

Peer Review

Review of: "ETS Price Signal in the Power Sector: Evidence on Decarbonisation and Policy Overlap"

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In Equation 1, which purports to explain changes in renewable energy capacity, how is the cost of developing renewable energy capacity modeled? Over the estimation period, solar PV costs have fallen in the 75% to 90% range. Wind costs have fallen 60% to 70% since 2013. It seems like this drop in cost would be a primary factor explaining the growth in renewable energy capacity.

Also, is the relative resource endowment of the various countries (e.g., their solar and wind energy potential) assumed to be reflected in the country fixed effect?

Were the variables used in Equation 1 tested for stationarity?

Declarations

Potential competing interests: No potential competing interests to declare.