



IEEE/HKIE Seminar

CARBON TRADING AND POWER LAUNDERING: EVIDENCE FROM THE WESTERN U.S.A.

by

Prof. C.K. Woo
(Ph.D., Economics, UC Davis)

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Venue: Room HJ302, Hong Kong Polytechnic University

Speaker: Professor C.K. Woo
Education University of Hong Kong
Email: chiwoo@eduhk.hk

Abstract

This seminar reports the effect of California's CO₂ cap-and-trade (C&T) program on the wholesale electricity prices of four interconnected market hubs in the Western U.S.A.: North of Path 15 (NP15) and South of Path 15 (SP15) in California, Mid-Columbia (Mid-C) in the Pacific Northwest, and Palo Verde (PV) in the Desert Southwest. The key findings are: (a) the NP15 and SP15 sellers' pricing behavior of fully including the CO₂ price in their intra-state transactions; (b) the Mid-C price's pass-through of the CO₂ price in the Pacific Northwest's hydro export to California; and (c) the PV price being largely unaffected by the CO₂ price. Hence, a C&T program that covers all four hubs is necessary to reduce the total CO₂ emissions in the Western U.S.A., thereby remedying power laundering due to the California program's inadequate geographic coverage.

Biography

C.K. Woo (Ph.D., Economics, UC Davis) is Professor of Asian and Policy Studies at the Education University of Hong Kong, now on leave from Energy and Environmental Economics, Inc. (www.ethree.com), a San Francisco consulting firm that he cofounded in 1993. With 30 years of industry experience, he has published over 130 refereed articles on applied microeconomics and energy economics. He is a senior fellow of the United States Association for Energy Economics and an editorial board member of *Energy*, *The Energy Journal* and *Energy Policy*.

The Seminar is jointly organised by the IEEE PES/IAS/PELS/IES Joint Chapter (HK), and the HKIE Electrical Division, and is supported by Electrical Engineering Department of PolyU and the Electrical Engineering Alumni Association of PolyU.

No prior registration is required. Attendance certificates will be issued at the event. For more details, please visit <http://www.ieee-hk-2pipi.org/Activity-Next>. For enquiry, please contact the JC Activity Coordinator, Dr. C.T. Tse eectse@connect.polyu.hk.