

Index

- Åhman, M. 79, 117
 Aldy, J. E. 89, 149
 Alic, J. A. 33
 allowance allocation methods,
 efficiency of 72–73, 81–82
 benchmark approach 74–75
 definition of benchmark 75
 fuel-differentiated benchmarks 75–76
 with historic baseline 75
 output-based benchmarks 75
 serious implications of 76
 closure provisions 76, 80
 future commitments 77
 relocation of production 77
 grandfathering approach 73–74
 international competitiveness
 and leakage 82
 and investment decision 117
 new-entrant allocation 77–78
 investment decisions 80
 problems with 78–79
 allowances
 banking of, and price stability 117–119
 problems with 119
 borrowing from future 119–120
 free allocation of, and carbon-intensive
 production 185, 188–192
 and investment security 123–124
 and leakage 191
 and price caps 125
 put option contracts 122, 123
 see also auctions, carbon leakage,
 free-allowance allocation
 aluminium, values at stake owing to carbon
 prices 173
 American Power Act 87
 Andersen, M. S. 21, 167
 Ashton, J. 137
 assigned amount units (AAUs) 143–144
 auctions, of allowances 83, 93–94
 design of 84–85, 86
 in Germany 85–86
 in UK 85
 objectives of 83–84
 Azar, C. 36

 Baker, E. 36
 Baker, T. 48
 banks, and low-carbon investment
 finance 107, 109
 Barnett, J. 166
 Baron, R. 89, 149, 192, 232
 Barrett, S. 140
 Bazilian, M. 30
 BBC 21
 Bell, W. 149
 Bergek, A. 37
 Birr-Pedersen, K. 49
 Black, R. 142
 Blyth, W. 130

Index • 265

- Bodansky, D. 161
 Böhringer, C. 76, 188
 Bosi, M. 231
 Bourgeois, B. 36
 Brazil
 CDMs in 221
 NAMAs 16
 Bremner, C. 35
 Brouns, B. 236
 Bruvoll, A. 21
 Burniaux, J. M. 166
 Burtraw, D. 60, 90, 93
- Caldeira, K. 29
- cap-and-trade schemes 6–7, 56–57,
 58, 93–94
 allowance allocation and leakage 199–200
 banking of allowances 117–118
 and price stability 118–119
 and credibility 240, 241, 242
 direct linking of 146–147, 153–154
 economic advantages of
 co-operation 149
 economic incentives for 8
 implementation of more
 ambitious policies 150
 implementation periods 116–117
 indirect linking 147–148
 monitoring, reporting and
 verification 59
 and political responsibility 151, 152
 co-operation and commitment
 to caps 152–153
 coverage of policies 151–152
 importance of clear targets 151
 price caps 125
 sectoral risks 112
 separation of cap setting from
 allocation 93
 timing of inclusion 91
 and uncertainty 100–103, 130
 see also EU ETS; US SO₂
 emission scheme
- carbon banks 120–121
- carbon capture and sequestration (CCS) 43
- carbon costs 164
 comparison across sectors
 168–170, 171–173
 impact on specific industrial
 activities 168
- and internationally traded
 products 170–171
 potential increase in 164
- Carbon Disclosure Project 127
- carbon leakage 13, 162, 163–164, 168,
 173, 176, 177, 199, 243–244
- border adjustments 195, 200–201
 benefits to developing
 countries 197, 198
 design objectives of 197–198
 implementation of 195–196
 international co-operation
 196–197
 politics of 196–197, 198
 WTO compatibility 196
- and cost increases 14
- fossil fuel channel 165–166
- and impact of carbon pricing 180
- and management time frames 180
- options to prevent asymmetric
 cost impacts 185–187
 closure of plant 187
 new investment 187
 reduced productivity 187
 reinvestment 187
- production channel 166
- protection of market share 178
- sectoral agreements 192
 among firms 192–193
 benchmark emissions rate 194
 to deliver full carbon price
 193–194
- technology channel 166
- see also* carbon-pricing schemes;
 industry value chain
- carbon market 132, 158–159, 160
 AAUs and EU ETS 145
 and efficiency in international
 markets 149–150, 159
 price competitiveness 145
 trade in AAUs 143–144
 at government level 144, 145
 at installation level 144–145
- carbon market mechanisms 218
- carbon price
 as driver of investment choice 97
 impact on oil demand 105
 and investor confidence 115–116
 allowing for banking 117–118
 government intervention 120–121

