



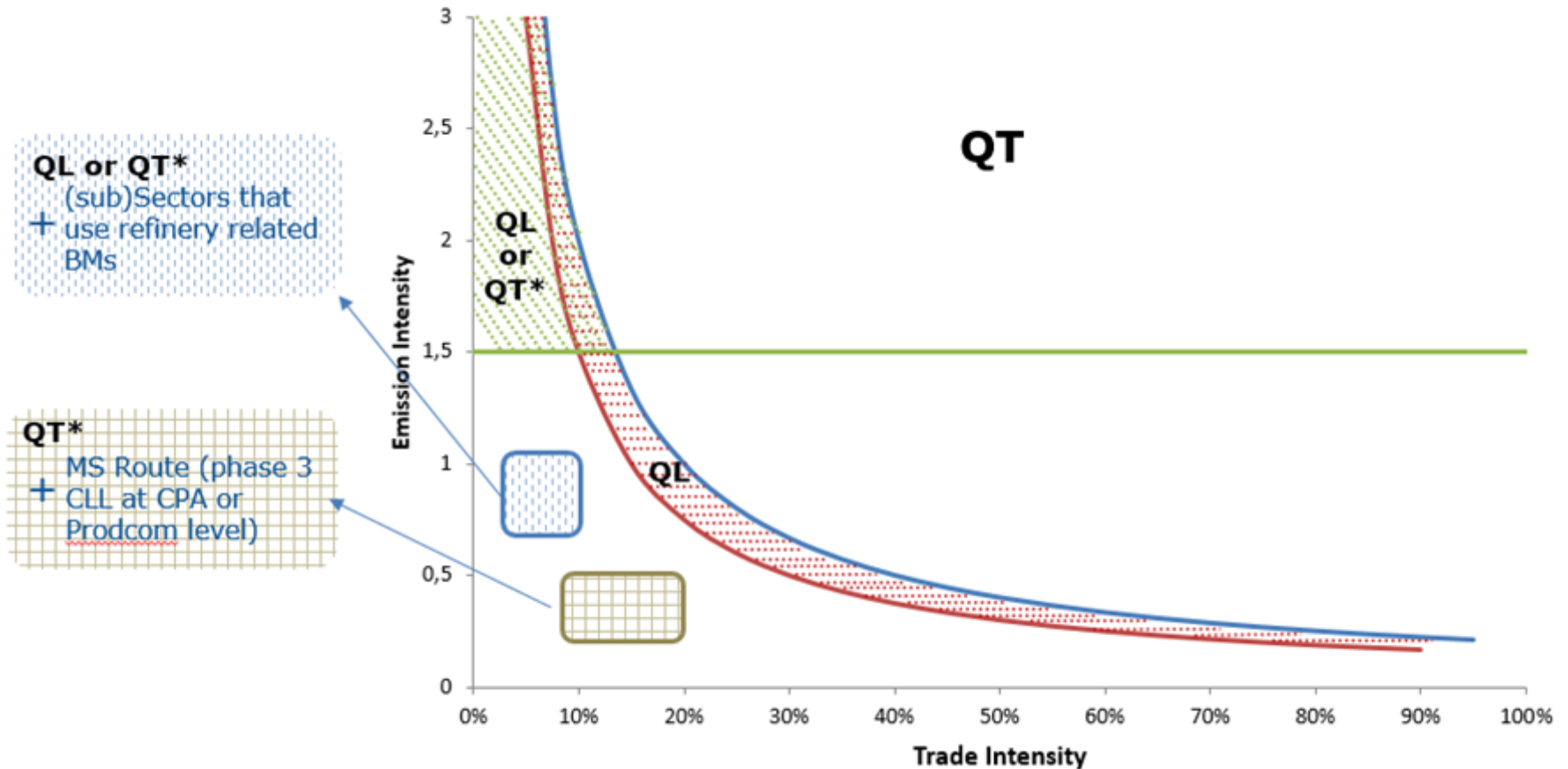
Preliminary Carbon Leakage List Stakeholders Meeting

