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?