

Greenhouse gas emission allowance trading scheme of the Community

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The Council held a policy debate on key aspects of the climate action and energy legislative package with a view to the adoption of political guidelines to be given by the European Council on 13 and 14 March 2008. The European Council conclusions will provide guidance for further examination of the package.

Other questions related specifically to the EU emissions trading system (ETS), the non-ETS sectors and to the proposed framework for geological storage of carbon dioxide. At the end of the meeting, the presidency summarised the outcome of the debate as follows:

- the presentation of the climate action and renewable energy package by the Commission is a welcome response to the objectives and targets endorsed by the EU heads of state and government last year;
- Ministers welcome the direction of the proposed new design features of the EU ETS, such as the increased harmonisation of allocation, including the use of auctioning, as a way of enhancing the cost-effectiveness of the required emission reductions. In this respect, the need to anticipate greater flexibility for the realisation of different objectives was identified;
- carbon leakage remains a key concern that should be addressed appropriately;
- it will be important to clarify the methodology used to determine the reduction of emissions and the objectives in terms of renewable energies;
- work on the ETS review by the EU, the sharing of the non-ETS effort, the framework for storage of carbon dioxide and renewable energy sources must progress at the same rate;
- there is a need to make headway on the technical issues as quickly as possible in order to reach a final agreement with the European Parliament in early 2009 at the latest.

Ministers held an exchange of views on the international aspects of the package with Mr Yvo de Boer, Executive Secretary of the UN Climate Convention. The package contains the following proposals:

- a [Directive](#) amending Directive 2003/87/EC in order to improve and extend the EU greenhouse gas emission allowance trading system;
- a [Decision](#) on the effort of EU Member States to reduce their greenhouse gas emissions to meet the Community's greenhouse gas emission reduction commitments up to 2020;
- a [Directive](#) on the promotion of the use of renewable energy sources;
- a [Directive](#) on the geological storage of carbon dioxide.

The legislative package, to be examined under the Parliament-Council codecision procedure, was presented by the Commission with a view to implementing the objectives, targets and commitments undertaken by EU heads of state and government in March 2007:

- a 20% reduction of greenhouse gas emissions by 2020 compared to 1990;
- a 30% reduction in greenhouse gas emissions by 2020 compared to 1990 as its contribution to a global and comprehensive post-2012 agreement;
- saving 20% of the EU's energy consumption compared to projections for 2020;
- a 20% share of renewable energies in overall EU energy consumption by 2020;
- a 10% minimum target for the share of biofuels in overall EU transport petrol and diesel consumption by 2020;
- to develop and define the necessary technical, economic and regulatory framework to bring environmentally safe carbon dioxide capture and sequestration to deployment with new fossil-fuel power plants.