EU ETS Phase 4 (2021-2030)

16 May 2018

DG Climate Action, Unit B.2

Carbon Leakage List eligibility criteria



Preliminary CLL (2021-30) – RESULTS

- *It identifies **44 sectors** with their respective carbon leakage indicator above the 0.2 threshold;*
- *Additional **28 sectors and subsectors** are identified as eligible to apply for second-level assessment.*

Carbon leakage indicator > 0,2

NACE Code	Description
0510	Mining of hard coal
0610	Extraction of crude petroleum
0710	Mining of iron ores
0729	Mining of other non-ferrous metal ores
0891	Mining of chemical and fertiliser minerals
0899	Other mining and quarrying <u>n.e.c.</u>
1041	Manufacture of oils and fats
1062	Manufacture of starches and starch products
1081	Manufacture of sugar
1106	Manufacture of malt
1310	Preparation and spinning of textile fibres
1395	Manufacture of <u>non-wovens</u> and articles made from <u>non-wovens</u> , except apparel
1411	Manufacture of leather clothes
1621	Manufacture of <u>veener</u> sheets and wood-based panels

Carbon leakage indicator > 0,2

1711	Manufacture of pulp
1712	Manufacture of paper and paperboard
1910	Manufacture of coke oven products
1920	Manufacture of refined petroleum products
2011	Manufacture of industrial gases
2012	Manufacture of dyes and pigments
2013	Manufacture of other inorganic basic chemicals
2014	Manufacture of other organic basic chemicals
2015	Manufacture of fertilisers and nitrogen compounds
2016	Manufacture of plastics in primary forms
2017	Manufacture of synthetic rubber in primary forms
2060	Manufacture of man-made fibres

Carbon leakage indicator > 0,2

NACE Code	Description
2311	Manufacture of flat glass
2313	Manufacture of hollow glass
2314	Manufacture of glass fibres
2319	Manufacture and processing of other glass, including technical glassware
2320	Manufacture of refractory products
2331	Manufacture of ceramic tiles and flags
2351	Manufacture of cement
2352	Manufacture of lime and plaster
2399	Manufacture of other non-metallic mineral products <u>n.e.c.</u>
2410	Manufacture of basic iron and steel and of <u>ferro-alloys</u>
2420	Manufacture of tubes, pipes, hollow profiles and related fittings, of steel
2431	Cold drawing of bars
2442	Aluminium production
2443	Lead, zinc and tin production
2444	Copper production
2445	Other non-ferrous metal production
2446	Processing of nuclear fuel
2451	Casting of iron

Eligibility for the second-level assessment

Criteria		Article	Assessment process
A	Carbon leakage indicator between 0.15 and 0.2	Art 10b (2)	Qualitative assessment
B	Emission intensity exceeds 1.5	Art 10b (3)	Qualitative assessment OR Quantitative at Disaggregated level
C	Free allocation is calculated on the basis of the refineries benchmarks	Art 10b (3)	Qualitative assessment OR Quantitative at Disaggregated level
D	Listed in the EU ETS 2015-20 CLL at a 6-digit or 8-digit level	Art 10b (3)	Quantitative at Disaggregated level

Eligibility for the second-level assessment

Criteria		Article	Number of eligible (sub)sectors (deadline)
A	Carbon leakage indicator between 0.15 and 0.2	Art 10b (2)	10 (8 August 2018)
B	Emission intensity exceeds 1.5	Art 10b (3)	2 (8 August 2018)
C	Free allocation is calculated on the basis of the refineries benchmarks	Art 10b (3)	/
D	Listed in the EU ETS 2015-20 CLL at a 6-digit or 8-digit level	Art 10b (3)	16 (30 June 2018)