266 • Index

- carbon price (cont.)
 - implementation period of
 - scheme 116–117
 - reserve price in auctions 121–122
 - uncertainty of 99–100
 - see also* allowances; cap-and-trade schemes; carbon market; carbon tax
- carbon price differentials
 - effect on corporate decisions 178–179, 199
 - effect on international trade 162–163
- carbon-pricing schemes 57
 - advantages of 238
 - border adjustment 244
 - cost increases in UK 199
 - direct emissions costs 169
 - distribution of revenue 49–50
 - differences between consumers on similar incomes 50
 - differences within consumer segments 50
 - and domestic implementation of
 - climate policies 3–4, 6, 14
 - economic incentives for 19, 21, 25, 26, 28
 - and efficiency improvement 28, 29, 53
 - estimation of demand response 26–27
 - use of market mechanism 27
 - government responsibility 92
 - impact on emissions 21–22
 - implications for poorer consumers 45–48
 - incentives for 73–74
 - initial application at different levels 243
 - international co-operation on
 - low-carbon development 4
 - international competitiveness 90
 - and leakage 180
 - political costs 90
 - political sensitivity of 239
 - potential cost increase 164
 - and regulation 239
 - and risk reduction 38
 - role in promoting use of low-carbon technologies 43–45
 - sectoral coverage 86–87, 94
 - incentives for innovation 89
 - inclusion benefits 87–89
 - inclusion of large sectors with
 - low responsiveness to carbon prices 89
 - Stern Review 5
 - targeted policies 238
 - transaction costs 90–91
 - transmission of costs to consumers 45–48
 - in power sector 47
 - see also* cap-and-trade schemes; carbon costs; carbon leakage; differentiated carbon prices
- carbon tax 56, 57, 58
 - and investors 8
 - use over short term 130
- carbon-intensive production, shifts in
 - response to cap 162, 166, 199
- Carlson, C. 60
- Castro, P. 222, 227
- cement production
 - border adjustment 196
 - and carbon leakage 14
 - international trade exposure 170
 - values at stake owing to carbon prices 171, 173, 182–183
- Certified Emission Reduction (CER)
 - credits 220, 221, 227
 - additionality criterion 224
 - and auction reserve price of carbon 122
 - and indirect linking of cap-and-trade schemes 147
 - and US non-ratification of Kyoto Protocol 147–148
- Charnovitz, S. 201
- Chauis, T. 166
- China
 - CDMs in 221
 - IEA emissions projections for 231
 - NAMAs 16
 - taxes on project credits 223
 - wind projects in 15
 - rejection of 224
- chlorine production, values at stake owing
 - to carbon prices 173
- Clean Air Act 58
- clean development mechanism (CDM)
 - 15, 63, 218, 220–221, 228, 234–235
 - and developing countries 245
 - disadvantages of 15
 - evaluation of 222
 - delay of low-carbon projects in developing countries 224

