

FSR Climate Annual Conference 2022 – 8th edition

Friday 2 December

10:00-12:15 | Session – Emissions trading

Presenter: Marie RAUDE (EconomiX)

Title: *Firms in the EU ETS: a categorisation based on transaction behaviour*

Abstract:

This study analyses the EU ETS transaction network to shed light on behaviours of firms in the system. A series of network theory indicators are used to characterise different trading behaviours based on which a clustering of firms is proposed. This research contributes to the literature by providing a mapping of the transaction network at the national firm level. The aim is also to consider firms solely based on their transaction behaviour and without relying on previous assumptions. Results show a highly fragmented network, where a handful of financial firms play the role of intermediary for regulated actors. A small portion of financial firms and big energy companies are identified in an outlier cluster, with transaction behaviour that are extreme in terms of volume, frequency and centrality in the network. This preliminary work can be used as a foundation to motivate hypotheses to be tested empirically. It can further be used to design theoretical models that better fit the reality of the system.

Webpage and programme [here](#)