

Avril Doyle MEP

Rapporteur on the Review of the EU Emissions Trading System Directive



- Head of the Irish Delegation to the EPP-ED
- Member of the Committee on the Environment, Public Health and Food Safety (ENVI) and of the Industry, Research and Energy Committee (ITRE)
- Member of the Temporary Committee on Climate Change (CLIM)
- Vice-President of the Delegation for relations with the Gulf States and Yemen
- Member of the Delegation for relations with China
- Former Senator, MP and Minister of State in the Irish Parliament

The EU ETS - the Pillar of the Carbon Market

- Applicable since 1 January 2005, for 25 EU Member states (now 27 + 3 EEA countries)
- Mandatory cap on absolute emissions across more than 10,000 large energy-intensive installations across the Europe
- Covers around 2 billion tonnes of CO₂ emissions, half of our total emissions
- Simple and cost-effective approach to reducing emissions, with single market for trading allowances
- Credits from emission-reducing projects in more than 150 countries useable by companies for meeting the reduction target

Development of EU ETS (1)

- 2005-7: Start-up period - 1st Phase
- 2008 -12: 2nd Phase (1st phase under Kyoto)
- October 2008: International Carbon Action Partnership (ICAP) launched
- 23 January 2008: Commission unveils its Climate Package
- March 2008: Avril Doyle MEP announced as Rapporteur
- 7 October 2008: EP Environment Committee votes on the EU ETS proposal
- 17 December 2008: Parliament approves, by overwhelming majority, the revised EU ETS for the third trading period 2013-2020 as part of the EU's climate and energy package

Development of EU ETS (2)

- 28 January 2009: EU Commission sets out guidelines for a global climate change deal in its 'Road to Copenhagen' Communication
- March 2009: European Summit – Financing Global Climate Change on the Agenda
- 31 December 2009: Deadline for the publication of the Commission's list of sectors deemed to be exposed to a significant risk to carbon leakage
- March 2010: Commission Regulation on Auctioning due
- By 30 June 2010: Commission will publish the absolute Community-wide quantity of allowances for 2013
- By December 2010: Commission will publish an estimated amount of allowances to be auctioned
- 2013: Revised scheme due to enter into force.

EU ETS reviewed

Full text of the EU ETS Directive (reviewed)
available at:

<http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P6-TA-2008-0610+0+DOC+XML+V0//EN&language=EN>

Study:

"Linking the EU's Emissions Trading System to any Future US Emissions Trading Scheme"

Available at:

<http://www.europarl.europa.eu/activities/committees/studies/download.do?file=24368>

Contractor: IEEP (London)

Provision for ‘Linking’ in EU ETS

- Article 25 (1) of the Revised EU ETS Directive:
*“Agreements may be made to provide for the recognition of allowances between the Community scheme and **compatible mandatory** greenhouse gas emissions trading systems with **absolute** emissions caps established in any other country or in sub-federal or regional entities.”*
- What does “compatible” mean?
 - comparable stringency of reduction targets
 - similar cost containment mechanisms
 - strong monitoring, reporting, verification and enforcement
 - *fungible allowances in any overarching international regime*

Linking Issues

- Consistency of linked schemes essential in:
price caps, borrowing, absolute/relative caps, ex-post adjustments and continuity of schemes
- Consistency of linked schemes desirable in:
governance and enforcement, caps and stringency, banking, commitment periods, offset crediting rules
- Differences between schemes possible in:
compliance periods, monitoring and verification standards, leakage control, allocation methods, new entrants and closures, sectoral coverage, registries.

(Source: Mace/Anderson/Bradley et al. 2008)

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System Directive**

Thank you

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List of Stakeholders consulted on the Climate Package

ACFCI
Aer Lingus
AFEP
Air Products
Alcoa Europe
ALSTOM
Arcelor Mittal
Arkema
Association of European Airlines
ATILH
Aughinish Alumina
Austrian Perm Rep - WKO
Australian Embassy and Mission
Australian Department of Foreign Affairs and Trade
AvA
Avisa
BASF
Bayer
BDI/BDA
Belgian DG Energy & Environment
Belgian Permanent Representation

Bellona Europa
Bloomberg
Blue Next
Bord na Mona
British Petroleum
Business Europe
Bundeskanzleramt Oesterreich
Burson-Marsteller
bvek
Caisse des Depots
CAN Europe
Carbon Markets Association
CE
CEFIC
Cembureau
CEMEX
centrica
Center for Clean Air Policy
CEPI
CEPS
CES ETUC
CGEMP - Paris University
Climate Change Capital

Clogrennane Lime Ltd
COGEN Europe
Coillte
Committee for European Integration - Poland
ConocoPhillips
Covington & Burling
CPA
Creatieve Energie
Cumerio / NA
Danish Permanent Representation
Deutsche Bank
DEFRA
DOW
E3G
EACI
EAMA Energy
Ecologic
Eco Securities
EEB
EESC
EFIEES
Electrabel Suez
Embassy of Norway to the EU
Emirates
Environmental Defense
EON
EPF
ESB
Euroheat and Power

European Commission - DG Enterprise & Industry
European Commission - DG Environment
European Environment Agency
European Regions Airline Association
EuLA
Eurelectric
Euro Alliages
EUROFER
Eurogypsum
Eurometaux
European Climate Foundation
European Confederation of Woodworking industries
European Investment Bank
Europaia
Eustafor
EXCA
Finnish Perm Rep
Fleishman Hillard
Fortum
**French Ministry of Ecology, Sustainable Development and
Town and Country Planning**
French Permanant Representation to the EU
GCP
GE
German Foreign Office
**German Ministry for the Environment, Nature conservatio
& Nuclear safety**
German Perm Rep
Grian
Harvard University
Hill & Knowlton

Hogan & Hartson Raue
Hydro
IACA
IATA
Icelandic Mission to the EU
ICOS
IDDRI
IEA
IETA
IFIEC Europe
IMA Europe
Icelandic Ministry for the Environment
Institute for European Environmental Policy
Irish Dairy Industries Association
Irish Development Agencies
**Irish Min. Agriculture, Food & Rural
Development**
Permanent Representation of Ireland to the EU
Italcementi
Italian Dept. for EU affairs
Italian Min. for Environment, Land & Sea
JC - Consulting attorney / Emissions trading
JP Morgan
Kashue
Kevin Leydon & Associates
Lazio Regional Representation - EU Affairs
Ludwig-Maximilian Universitaet Muenchen
McKinsey & Company
NERA
OCIMF

Öko-Institut
Oxfam
**Permanent Mission of the Kingdom of the Netherlands
to the EU**
Premier Periclase
Probiotec
PT Management Consultants
RHI
Rhodia
Rio Tinto
RWE
SFM (UK)
Shell
Slovenian Perm Rep
Smurfit Kappa Group
Sol Group
Solomon Associates
Svensk Energi
Swedish Energy Agency
Swedish Ministry of Environment
Suez
The Brattle Group
The Ecofin Research Foundation
Thyssen Krupp
Transatlantic Policy Network
Trocaire
University College Dublin
**University of Cambridge - Electricity Policy Research
Group**

Universite Paris Dauphine
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VIK
Vrom
Weber Shandwick
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World Bank
World Resources Institute
WRI
WWF
Xstrata