Index • 267

- low-carbon transformation in
 - developed countries 225–226
 - rents and demand for carbon-intensive products 222–224
 - uncertainty effects 226–227
 - difficulties of assessment 227
- expansion of 245
- and high allowance prices 125
- public finance mechanisms 245–246
- transition to broader framework 18
- transparent governance structure 221–222
- see also* international carbon markets
- Climate Change Act, and targets 151
- Climate Change Agreements (UK) 62
- Climate Change Commission (UK), long-term mitigation targets 207
- climate change
 - challenge of 237, 246–247
 - implementation of domestic policy instruments 239–240
 - and low-carbon development 237, 239, 247
 - prediction and quantification of 103
- climate policy
 - commitment to long-term objectives 138–139
 - credibility of 139–140
 - game-theory perspective 135–136
 - impact on growth
 - network effect 52–53
 - non-convexities of technologies 53
 - and investment 109, 115, 130
 - European targets 113–115
 - ex ante v. ex post assessments 111
 - pooling of risk across sectors 111–112
 - time frames and targets 110–111, 112–113
 - need for joint action 132, 133
 - uncertainty of international objectives 130
- clinker production 181
 - benchmark allowances 189
 - substitution opportunities in value chain 26
 - value at stake along value chain 182–183
- coal, demand for, and carbon leakage 165
- Coase, R. 20, 56
- Colombier, M. 95
- combined-cycle gas turbines, investment in 97
- commodity-price stabilisation 120
- competition, in international markets
 - and innovation technology 39
 - and pricing decisions 48
- Concorde East 25
- Congressional Budget Office, rebate curve 49
- contract for difference (CfD) 122
- Convery, J. F. 22
- Copeland, B. R. 168
- Copenhagen Accord
 - free rider issue 246
 - NAMAs 208
- Cornwall, A. 48
- corporate taxation, reduction
 - from carbon-pricing revenues 50
- Coudonel, A. 142
- credit guarantees, and international support mechanisms 213
- Creedy, J. 48
- Crocker, T. D. 56
- Cust, J. 31
- damage cost curve 102–103
- de Coninck, H. 30
- DeCanio, S. 43
- decision-making processes, impact of
 - carbon pricing on 44
- Demailly, D. 168, 179, 189, 195
- Dessai, S. 166
- developing countries
 - business models and access to finance 213
 - co-operative arrangements 34
 - development of conceptual framework for international co-operation 206
 - low-carbon development strategies 206
 - NAMAs 16–17, 207–208
 - support mechanisms for climate policy 1, 2, 10, 15
 - and carbon pricing 3
 - transparent monitoring and reporting 209–210
- emissions trading 57–58
- importance of low-carbon development plans 9
- increase in greenhouse gas emissions 203, 204

268 • Index

- developing countries (cont.)
 - installation-based sectoral trading 228–230
 - international research projects on low-carbon development 205
 - Kyoto Linking Directive 63–64
 - no-lose targets for sectoral trading 231–232, 233–234
 - technology innovation, need for support 34, 35, 40
 - see also* carbon leakage; clean development mechanism; international support mechanisms
- differentiated carbon prices 13–14
- domestic policy frameworks,
 - role of 3, 9–10, 15
 - implications of changes to 5–6
 - and international co-operation 10–11
- Drax, credit rating of 128
- Drexhage, J. 149
- E+/E– rule 224
- early movers, in low-carbon development,
 - advantages of 138, 162
- early-stage technology investment 126
- Ecofys 47
- Edenhofer, O. 29, 54, 150
- Ekins, P. 21, 167
- electricity generation
 - and CO₂ emissions 46
 - compensation for poorer households 47
 - cost pass-through 47
 - price-setting 47
 - effect of increased carbon costs on 169–170
 - and international trade exposure 170
- Ellerman, D. 22, 56, 59, 60, 61, 69, 72, 78, 118, 125, 190
- Ellis, J. 231, 232
- emission reduction
 - global consensus on 21
 - shift of emphasis to low-carbon development 2–3
 - substitution opportunities in value chain 26, 28
 - and welfare theorem 4
- emissions targets, and investment 7
 - see also* EU ETS
- emissions trading 57
- employment, effect of carbon price on 163, 199
- energy carriers, and technology innovation 30
- energy consumption, link with prices
 - cross-country comparisons 22–23
 - and economic performance 23–24
- energy efficiency, EU green paper on 43
- Energy Modelling Forum 54
- energy supply, and technology innovation 30
- energy-efficiency barriers 20
- Enevoldsen, M. 21
- environmental taxes, impact
 - on industrial activity 167
 - exemptions to 168
- EU Directive on Emissions Trading,
 - amendment on cap setting 71, 115
- EU emissions-trading scheme (EU ETS) 6–7, 8, 62–63, 238, 239
 - allocation periods and expectations 72, 80
 - allowance for banking 118
 - auctions 83
 - design of 84–85
 - objectives of 83–84
 - burden sharing agreement 62
 - carbon costs 164
 - carbon leakages 191
 - carbon pricing and emissions reduction 21
 - CERs 220
 - decentralisation of cap setting 71
 - definitions of sectoral boundaries 230
 - effect on emitting companies 97
 - independent functioning of 63
 - lessons from pilot period 69
 - excess allocation of allowances 69–70
 - Linking Directive 63–64, 148
 - limits on CDM and JI credits 225–226
 - market price for allowances 65–66
 - and fuel prices 67–68
 - verified emissions data and price drop 68–69
 - national allocation plans 65–70
 - phase II 70–71
 - transfer provision 96
 - opposition to 71
 - phase II as commitment device 139
 - profitability of coal power station construction 79
 - reduction in volume of allowances 66–67

