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Response from The Swedish Plastics & Chemicals Federation (SPCF) to the consultation of the auctioning time profile for the EU emissions Trading System (Backloading)

The SPCF strongly believes that the backloading proposal should be abandoned as it is detrimental to the emissions market and the competitiveness of the EU industry.

EU Emissions Trading system (ETS) is market based

Low prices in a market based system is not an indication of failure. On the contrary, the ETS clearly aims to achieve emission reductions at the lowest costs possible. The proposed intervention is going against the very outset of the ETS.

There is no rationale for rising the costs for fixed emission reductions

The ETS will deliver the outset 20 percent emission reduction in 2020. The SPCF rejects the notion that more expensive is more efficient.

The credibility of the ETS is at question

By retroactively make change to the fundamentals of the market based system there is no predictability left to warrant investment and long term planning for the EU industry. This in itself is counteracting the very purpose of the policy measure. Certainly, such a system can not attract followers on the global markets.

The existing ETS is challenging

The number of CO2 certificates allocated free-of-charge for chemical production 2013-2020 is based on very ambitious EU-wide benchmarks. As a result many chemical plants are expecting higher direct cost for emissions. As the cost for CO2 for the power sector will be transferred to the energy users (indirect effect), an intervention to artificially rise the CO2 price will in the end lead to higher electricity costs for industry. Adding cost on industry to achieve a set target can not be justified

The post 2020 Climate Policy must include the industry perspective

The chemical industry is playing an important role producing products and providing solutions enabling sustainability in the society. In order to fulfill that role industry must be globally competitive. The SPCF welcome a discussion on the post 2020 climate policy based on feasibility and real global effect

The Swedish Plastics & Chemical Federation

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