

Pledge to fix EU ETS fails to support prices

25 April, 2012

Carbon prices have dropped this week, despite European policy-makers continuing to push for a set-aside of emission allowances in the EU Emissions Trading System (ETS).

“I wouldn’t say that it was that important, it was just a statement and it didn’t give us any new information that we didn’t have before,” in regards to a set-aside, said **Maciej Gomolka**, emissions trading product manager at carbon brokerage **Pravda Capital in Prague**.

“I think it will go down more the following days until there is another statement like [Hedegaard’s],” **Gomolka** said, which would cause another “quick reaction” by market participants.

“Carbon is getting most of its direction from German power and the wider financial markets,” he said.

Gomolka said that CER prices could be influenced negatively by issuance of emission reduction units (ERUs) next month, which he expects to be higher than average, since a lot of projects in Russia and Ukraine are issuing credits.

“Utilities are ready to buy ERUs but they’re ready to buy them at a discount of €0.20-0.30 [to CERs] and that might influence CERs,” he said.

Source: [Carbon Finance](#)