Index • 269

- state aid 200
- targets for emissions reduction 114–115
- threshold for small emitters 90
- see also* allowance allocation methods
- European Bank for Reconstruction and Development (EBRD), *ex post* grants 217
- European Commission
 - attempts to link international emissions reduction 137
 - carbon tax proposal 61
 - harmonised European approach to emissions reduction 62
- European Council 25
- European Investment Bank, up-front support grants 214
- European Linking Directive 146
- European Renewables Directive 39
- export taxes, and carbon-cost differential 186
- Fankhauser, S. 214
- feed-in tariffs 218
- Felder, S. 165
- Ferrario, M. 79
- fertilisers, values at stake owing to
 - carbon prices 173
- Figueres, C. 236
- financial investors, and climate-policy instruments 8
- first-mover advantage, international carbon prices 162
- Fischer, C. 54
- free-allowance allocation
 - auctioning of 7
 - distributional impacts 7
 - and lobbying 6
- free-riding, and international agreements 134–135, 136–137, 156
- Gallaway, M. 179
- Gbone, W. 214
- Gerlagh, R. 179
- Germany, emissions reduction in 95
 - and allowance auctions 85–86
 - and new-entrant allocation 79
- global carbon tax 12, 155–156
 - avoidance of competitive distortions 157
 - continuity and credibility 156–157
 - design of 157
 - domestic initiative for 157
 - political momentum 156
- Global Environment Facility 217
- government-led agreements, on
 - carbon price 186, 200
- Government Performance Results Act (USA) 142
- Graichen, V. 72, 173, 190
- Grant, K. 31, 214
- greenhouse gas emissions, shifting
 - balance in 203
- Grubb, M. 32, 37, 64, 124, 150, 166
- Guerin, E. 214
- Guo, J. 103
- Guzman, A. 140
- Hamilton, K. 130
- Hammit, J. K. 111
- Harrington, W. 111
- Harrison, D. J. 72, 76
- Hassett, K. A. 43
- He, G. 224
- Helm, D. 113, 120
- Henkin, L. 139
- Hepburn, C. J. 103, 121
- Heutschel, J. 142
- HMRC, R&D expenditure 32
- Hoel, M. 104
- Hoffert, M. I. 29
- Holmgren, K. 79
- Hope, C. 103
- Hourcade, J.-C. 48, 168, 214
- Iliev, I. 33
- import costs, components of 173–175
 - and carbon prices 175–176
 - international differences in 176
 - and volatile global demand 177
- India
 - CDMs in 221
 - NAMAs 16
- industry value chain 181
 - and risk of leakage 182–185
- innovation
 - private-sector investors in 32, 35
 - public funding for 33
 - targeted support schemes 36
 - benefits of 36, 37
 - see also* wind energy

