim) and S. Johanndeiter (Netze BW)
“*Pricing twice the cost? The Impact of Forward Contracts on the Pass-Through of Emissions Allowance Prices - Empirical Evidence from the Spanish Electricity Market*”
Discussant: **C. Crampes** (Toulouse School of Economics)

15:20-15:50 Coffee Break

3a. CO2 emissions**Chair: S. Ambec (Toulouse School of Economics)****Room: Amphithéâtre Gavarnie**

- **A. Jo** (London School of Economics) and S. Carattini (Yale School of Forestry Environmental Studies)
“Trust and CO₂ Emissions: Cooperation on a Global Scale”
 Discussant: **T. Sterner** (University of Gothenburg)
- **V. Karplus** (MIT Sloan School of Management) and X. Zhang (Tsinghua University)
“Incentivizing Firm Compliance under China’s National CO₂ Emissions Trading System”
 Discussant: **E. Cantillon** (Université Libre de Bruxelles and Toulouse School of Economics)
- **J.P. Montero** (PUC Chile), G. Meunier (INRA & Ecole Polytechnique) and J.P. Ponssard (Ecole Polytechnique)
“Output-Based Allocations in Pollution Markets with Uncertainty and Self-Selection”
 Discussant: **S. Ambec** (Toulouse School of Economics)

3b. Network pricing**Chair: R. Sioshansi (Ohio State University)****Room: Cordes**

- **S. Hagspiel** (University of Cologne)
“Reliability with Interdependent Suppliers”
 Discussant: **M. Le Breton** (Toulouse School of Economics)
- **N. Pavanini** (Tilburg University), D. Radulescu (University of Bern) and F. Feger (University of Bern)
“Welfare and Redistribution in Residential Electricity Markets with Solar Power”
 Discussant: **S. Lamp** (Toulouse School of Economics)
- **T. Tangeras** (Research Institute of Industrial Economics (IFN)) and F. Wolak (Stanford University)
“Optimal Network Tariffs for Renewable Electricity Production”
 Discussant: **R. Sioshansi** (Ohio State University)

20:00 Conference dinner at Espace EDF Bazacle

8:40-10:40

Parallel sessions 4

4a. Green Technologies

Chair: C. Mason (University of Wyoming)

Room: Pic du Midi - Lourdes

- **D. Dussaux** (Grantham Institute, London School of Economics), Dechezleprêtre (Grantham Institute London School of Economics) and Matthieu Glachant (Mines ParisTech, PSL)
“Intellectual Property Rights Protection and the International Transfer of Low-Carbon Technologies”
Discussant: **Y. Lefouili** (Toulouse School of Economics)
- **I. Lazcano** (University of Wisconsin-Milwaukee) and L. Pham (University of Wisconsin-Milwaukee)
“Do Fossil fuel Taxes Promote Innovation in Renewable Electricity Generation?”
Discussant: **C. Nauges** (Toulouse School of Economics)
- **G. Pavan** (Toulouse School of Economics)
“Green Car Adoption and the Supply of Alternative Fuels”
Discussant: **C. Mason** (University of Wyoming)

4b. Environmental regulation **Chair: M. Glachant (MINES ParisTech, PSL Research University)**

Room: Cordes

- **I. Durrmeyer** (Toulouse School of Economics)
“Winners and Losers: Distributional Effects of the French Feebate Policy on the New Car Market”
Discussant: **A. Trindade** (Getulio Vargas Foundation Graduate School of Economics)
- **M. Glachant** (MINES ParisTech, PSL Research University), P. Fleckinger and PH. Tamokoué Kamga (MINES ParisTech, PSL Research University)
“Energy Performance Certificates and Investments in Buildings Energy Efficiency: A Theoretical Analysis”
Discussant: **F. Ricci** (Université de Montpellier)
- **N. May** (DIW Berlin) and K. Neuhoff (DIW Berlin)
“Financing Power: Impacts of Energy Policies in Changing Regulatory Environments”
Discussant: **M. Glachant** (MINES ParisTech, PSL Research University)

