

Report on Bachelor / Master Thesis

Institute of Economic Studies, Faculty of Social Sciences, Charles University

Student:	Lenka Tomaskova
Advisor:	Milan Scasny
Title of the thesis:	The impact of the EU ETS in the Czech Republic

OVERALL ASSESSMENT (provided in English, Czech, or Slovak):

Please provide a short summary of the thesis, your assessment of each of the four key categories, and an overall evaluation and suggested questions for the discussion. The minimum length of the report is 300 words.

Short summary This thesis provides an overview of EU ETS mechanism as an introduction and it is followed by an empirical analysis of EU ETS effects on the Czech data.

Contribution This is a useful paper. It is a topic driven paper as opposed to method driven papers. The autor clearly wanted to evaluate an impact of EU ETS. While the paper is done on Czech data, there is nothing inherently Czech specific in the discussion or design of the paper. I think that the paper would be much stronger if the whole EU was covered or at least a couple of countries was included. Obviously, in such significantly extended sample country effects should be included, so the Czech results would be obtainable too, but just as a small part of the overall picture.

Methods The tools used are relevant to the research question being investigated, and adequate to the author's level of studies. The thesis topic is comprehensively analyzed. The level of explanation of particular techniques or tests is fully fine for IES diploma thesis. My understanding is that author uses state of art approaches used in the relevant literature. I am wondering how the literaure is treating the problems of very different nature of ETS and non-ETS firms and of ownership of multiple installations by one owner, which I mention in the „Overall evaluation and suggested questions“ section of this report.

Literature The thesis demonstrates author's full understanding and command of recent literature. Given that author uses Latex, it is clear that the technical work with citations, references, should be perfect. However for example important reference to Cheze et al. (2020) is incomplete in an important way.

I am also surprised that the number of papers dealing with this ETS is relatively low. Did you really cover all the literature or are the papers mentioned in Table 2.1 on page 15 just a selection of most important papers on this topic?

Manuscript form The thesis is well structured. The student uses appropriate language and style, including academic format for graphs and tables. The text effectively refers to graphs and tables and disposes with a complete bibliography. I think this is a well written paper, with a good structure. I noticed some deficiencies – mainly incomplete sentences or sentences with wrong structure (something missing there, or otherwise defficient).

Overall evaluation and suggested questions for the discussion during the defense

I think this is a good IES thesis. It is dealing with an important question and it is using state of art methodology thoughtfully.

Looking at the literature review, it is interesting that great majority of related papers (see Table 2.1 on page 15) was not published as journal articles, but only as some reports (majority of papers) or working papers. This indicates, that it is a topic of high policy relevance, since those reports were

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commissioned or were somehow deemed desirable. However, all three published references were published in good or very good journals (Energy Economics, Energy Journal, PNAS). This indicates that well done work in this area has a good publication perspective.

While almost all related papers also used DID approach, I am anyway concerned about this methodology in this case. By definition of EU ETS, the treated sample is in no way random. Actually the treated and untreated samples are very different ones by deterministic definition of EU ETS treatment. And extended discussion of this problem should take a place during defence.

On page 32 it is written „Because of the small number of installations eligible for the analysis in our sample, we decided not to aggregate the emission data by installation to the firm level. Instead, we attribute the firm-level financial data among installations.“ So does this mean that we have for example a number of CEZ installations (different electricity power stations), where the technical data are installation specific, but financial (Magnus) data are based on one common source: CEZ data in Magnus? Actually, how this „attribution“ was done? Do we have the same data for all installations of one owner or the Magnus data of owner were somehow partitioned among installations?

On page 35 you write about revenue of installation. In the case of multiple installation owner, how this revenue is obtained?

On page 57 you write that about ½ of installations are with owners owning just one instalation. How does this change when we look at big installations (ETC installations)? My guess is that for ETC installations the percentage of multiple installations with one owner will be noticeably higher. Which again raises a question how the Magnus data were assigned to particular installations.

In my view, the thesis fulfills the requirements for a master's thesis at IES, Faculty of Social Sciences, Charles University, I recommend it for the defense and suggest a grade B. The results of the Urkund analysis do not indicate significant text similarity with other available sources.

SUMMARY OF POINTS AWARDED (for details, see below):

CATEGORY	POINTS
<i>Contribution</i> (max. 30 points)	25
<i>Methods</i> (max. 30 points)	25
<i>Literature</i> (max. 20 points)	15
<i>Manuscript Form</i> (max. 20 points)	18
TOTAL POINTS (max. 100 points)	83
GRADE (A – B – C – D – E – F)	B

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NAME OF THE REFEREE: *Karel Janda*

DATE OF EVALUATION: *August 11, 2021*

*Digitally signed (August 11,
2021): Karel
Janda*

Referee Signature

EXPLANATION OF CATEGORIES AND SCALE:

CONTRIBUTION: *The author presents original ideas on the topic demonstrating critical thinking and ability to draw conclusions based on the knowledge of relevant theory and empirics. There is a distinct value added of the thesis.*

METHODS: *The tools used are relevant to the research question being investigated, and adequate to the author's level of studies. The thesis topic is comprehensively analyzed.*

LITERATURE REVIEW: *The thesis demonstrates author's full understanding and command of recent literature. The author quotes relevant literature in a proper way.*

MANUSCRIPT FORM: *The thesis is well structured. The student uses appropriate language and style, including academic format for graphs and tables. The text effectively refers to graphs and tables and disposes with a complete bibliography.*

Overall grading:

TOTAL	GRADE
91 – 100	A
81 – 90	B
71 – 80	C
61 – 70	D
51 – 60	E
0 – 50	F