270 • Index

- Innovation Modelling Comparison Project 54
- intellectual property rights
 - conflict resolution 35
 - co-operative arrangements 34
 - returns on R&D investment 33
- Intergovernmental Panel on Climate Change (IPCC) 2
 - emissions-reduction targets 110
 - and free-allowance allocation 81
 - GDP reduction and climate policy 19
 - leakage definition 165
- international carbon markets,
 - co-operation in 234–235
 - installation-based sectoral trading 228–230
 - sector trading at government level 232–234
 - sectoral trading linked to cap-and-trade schemes 230–232
- international climate co-operation
 - 10–11, 247
 - advantages of 11, 132–133, 158–160, 241, 242
 - basis for negotiations on emissions target 153
 - need for joint negotiation 153
 - commitments to climate policy 140
 - common level of ambition 137–138
 - encouragement of first movers 138, 150
 - free-riding 134–135, 136–137
 - levels of ambition and targets 242
 - implications for emissions trading 242–243
 - linking of separate schemes 12, 153–154, 159
 - importance of design for future 155
 - risks of 154
 - responsibility for own actions 133–134
 - risk management 11–12
 - see also cap-and-trade schemes; carbon market; monitoring and reporting
- international support mechanisms 208–209, 220, 235–236, 244–246
 - access to finance 213
 - basic categories for 212–213
 - credit and equity finance 219
 - direct grants 214
 - financial needs for low-carbon development 210
 - access to low-cost finance 211–212
 - implementation of specific NAMAs 211
 - stability of regulatory frameworks 211
 - insurance or guarantee products 218–219
 - moral hazard problems 217, 219–220
 - operating support 217–218
 - support for domestic monitoring and reporting 209
 - up-front support 214
- international trade exposure 170
- investment policy, and low-carbon development 240
 - access to finance 213
 - design challenge 240–241
 - and energy demand 23
 - international support mechanisms 211–212
 - long-term policy frameworks 38
 - and regulation 25
- Ismer, R. 123, 196
- Jackson, H. 214
- Jacobson, S. 37
- Jacoby, H. D. 125
- Jacquier-Roux, V. 36
- Jain, A. K. 29
- Japan, emissions controls 58, 95
- Jensen, S. G. 37, 96
- Joint Implementation (JI) projects 63
 - and auction reserve price of carbon 122
 - and indirect linking of cap-and-trade schemes 147
- Joint Implementation Supervisory Committee (JISC) 95
- Joskow, P. 69, 78
- Kammen, D. M. 32
- Karnøe, P. 37
- Karp, L. 104
- Kenber, M. 130
- Klemperer, P. 96
- Köhler, J. 48, 150
- Kopp, R. 111
- Kuik, O. J. 150, 166, 179
- Kyoto Protocol
 - assigned amount units (AAUs) 64
 - trading of 64–65
 - banking of allowances 65
 - carbon off-sets 218

