

Production data and free allocation



**THIRD STAKEHOLDER MEETING ON
POST-2020 CARBON LEAKAGE PROVISIONS**

Annual surpluses in 2012 vs. 2013

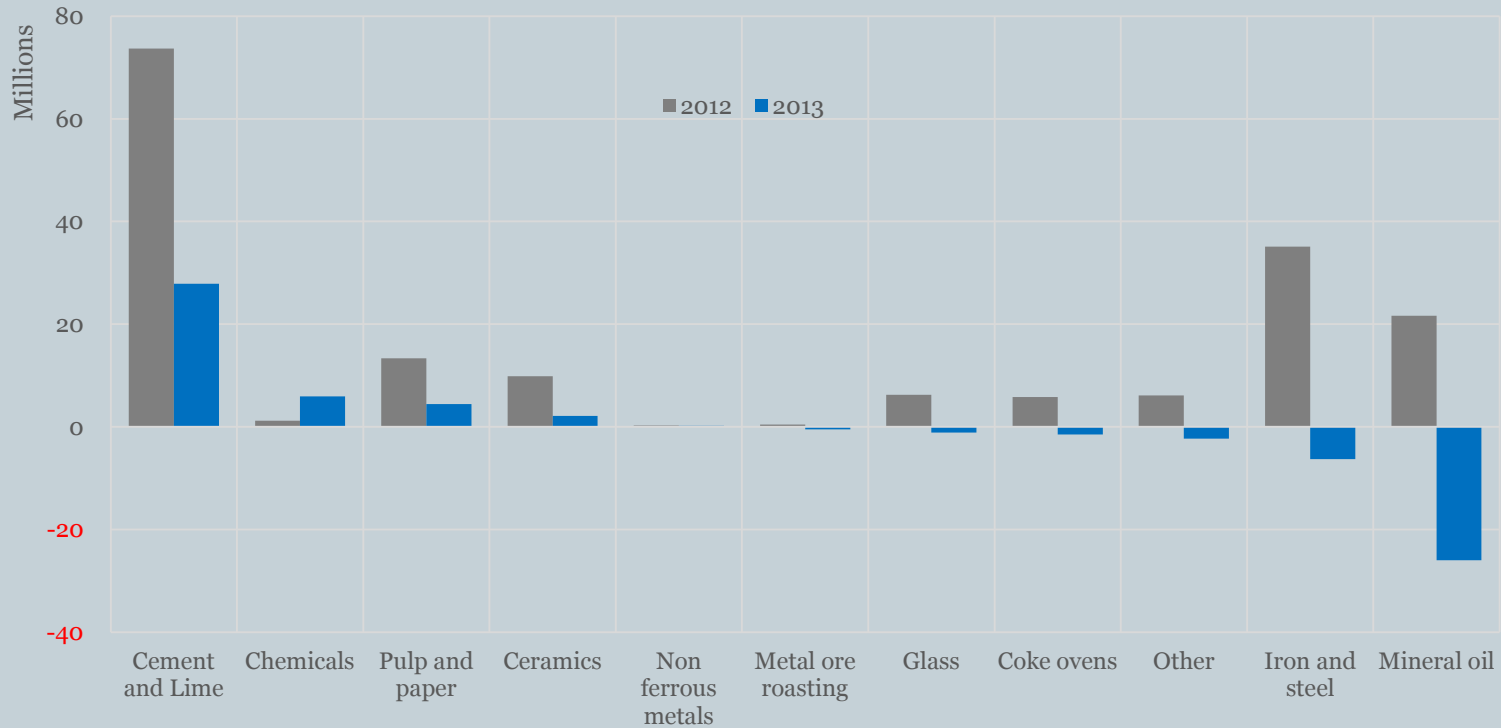
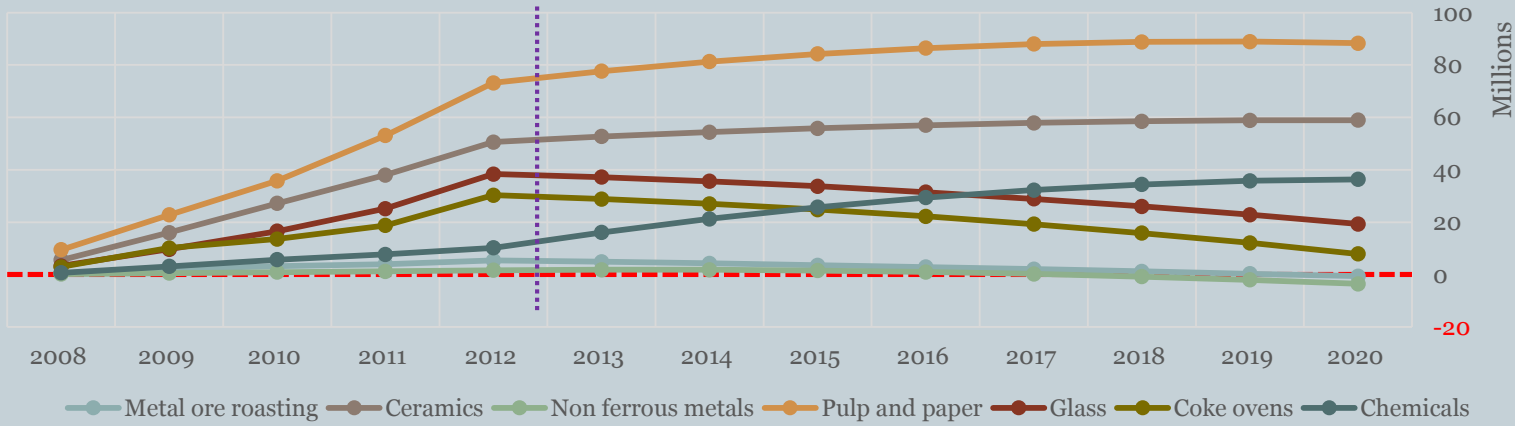
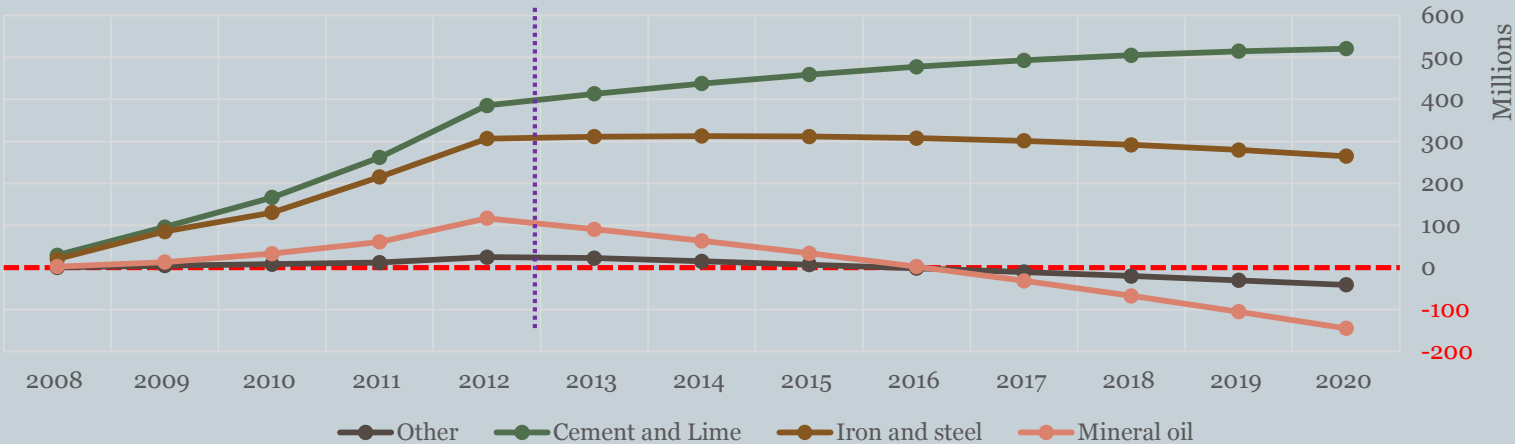
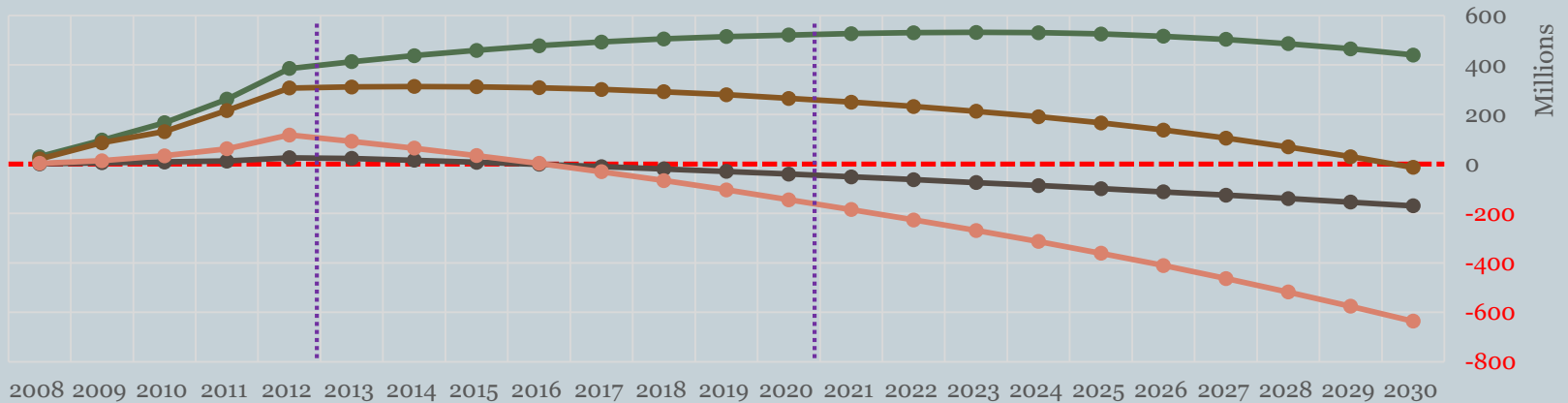


