

## EU Climate and Energy Policy in a Polarising World: Discussing Insights from the Ariadne Project

Date: 8-10 December 2025

Venue: Martin's Hotel EU Brussels, Boulevard Charlemagne 80, 1000 Brussels, Belgium

*Please refer to the descriptions and speaker lists for each session further below for detailed information.*

Day 1 – Monday, 8 December 2025		
Time	Topic	Organised by
11:00 – 11:30	Registration & coffee	
11:30 – 13:00	First things first in the ETS: What to cover in the upcoming MSR review and what to leave for the next? (I) <i>Invite-only, in-person only</i>	Potsdam Institute for Climate Impact Research (PIK)
13:00 – 14:00	Light lunch	
14:00 – 15:30	First things first in the ETS: What to cover in the upcoming MSR review and what to leave for the next? (II) <i>Invite-only, in-person only</i>	
15:30 – 16:00	Coffee break	
16:00 – 17:30	Towards simplicity and flexibility in the EU's climate policy architecture	Potsdam Institute for Climate Impact Research

Day 2 – Tuesday, 9 December 2025		
Time	Topic	Organised by
09:00 – 09:30	Registration & coffee	
09:30 – 11:00	Connecting the dots: Aligning EU governance frameworks for a competitive, clean, and fair transition	Ecologic Institute
11:00 – 11:30	Coffee break	
11:30 – 13:00 (Parallel sessions)	Which groups should receive support in the energy transition? Vulnerability vs. deservingness for designing relief measures	Potsdam Institute for Climate Impact Research
	Coordinated energy infrastructure development – the EU electricity interconnection target for 2030 and beyond	Institute of Energy Economics and Rational Energy Use (IER)
13:00 – 14:00	Light lunch	
14:00 – 15:30	Reconciling industry and climate: EU industrial geography in a low-carbon future	Potsdam Institute for Climate Impact Research
15:30 – 16:00	Coffee break	

<b>16:00 – 17:30</b>	ETS Evolution – Reforming the EU Emissions Trading System	Stiftung Umweltenergierecht & Potsdam Institute for Climate Impact Research
<b>17:30</b>	Networking reception with light snacks and drinks	

### Day 3 – Wednesday, 10 December 2025

Time	Topic	Organised by
<b>09:00 – 09:30</b>	Registration & coffee	
<b>09:30 – 11:00</b>	Rules instead of limits? Taking the CDR ETS-integration debate to the next level	Potsdam Institute for Climate Impact Research
<b>11:00 – 11:30</b>	Coffee & Goodbye	

## Detailed information on the workshops

### Day 1 – Monday, 8 December 2025

11:30-13:00 / 14:00-15:30 *Invite only, in-person only*

#### **First things first in the ETS: What to cover in the upcoming MSR review and what to leave for the next?**

Any changes of the MSR rules following the 2026 review are expected to remain in place at least until the next review scheduled for 2031. A key challenge for the upcoming review is thus to anticipate how the market and its (in)stability will evolve in the coming five years. As things stand, a number of tipping points are looming over the further evolution of the ETS, including adjustments in the context of the 2040 target discussion and the Clean Industrial Deal, growing scarcity in the market and industrials increasingly dominating the market in terms of regulated emissions. Against this background, this workshop discusses two questions: (1) Can fundamental liquidity and volatility changes be expected for the next five years, what will drive them and could they endanger the functioning of the market? (2) Should potential major post-2030 reforms to the ETS (CDR integration, linking to ETS2, integration of international credits...) be left for the next MSR review when there is more clarity, or is it essential to prepare for the long term through the short term and how so?

Organised by: Potsdam Institute for Climate Impact Research

Speakers: Jos Delbeke (EUI/KU Leuven), Robert Jeszke (KOBiZE), Ottmar Edenhofer (PIK)

Moderation: Michael Pahle (PIK)

16:00-17:30

#### **Towards simplicity and flexibility in the EU's climate policy architecture**

In its proposal to amend the EU climate neutrality framework, the Commission states that for designing the policy architecture beyond 2030, "it will examine how simplification and flexibilities across sectors could facilitate the achievement of the 2040 target". Simplicity is essential to lower transaction costs and fosters investment for the low-carbon transition. Flexibilities can allow a more efficient allocation of scarce resources (land, labour, capital) across sectors, technologies and time in order to keep overall cost of

achieving net-zero modest. Within this workshop we discuss how simplification and flexibilities could be used without risking a watering down of targets and ambition.

