

ROBUST POLICY:
DEVELOPING A ROBUST DECISION MAKING FRAMEWORK
FOR CLIMATE CHANGE POLICY UNDER UNCERTAINTY

Workshop on

Optimal Carbon Price under Climate Risk

13 February 2018

Fondazione Eni Enrico Mattei
Corso Magenta 63, Milan

Climate change presents a new challenge for economic decision making in terms of impacts on different aspects of economic productivity and consumption, and also in terms of scale and speed of change in the environment and the economy. In order to control the negative impacts of climate change, the Paris Agreement asked the global community to work toward achieving 2°C and 1.5°C targets. A key instrument in achieving these targets is a global carbon price that will ensure the sufficiency of mitigation efforts and will provide policy makers with a unique indicator to measure the cost of reducing climate change in fossil fuel based economies.

The main aim of this workshop is to present the latest approaches to calculate the carbon price under uncertainties from the climate system. Key issues around carbon price and tax, risks and uncertainties, climate impacts, and relevant policy implications will be discussed. The aim is to foster collaboration among researchers in this field and eventually produce a review paper which describes present and future research on carbon price under uncertainty and climate risk.

Agenda

Tuesday, February 13, 2018

8.45 – 9.00 *Participants Registration*

9.00 – 9.05 **Setting the stage: getting to know each other and meeting objectives**

Soheil **Shayegh**, Fondazione Eni Enrico Mattei

9.05 – 11.00 **Session I - Chair: Valentina Bosetti**, Fondazione Eni Enrico Mattei

Keynote speech

Carbon pricing and other tools for the energy transformation

Jeffrey **Sachs**, UN SDSN Director and Columbia University

Quantifying country level cost of carbon

Massimo **Tavoni**, Fondazione Eni Enrico Mattei

Pricing carbon under economic and climate risks

Rick **Van der Ploeg**, Oxford University

The social cost of carbon: what do we know about it and is it really important anyway?

Simon **Dietz**, London School of Economics

11.00 – 11.15 Coffee break

11.15 – 12.40 **Session II - Chair: Johannes Emmerling**, Fondazione Eni Enrico Mattei

Optimal carbon abatement in a stochastic equilibrium model with climate change

Christoph **Hambel**, Goethe University Frankfurt

Pricing climate risk

Svenn **Jensen**, Oslo Metropolitan University

The Carbon Abatement Game

Holger **Kraft**, Goethe University Frankfurt

12.40 – 13.10 **Policy panel discussion**

Moderator: Soheil Shayegh, Fondazione Eni Enrico Mattei

13.10 – 14.00 Light Lunch