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Carbon Warehouse Sees Lower Emission Prices on Climate Discord
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By Mathew Carr

May 22 (Bloomberg) -- Jan Pravda, director of Dublin-based emissions brokerage Carbon Warehouse Ltd., says the price of European Union carbon dioxide allowances will probably fall early next year because nations will fail to agree on an effective global climate-protection program this year.

He spoke yesterday and today by telephone from Prague.

On whether the EU will adopt a target to cut emissions by 30 percent in 2020 from 1990 levels, instead of 20 percent:

“It’s economic suicide to maintain these aggressive targets in the light of ultimately weak U.S. targets. I don’t see why the EU consumers should withstand this extra burden, this disparity. The EU is at the cutting edge and the cutting edge gets pretty bloody.”

On carbon prices:

“The price will go down because the gap between EU and U.S. limits will seem insurmountable,” preventing an effective global carbon market and reducing demand for allowances. Emission-permit costs today are probably too high because utilities are buying, boosting power prices, Pravda said.

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