

## Greenhouse gas emission allowance trading scheme of the Community

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The Council took note of a progress report on climate change-energy legislative package prepared by the Presidency and held a public policy debate on the main outstanding issues identified in it.

The climate change-energy package complements existing measures aiming at reaching the overall objective - endorsed by the European Council in March 2007 - of a 20% reduction in greenhouse gases by 2020 and of achieving a 20% share of renewable energies in overall EU energy consumption by 2020, including a 10% target for renewable transport fuels. The progress report was presented to both Council formations Energy and Environment as it deals with the package as a whole.

The Energy ministers' debate focused on a proposal for a directive on the promotion of the use of energy from renewable sources, with the aim of providing input for further work of the Council and its preparatory bodies under the incoming French Presidency.

The Presidency progress report points out the main outstanding issues identified in all four legislative proposals in the package.

As far as the Renewables Directive is concerned, these are the following: targets (level of the national renewable energy targets, conditionality of the renewable transport fuel target and the indicative trajectory and its consequences), long lead-time projects, the systems of trading in guarantees of origin and reinforcing measures.

One part of the report is devoted to the progress made on the sustainability criteria for biofuels, which are considered necessary to ensure that the production of biofuels does not have negative consequences that outweigh the benefits arising from their use. In February 2008, Coreper established an ad hoc working party with the task of drawing up a common sustainability scheme for biofuels for the purposes of the renewables and fuel quality directives. The working party met on several occasions and made progress on numerous issues. However, some issues need to be addressed further: the level and date of application of the second stage for the minimum greenhouse gas emissions saving requirement, the environmental and social sustainability of biofuel production which would apply also in third countries and the methodology for calculating greenhouse gas emissions saving.