

Greenhouse gas emission allowance trading scheme of the Community

2008/0013(COD) - 05/06/2008 - \${summary.subTitle}

The Council held a public debate on key aspects of the climate change and renewable energy legislative package. Ministers confirmed the need to achieve ambitious objectives in the fight against climate change whilst preserving European potential for economic growth.

EU member states and the Commission stressed the importance of reaching a timely agreement with a view to facilitating a broader convergence on a global scale, in the run-up to the international meeting to take place in Copenhagen in December 2009.

The discussions concentrated on key aspects of the package, namely:

On the EU emission trading system (ETS) review:

- the allocation method; redistribution and use of auctioning proceeds and rules for auctioning,
- risks of "carbon leakage": relocation of energy-intensive industries outside the EU,
- EU-wide cap: replacement of the current system of national allocation plans by the setting of an EU-wide cap,
- reference year or period to be used for verified emissions data,
- new entrants reserve: quantity of allowances set aside for new entrants,
- small installations: size of installation to be potentially excluded from the scope of the ETS.

On effort-sharing (amongst member states in sectors not covered by the ETS):

- scope: sectors not to be covered by the EU ETS,
- reference year or period for calculating the reduction targets per country,
- intermediate targets: effectiveness of using indicative or compulsory intermediate targets;
- on cross-cutting issues between EU ETS review and effort-sharing,
- trigger 20-30%: adjustment clause enabling the EU to move from the independent 20% commitment to a more ambitious target to which a future international agreement will commit the EU,
- degree of flexibility for member states to meet their commitments in a cost-efficient way.

On carbon capture and storage (CCS):

- storage permits,
- composition of CO₂ stream,
- transfer of responsibility after closure of a storage site,
- modalities of the financial security provision to be made by applicants for storage permits,
- conditions of access to transport networks,
- capture readiness.

On sustainability criteria for biofuels:

- minimum greenhouse gas emission saving requirement,
- environmental and social criteria,
- methodology for calculating the greenhouse gas emission saving.