The starting point for discussion is the proposed post-2030 architecture, specifically its use of flexibility mechanisms under the Paris Agreement (Art. 6 mechanisms) and the effect of EU climate targets on Member States. The premise is thereby an overall credible new architecture to incentivize efficient investments; key to that is a controlled convergence approach of its various compliance systems (ETS, ESR, LULUCF regulation). An important ramification could be to develop the ETS an open system (“hub”) going forward and establish regulatory docking points to link-up CDR, international credits and the LULUCF sector already in the next round of reforms.

Organised by: Potsdam Institute for Climate Impact Research

Speakers: Markus Ehrmann (Stiftung Umweltenergierecht), Georg Zachmann (Bruegel), Ottmar Edenhofer (PIK)

## Day 2 – Tuesday, 9 December 2025

9:30-11:00

### ***Connecting the dots: Aligning EU governance frameworks for a competitive, clean, and fair transition***

As the EU pivots toward competitiveness as its defining priority for the foreseeable future, questions arise about whether existing and planned economic governance tools align with those for decarbonisation and a just transition. How do we know if we are on track towards an EU economy that is at once competitive, clean, and fair? How integrated are the accountability frameworks for these three interlinked priorities—on paper and in practice? What options exist to improve connections and streamline processes for a cohesive approach?

This session explores the preliminary findings of a new study that maps the governance frameworks underpinning these three EU policy goals, and their current interactions and state of integration. This includes the Governance Regulation, Social Climate Fund, and European Semester as well as new tools such as the proposed National Regional and Partnership Plans under the next Multiannual Financial Framework (MFF). We want to discuss options for how integration could be improved such that accountability and target achievement are enhanced, while staying true to the promise of a ‘simpler, faster Europe.’

Organised by: Ecologic Institute

Speakers: Corinna Fürst (Ecologic Institute), Michael Forte (E3G), Koen Meeus (Belgian Federal Climate Change Department), Frank Siebern-Thomas (DG EMPL)

Moderation: Matthias Duwe (Ecologic Institute)

---

11:30-13:00 (*parallel session*)

### ***Which groups should receive support in the energy transition? Vulnerability vs. deservingness for designing relief measures***

The energy transition is creating new social realities and divides. While some groups benefit, others experience the transition as a burden or perceive it as unfair because they or certain societal groups are disproportionately affected, potentially triggering public opposition. In response, policymakers and researchers have predominantly relied on identifying vulnerable groups using objective criteria such as income or energy poverty risk, and then designing targeted relief measures accordingly. However, research on public support for social policies reveals that fairness evaluations extend beyond the objective need

(vulnerability). People assess the deservingness of societal groups to receive support measures, also based on identity (similarity or social proximity), control (responsibility for the circumstances), effort (to improve circumstances or contributions), and reciprocity (contributions to society). This means perceptions of who deserves support play a vital role in shaping policy acceptance. This session discusses whether the concept of deservingness should replace or complement vulnerability as a guiding principle for designing relief measures in climate policy, and explores the implications. It will explore how deservingness can be operationalised using both objective and subjective indicators and integrated into policymaking.

Organised by: Potsdam Institute for Climate Impact Research

Speakers: Inputs by Simon Feindt (PIK), Jacob Edenhofer (University of Oxford). Interventions by Giulia Colafrancesco (ECCO) and Alessia Fulvimari (DG EMPL)

Moderation: Michael Pahle (PIK)

11:30-13:00 (*parallel session*)

***Coordinated energy infrastructure development – the EU electricity interconnection target for 2030 and beyond***

The development of appropriate infrastructure is the basis for a functioning internal electricity market within the EU. Hence, the European Council in 2014 called for the EU Member States to pursue an interconnection target of 10% until 2020 and 15% to 2030. Today, the EU Governance Regulation lists this target as one of the “Union's 2030 targets for energy and climate”, Art. 2(11) Regulation 1999/2018/EU. The European Commission has announced a proposal for a European Grids Package for the beginning of 2026.

Against this background, this workshop is intended to present our research on the legal nature and content of the interconnection target, i.e. explore who is obligated to do what. We will then look at the impact of the 15 % target for 2030 on the energy system and the EU's climate protection ambitions, and examine scenarios for the time beyond 2030. A panel of experts will be invited to share their views and discuss with us. Some time is scheduled for questions from the audience.