Index • 271

- categorisation of developed and developing countries 209
- clean development mechanism 1–2
- emissions trading 61
- principle of common but differentiated responsibility 203
- role of carbon markets 143
- supplementary criteria for international off-sets 225
- trading of emissions reduction 147
- see also* clean development mechanism
- Labandeira, X. 48
- Labeaga, J. 48
- Lange, A. 76, 188
- Larsen, B. M. 21
- Lee, B. 33
- Lessmann, K. 29, 150
- Lester, S. 143
- lime, values at stake owing to carbon prices 171, 173
- live-line tariff 47
- loans to finance low-carbon projects 213
- Local Public Service Agreements (LPSAs) 142
- Lossen, J. 38
- Low Carbon 100 Europe Index 127
- low-carbon development, emphasis on 2–3, 9–10
 - evolution of climate policy 18
 - investment responses to 7–9
 - use of carbon pricing 4
 - and welfare theorem 4–5
- low-carbon investment, uncertainty of 97–98
 - allowing for banking 117–118
 - and bank finance 107
 - credible targets 129
 - government's role 120–121, 124, 130
 - information on risk 127–128
 - need for further analysis 128–129
 - by oil majors 105
 - over time 100–104, 112–113
 - price prediction 129
 - reserve price at auctions 121–122
 - sources of finance for 126–127
 - by technology developers and manufacturers 105–107
 - by utility companies 107
 - and utilities 107, 108
 - see also* allowances; carbon price
- low-carbon technologies
 - development of 240
 - and emissions targets 238
 - investment in 126–127
- low-carbon transition
 - effect on established companies 51
 - role of government 51, 54
 - and failing firms 51
 - regulation of shareholders 52
 - training and education 52
- Lundvall, B. 31
- Maastricht criteria 155
- Margolis, R. M. 32
- Marsiliani, L. 160
- Martin, K. 78
- Martins, J. O. 166
- Matthes, F. 46, 51, 72, 79, 190
- McKinsey and Company 47
- Metcalf, G. 43, 55
- Mexico
 - CDMs in 221
 - long-term mitigation strategy in 206
 - NAMAs 16
- Michaelowa, A. 220, 222, 227, 236
- Millennium Development Goals 142
- mitigation cost curve 101–102
- monitoring and reporting
 - international co-operation 141
 - harmonisation on indicators 141–142
 - transparency 140–141, 158, 209–210, 235
- Morgan, M. G. 41
- Morgenstern, R. 54, 62
- Morse, R. K. 224
- Mowery, D. S. 33
- Myers, S. C. 219
- national allocation plans, free-riding problems 154
- National Renewable Energy Action Plan 106, 114
- nationally appropriate mitigation actions (NAMAs) 1, 2, 16, 207–208, 220, 234
 - commitments by developed countries 16–17
 - financial mechanisms for 17–18

272 • Index

- nationally appropriate mitigation actions (cont.)
 international financial support,
 need for verification 210
 monitoring and reporting of 17
 see also international support mechanisms
 natural gas, demand for, and carbon leakage 165
 Nemet, G. F. 36
 Neuhoff, K. 23, 33, 38, 46, 47, 72, 79, 95,
 104, 123, 143, 196, 210, 214
 New Source Performance Standard 58
 new technologies, importance of
 access to finance 213
 Newbery, D. M. 103, 120, 124
 Newell, R. 100, 104, 119
 Norberg-Bohm, V. 37
 Nordhaus, W. D. 155
- oil, demand for, and carbon leakage 165, 166
 oil majors, and low-carbon
 investment 105, 108
 onshore wind, investment in 127
 option contracts, *see* allowances
- Palmer, K. 93
 Paltsev, S. 161
 Parry, I. 50
 patent pools 34
 Paul, A. 90
 Pershing, J. 130
 personal carbon credits 55
 petrol taxes 50
 Philibert, C. 153, 192, 231
 Pigou, A. C. 20, 56
 Pizer, W. 62, 100, 104, 111, 125
 policy indicators 142–143
 pollution haven hypothesis 168
 Poterba, J. M. 55
 Poverty Reduction Strategy Papers
 (PRSPs) 142
 poverty, and carbon pricing 45, 48–49
 price elasticity, estimation of 26
 product prices, effect of carbon price on 163
 Proops, J. 49
- Quirion, P. 179, 189, 195
- Radov, D. B. 72, 76
 Rajan, R. 214
- Reedman, L. 106
 Regional Greenhouse Gas Initiative
 (RGGI) 86
 and carbon leakages 191
 regulation, and low-carbon transmission 54
 design difficulties 25
 enforcement of 44
 rebound effect 28, 44
 uncertainty, and climate
 policies 98
 use in directing investment 25
 regulatory framework, distributional
 impacts of change 20
 Reinaud, J. 107, 153, 192
 renewable energy
 prediction difficulties 25
 substitution for carbon-intensive
 energy 24
 and technology innovation 30
 Renström, T. 160
 Richardson, M. 26, 47, 95
 Rogge, K. 72
 Rosendahl, K. 150
 Rutherford, T. F. 165
- Sagar, A. 35
 Samaniego, J. 236
 Sandén, B. A. 36
 Schumacher, K. 173
 sectoral trading, at government level
 sectoral crediting mechanism 232,
 233–234
 time lags between implementation and
 emissions impact 232
 link to lead indicators 233
 sectoral trading, installation-based
 and benchmark performance 228–229
 definition of installation 229
 incentive to increase carbon-intensive
 production 229
 transfer of funds 229
 sectoral trading, link to cap-and-trade
 schemes 230
 definition of sectoral boundaries 230
 distortions between sectors 230
 emissions target definition 231
 no-lose targets 231–232
 Shiell, L. 232
 Sijm, J. P. M. 46, 47, 150, 166
 Sippel, M. 210