4c. Dynamic Issues

Chair: L. Bretschger (ETH Zurich)

Room: Amphithéâtre Gavarnie

- **A. Méjean** (CIRED - CNRS), A. Pottier (CERNA, Mines ParisTech), S. Zuber (Paris School of Economics - CNRS) and M. Fleurbaey (Woodrow Wilson School of Public and International Affairs, Princeton University)
“Intergenerational Equity under Catastrophic Climate Change”
Discussant: **N. Treich** (Toulouse School of Economics)

- **A. Vinogradova** (ETH Zurich) and L. Bretschger (ETH Zurich)
“Escaping Damocles’ Sword: Endogenous Climate Shocks in a Growing Economy”
 Discussant: **M-H. Nguyen** (Toulouse School of Economics)
- **A. Millner** (London School of Economics)
“Non-Paternalistic Social Discounting”
 Discussant: **L. Bretschger** (ETH Zurich)

10:40-11:10 Coffee Break

11:10-12:30

Parallel sessions 5

5a. Storage **Chair: B. Willems (Tilburg University & Toulouse School of Economics)**
Room: Amphithéâtre Gavarnie

- **M. Waterson** (University of Warwick), M. Giulietti (Loughborough University), L. Grossi, (University of Verona) and E. Trujillo Baute (University of Barcelona)
“Analysing the Potential Economic Value of Energy Storage”
 Discussant: **S. Rouillon** (University of Bordeaux)
- **R. Sioshansi** (Ohio State University)
“Using Storage-Capacity Rights to Overcome the Cost-Recovery Hurdle for Energy Storage”
 Discussant: **B. Willems** (Tilburg University & Toulouse School of Economics)

5b. Nuclear technology **Chair: B. Harstad (University of Oslo)**
Room: Cordes

- **R. Bizet**, P. Bonev and F. Lévêque (Mines ParisTech, PSL)
“Fostering Nuclear Safety Through Local Monitoring: Evidence from Incident Data in the French Fleet”
 Discussant: **S. Chabé-Ferret** (Toulouse School of Economics)
- **M. Liski** (Aalto University) and I. Vehviläinen (Gaia Group and Aalto University)
“Cross-Ownership in a War of Attrition: The Case of the Nuclear Phase-Out”
 Discussant: **B. Harstad** (University of Oslo)

12:30-14:00 Lunch

14:00-15:20

Parallel sessions 6

6a. Environmental policy **Chair: D. Garrett (Toulouse School of Economics)**
Room: Cordes

- **F. Grey** (Cambridge University),
“Corporate Lobbying for Environmental Protection”
 Discussant: **D. Salant** (Toulouse School of Economics)

- **B. Harstad** (University of Oslo) and G. Egorov (Northwestern University)
"Informing Buyers vs. Regulators"
 Discussant: **D. Garrett** (Toulouse School of Economics)

6b. Energy Markets

Chair: F. Wolak (Stanford University)

Room: Amphithéâtre Gavarnie

- **C. Mason** (University of Wyoming), L. Marks (University of California), K. Mohlin (Environmental Defense Fund) and M. Zaragoza-Watkins (Environmental Defense Fund)
"Raising Rivals' Costs: Vertical Market Power in New England's Wholesale Natural Gas and Electricity Markets"
 Discussant: **O. Massol** (IFP School & City, University of London)
- **M. Polo** (Bocconi University and IEFE), A. Airoldi (IEFE) and A. Bosisio (IEFE)
"Opening the Retail Electricity Markets: Puzzles, Drawbacks and Policy Options"
 Discussant: **F. Wolak** (Stanford University)

15:20-15:45

Coffee Break

15:45-17:00

Keynote Lecture

Chair: S. Ambec (Toulouse School of Economics)

Room: Amphithéâtre Gavarnie

- **H. Allcott** (New York University)
"Evaluating Energy Efficiency"