Organised by: Institute of Energy Economics and Rational Energy Use

Speakers: Inputs by Peiwen Zhang (IER), Jana Nysten (Stiftung Umweltenergierecht); Panel: Catharina Sikow-Magny (European University Institute), Dr. Christoph Maurer (Consentec), Thomas Dederichs (Amprion)

Moderation: Markus Blesl (IER)

---

14:00-15:30

***Reconciling industry and climate: EU industrial geography in a low-carbon future***

Despite an ambitious vision in the Clean Industrial Deal, the transformation of the EU's industrial base toward a low-carbon future has yet to take off. The combined pressures of the energy crisis and geopolitical tensions have placed energy-intensive industries—such as steel, chemicals, and cement—under severe strain. Faced with rising costs and competitive pressures, some sectors have begun to push back against the EU's climate architecture as being too ambitious. The result is a climate investment landscape marked by uncertainty. Volatile carbon prices, slow progress in scaling key technologies like green hydrogen, and delayed infrastructure investments—particularly in pipelines and grids—have dampened confidence in the transition even further. As Europe seeks to reconcile its industrial competitiveness with its decarbonisation commitments, questions arise about the geography and governance of its industrial future.

Against this background, this session aims to discuss the regional and sectoral futures that are emerging as

the EU's low-carbon transition takes shape. How can the EU's climate policy framework give "breathing room" to its industry without undermining the credibility and predictability required for investment? How might the market structure/geography change -- status quo, strong renewable pull, or more diversified supply chain (e.g. green iron in one country, steel production in another)? And lastly, how could and should the EU support diversification, also considering state aid rules and the internal market?

Organised by: Potsdam Institute for Climate Impact Research

Speakers: Darius Sultani (PIK), Ysanne Choksey (Agora Industry), Ben McWilliams (Bruegel)

---

16:00-17:30

### ***ETS Evolution – Reforming the EU Emissions Trading System***

Due to the finite number of emissions allowances, the EU emissions trading system (EU ETS) is facing an end game situation. Several reforms have been proposed and are being discussed to prepare the EU ETS for a time when no new emissions allowances will be issued, including but not limited to the inclusion of new sectors or new types of allowances. With the EU ETS being a climate protection measure, and thus adopted and reformed based on the EU's respective competence under Art. 192 AEUV, some concerns exist as regards the right legislative procedure for respective reforms. So far, Art. 192(1) AEUV and the ordinary legislative procedure (with majority voting in the European Parliament and the Council) were used. However, for reforms "primarily of fiscal nature" and those that significantly impact the Member States' energy sovereignty, the special legislative procedure with unanimity in the Council is prescribed. Certainly, thus, any reform of the EU ETS will require the political will of the EU legislator.

This session is intended for scientists and policymakers, as well as other stakeholders, interested in the development of the EU ETS. It will include a presentation on the legal basis for a(ny) reform of the EU ETS, and feature a discussion of both the legal and political aspects of such reform.

Organised by: Stiftung Umweltenergierecht and Potsdam Institute for Climate Impact Research

Speakers: Keynote from Jana Nysten (Stiftung Umweltenergierecht); moderated discussion with representatives from academia and policy

Moderation: Jana Nysten (Stiftung Umweltenergierecht), Michael Pahle (PIK)

---

17:30

### ***Networking reception with light snacks and drinks***

Join us for some drinks and light snacks at our networking reception in the Martin's Hotel Lobby.

**Day 3 – Wednesday, 10 December 2025**

9:30 - 11:00

### ***Rules instead of limits? Taking the CDR ETS-integration debate to the next level***

The gradual integration of carbon dioxide removal (CDR) into the EU Emissions Trading System (ETS) is widely seen as a crucial step toward achieving long-term climate objectives. At the same time, there remains large uncertainty in terms of cost, quantities and quality CDR suppliers can provide. Separate CDR targets or limits have consequently been proposed to accelerate deployment while avoiding strategic abatement delays or environmental risks that could undermine policy credibility. However, it is

questionable whether strict volume limits are suitable to address potential policy and market failures associated with a CDR integration. In addition, questions remain on how to put them into practice, i.e. on the “why” and “how” behind target design and their evolution over time.

With this session, we argue that – to take the CDR integration debate to the next level – a shift is required from fixed volume limits toward clearly defined rules. Two key questions are being addressed: How can a credible CDR integration and scale-up rules be designed that ensure a robust, future-proof carbon market? What is the underlying logic behind these rules, i.e. what objectives should they serve? To this end, the session explores the purpose, design logic, and dynamic evolution of CDR integration rules and support instruments within the context of the EU ETS. It examines how they can be structured to unlock learning, safeguard abatement incentives, address environmental concerns, and create a credible pathway for CDR integration.

Organised by: Potsdam Institute for Climate Impact Research

Speakers: Bjarne Steffen (ETH Zürich), Flore Verbist (PIK & KU Leuven), Darius Sultani (PIK), Michael Pahle (PIK), Stephanie La Hoz Theuer (adelphi and ICAP), Martin Birk Rasmussen (Concito)