

Information Release: Issues and Policies

Emissions Market Assessment Committee

November 13, 2013

Information Issues

- Content of data made available
 - Level of detail on compliance account holdings
- Timing of data releases
 - Emissions data
 - Trading data?

Compliance Account Information

- Original policy was to release firm level compliance account balances
 - A change to this policy is under consideration
 - One proposal is to release only industry level compliance account balances

Value of Information

- The distinction between private and public benefits
- Information is often utilized as a deterrent against manipulation
 - As firms acquire dominant positions, further purchases become more costly
 - (e.g. SEC rules on equity holdings)
- Industry level aggregates may mask large differences across firms
- Regulators/monitors may not have much recourse even if they have access to info

Alternative Options

- Maintain full disclosure of compliance account balances
 - Additional two-sided auctions can relieve concerns about harm to negotiating positions
- Reveal balances only of firms with large “long” positions (percent or number of allowances)
 - Long measured similarly to compliance account limited exemption calculation
 - Analogous to SEC rule
- Release distribution of net positions by industry
 - X firms are short by more than T mmTons)
 - Y firms hold between 75 and 110% of obligation
 - Z firms long more than of T mmTons obligation

Timing of Information Release

- Official release of emissions data in November
 - In last year of compliance period, this is too late to undertake much abatement
- Is there enough timely information?
 - Other sources of emissions data (e.g. gasoline and natural gas sales, EPA data)
 - But no practical way to estimate emissions from electricity imports
- Should we be worried?