



## 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](http://www.mercure.com) - [www.accorhotels.com](http://www.accorhotels.com)

### **ORGANIZING COMMITTEE**

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## Tuesday, June 6

**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)

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

### 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. Wölfing** (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**

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

**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 CO<sub>2</sub> 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 CO<sub>2</sub> 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. Ponsard (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**

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. Lazkano** (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 Kanga (MINES ParisTech, PSL Research University)  
*“Energy Performance Certificates and Investments in Buildings Energy Efficiency: Theory and Evidence”*  
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)  
*“Informative Activism and Lobbying”*  
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 IEFÉ), A. Airoidi (IEFÉ) and A. Bosisio (IEFÉ)  
*“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”*