



# **Summary of the results of the online consultation**

***Consultation meeting on options for structural  
measures – 1 March 2013***

# Overview of the results

- More than 200 responses received, 100+ yesterday
- So there remains more to read
- Commission will accept submissions coming a few days late
- Large majority of responses from organisations, but also some from citizens and public authorities
- Most responses from EU-wide organisations, followed by stakeholders from NL, PL and FR

# General remarks

- Continued broad commitment to the EU ETS
- Broad recognition that there is a large and growing surplus in the EU ETS
- Many regret that the options are not explicitly linked to a clear process on a 2030 framework
- Some feel options appear to concentrate on short-term action, don't sufficiently address the underlying issues
- Some highlight significant differences between the economies of Central Europe and rest of the EU

# Functioning of the EU ETS

- Views differ on to what extent the success of the EU ETS depends on a robust carbon price signal
  - Some argue that a significant carbon price is necessary so that low-carbon investment results in a positive business case
  - Others hold the view that a low carbon price simply indicates that there is little need for additional abatement to meet the current target
- Accordingly views differ on the need for measures in phase 3

# Options for structural measures

- Those supporting measures to be taken in phase 3, generally favour:
  - Option (c) for an early revision of the annual linear reduction factor in line with a 2030 target
  - If necessary accompanied by option b) for a permanent retirement in order to swiftly implement the new factor
- Other options are seen to be considered more in the light of the 2030 framework

# Options for structural measures

## a) Increasing the target to -30%

- Some see it as a solution not only to the climate, but also energy and economic crisis
- Others oppose an unilateral increase unless other countries assume further emission reductions

## d) Extension of the scope

- Considered by many as consistent with the goal of cost-effective economy-wide reductions
- But will take longer to implement, i.e. post-2020
- Others think a thorough impact assessment must be made

# Options for structural measures

## e) Access to international credits

- May be better considered in 2015 in light of the outcome of the international negotiations
- Some feel the access should not only be limited, but not allowed altogether
- Others feel that restricting them would be counterproductive

## f) Discretionary price management mechanism

- Many highlight that the EU ETS is an instrument based on quantity not price
- But several consider as the most coherent solution for the part of the surplus due to the economic crisis to establish a supply management mechanism/reserve

# Additional options and proposals

- Some believe the options offered in the report are incomplete
- One additional option mentioned is introducing relative cap/target based on economic activity
- Apart from that hardly any tangible options to address the supply-demand imbalance are proposed
- Most other proposals rather concern measures to address the risk of carbon leakage

# Proposals for addressing the risk of carbon leakage

- Supporting industry with recycling of auction revenue
- Adequate evidence-based support to sectors deemed to be exposed
- Maintaining a stable carbon leakage status
- Forward-looking industrial policy giving priority to boosting research
- Indirect free allocation for electro-intensive sector
- More achievable benchmarks, e.g. based on weighted average
- Allocation to operators based on actual production



# Thank you

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