Figure 3: Balance of free carbon allowances in year 2012 vs 2013 Source: EU Transaction Log.

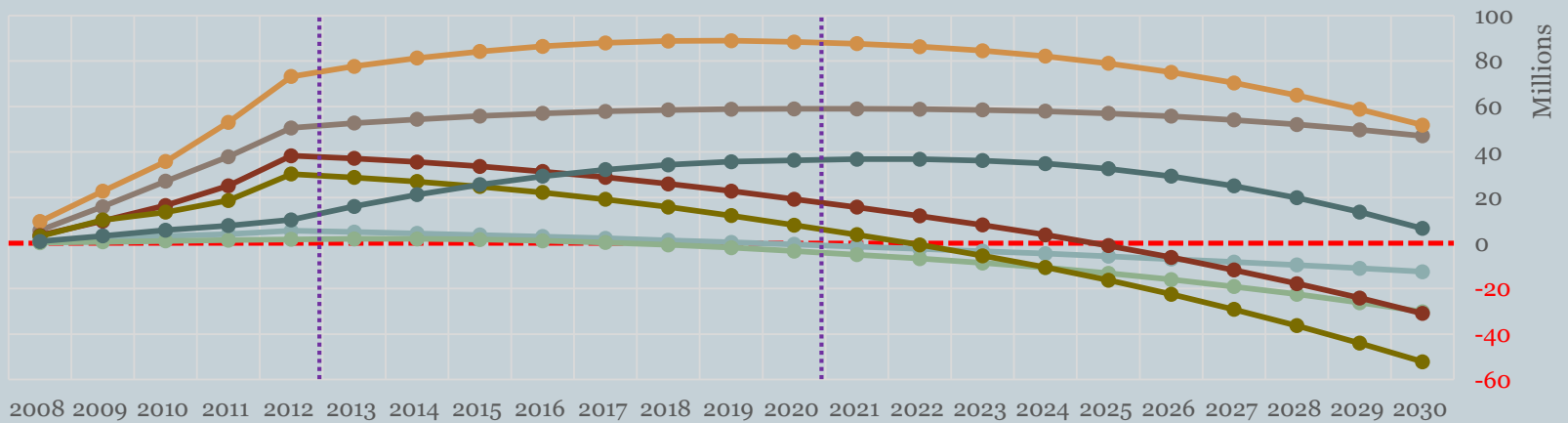
Cumulative balance of EUAs until 2020



Cumulative balance of EUAs until 2030



Other Cement and Lime Iron and steel Mineral oil



Metal ore roasting Ceramics Non ferrous metals Pulp and paper Glass Coke ovens Chemicals

Changed output as a predictor of surpluses & shortfalls



Industrial sector	2013 emissions 2013 as % of 2013 free allowances	2013 emissions as % of Historic Activity Levels
Iron and steel	74%	87%
Cement and Lime	83%	70%
Ceramics	86%	75%
Chemicals*	86%	89%
Pulp and paper	87%	78%
Non-ferrous metals*	98%	91%
Glass	106%	78%
Coke ovens	107%	108%
Other	109%	115%
Metal ore roasting	117%	44%
Mineral oil	124%	85%
Source: EU Transaction Log, Sandbag calculations, *2012 output vs HAL has been used for Chemicals and Non-Ferrous Metals		

Steps forward...



- Free allocation that is significantly more responsive to changes in output, and...
- A more targeted methodology for determining the sectors exposed to carbon leakage

To find out more...



- Visit our website at www.sandbag.org.uk
- Email me at: damien@sandbag.org.uk