Criterion A – Qualitative assessment

NACE Code	Description
0893	Extraction of salt
1330	Finishing of textiles
2110	Manufacture of basic pharmaceutical products
2341	Manufacture of ceramic household and ornamental articles
2342	Manufacture of ceramic sanitary fixtures
2343	Manufacture of ceramic insulators and insulating fittings
2344	Manufacture of other technical ceramic products
2611	Manufacture of electronic components
2720	Manufacture of batteries and accumulators
2731	Manufacture of fibre optic cables

Criterion B: Qualitative OR disaggregated Quantitative assessment

TABLE 4: Criterion B - Emission intensity exceeding 1.5

NACE Code	Description
0520	Mining of lignite
2332	Manufacture of bricks, tiles and construction products, in baked clay

NACE 23.32 : Manufacture of bricks, tiles and construction products, in baked clay

CPA 23.32.11 : Non-refractory ceramic building bricks, flooring blocks, support or filler tiles and the like

23.32.11.10	Non-refractory clay building bricks (excluding of siliceous fossil meals or earths)	6904 10
23.32.11.30	Non-refractory clay flooring blocks, support or filler tiles and the like (excluding of siliceous fossil meals or earths)	6904 90

CPA 23.32.12 : Roofing tiles, chimney-pots, cowls, chimney liners, architectural ornaments and other ceramic con

23.32.12.50	Non-refractory clay roofing tiles	6905 10
23.32.12.70	Non-refractory clay constructional products (including chimneypots, cowls, chimney liners and flue-blocks, architectural ornaments, ventilator grills, clay-lath; excluding pipes, guttering and the like)	6905 90

CPA 23.32.13 : Ceramic pipes, conduits, guttering and pipe fittings

23.32.13.00	Ceramic pipes, conduits, guttering and pipe fittings: drain pipes and guttering with fittings	6906
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Criterion D:

6-digit or 8-digit level listed in the 2015-20 CLL

NACE Code	Description
081221	Kaolin and other <u>kaolinic</u> clays
08122250	Common clays and shales for construction use (excluding bentonite, fireclay, expanded clays, kaolin and <u>kaolinic</u> clays); <u>andalusite</u> , <u>kyanite</u> and <u>sillimanite</u> ; <u>mullite</u> ; <u>chamotte</u> or <u>dinas</u> earths
10311130	Frozen potatoes, prepared or preserved (including potatoes cooked or partly cooked in oil and then frozen; excluding by vinegar or acetic acid)
10311300	Dried potatoes in the form of flour, meal, flakes, granules and pellets
10391725	Concentrated tomato puree and paste
105121	Skimmed milk powder
105122	Whole milk powder
105153	Casein
105154	Lactose and lactose syrup
10515530	Whey and modified whey in powder, granules or other solid forms, whether or not concentrated or containing added sweetening matter
108211	Cocoa paste, whether or not defatted
108212	Cocoa butter, fat and oil
108213	Cocoa powder, not containing added sugar or other sweetening matter
10891334	Bakers' yeast
203021	Prepared pigments, <u>opacifiers</u> and colours, <u>vitrifiable</u> enamels and glazes, <u>engobes</u> , liquid lustres and the like; glass frit
25501134	Open die forged ferrous parts for transmission shafts, camshafts, crankshafts and cranks etc.

NACE codes 2011 and 2399 included under first level assessment (CLI > 0.2)

16 sectors vs. 22 ($\Delta = 3+3$)