Index • 273

- slavery, abolition of 134
- Smeers, Y. 99
- Smith, S. 48, 62
- Sorrell, S. 28
- South Africa
 - long-term mitigation strategy in 206
 - NAMAs 16
- South Korea, long-term mitigation strategy in 206
- Soviet Union (former), emissions reduction in 64
- Speck, S. 49
- Sreenivasamurthy, U. 193
- Standard & Poor's/IFCI Carbon Efficient Index 127–128
- standards bodies 34
- state aid, carbon-intensive production and leakages 185, 188–192
- steam reformers, and state aid 189
- steel production
 - and carbon leakage 14
 - free-allowance allocation 188
 - impact of carbon price differentials 179–180
 - value chain 183–184
 - values at stake owing to carbon prices 173
- Steinbuks, J. 23
- Sterk, W. 221
- Stern Review 5
 - carbon price uncertainty, and low-carbon investment choice 97–98
 - costs of emissions reductions 110
 - definition of manageable temperature increase 103
 - policy interventions for low-carbon economy 19
- Stiglitz, J. E. 120
- storage technologies 25, 30
- strong early action problem 74
- subsidies, to address negative effects of leakage 190–191
- Swierzbinski, J. 62
- Symons, E. 49
- tax revenue, effect of carbon price
 - on 163, 199
- Taylor, M. S. 168
- technology developers, and low-carbon investment 105–107, 108, 114
- technology policy, role of 29, 41, 54
 - barriers to emission reduction 43
 - and investment 7–9
 - long-term frameworks, and investor confidence 38
 - marginal abatement cost curves 41–43
 - and Stern Review 5
 - support for carbon-reducing technologies 20, 29, 30, 36
- Tol, R. S. J. 103
- trade-intensity, and carbon leakage 170–171, 199
- Trafigura, toxic exports 136
- transfer payments, risks of 212
- transport costs
 - as component of import costs 175
 - and value chain leakage concerns 183–184
- Tudela, F. 130
- UK emissions trading 61
 - auctions of allowances 85
- uncertainty, in energy-related markets 98
 - and choice of policy instruments 100–103
- UNFCCC, National Communications funding for reporting 210
- US Acid Rain Program 118
- US SO₂ emissions scheme 58–59
 - allocation method 72
 - bankable allowances 118
 - and new entrants 78
 - success of 60–61
- van Zeven, J. A. 71
- Vasa, A. 64
- VAT schemes, border adjustments 195
- Vigotti, R. 37
- Walker, N. 26, 47, 48, 95
- Wang, X. 137
- Ward, J. 214
- Weber, T. 104
- Webster, M. 161
- Weitzman, M. 100
- Western Climate Initiative (USA) 154
 - and carbon leakage 191
- White, H. 142
- Wier, M. 49

274 • Index

wind energy	Wittneben, B. 221
benefits of strategic deployment	
programmes 37	Yang, M. 130
global market demand	
benefits 39	Zeppezauer, C. 224
Winkler, H. 206, 236	Zhang, Z. X. 196