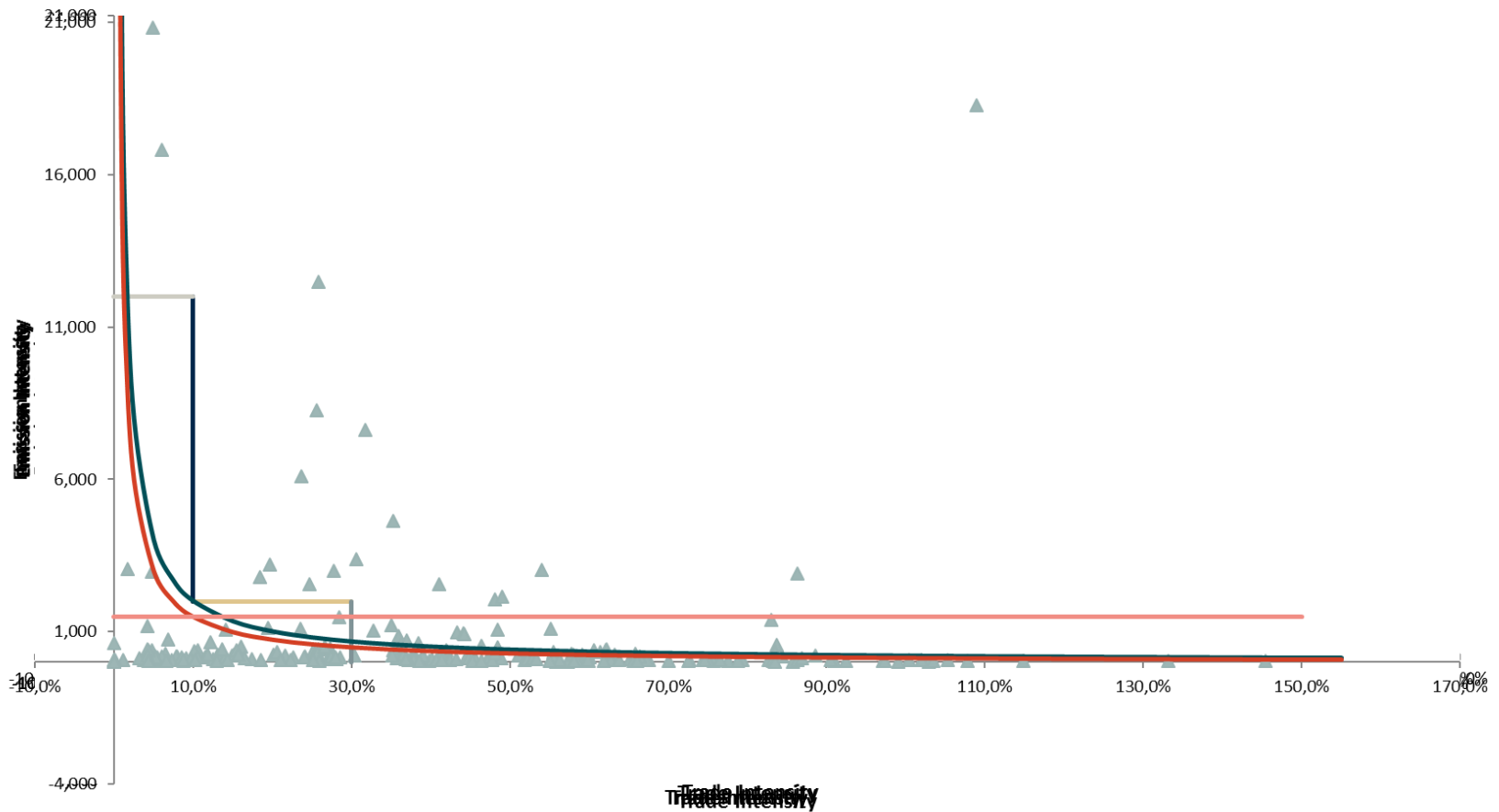
**20111150
20111160
20111170**

**239914
23991910
23991920**

Changes in methodology for phase 4 compared to phase 3

- *Step-wise carbon leakage assessment Vs combined indicator*
 - **Sectors are no longer eligible based on one criterion alone**
 - **Directive specifies eligibility criteria for second level assessment based on results of first level assessment**
- *Electricity emission factor updated from 2005 reference year to 2015*

Step-wise carbon leakage assessment Vs combined indicator



Thank you for your attention

Brussels, 3.5.2018
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