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Press release | 15.12.2016

Emissions Trading System

Tentative step towards aligning flagship scheme with Paris Agreement

The European Parliament's Environment committee has today voted on the much-needed reform of the Emissions Trading System (ETS). The so-called EU 'cornerstone policy' in the fight against climate change has been largely malfunctioning, and has not been able to deliver a carbon price high enough to properly incentivise the reduction of green-house gases within EU industry.

Commenting after the vote, Green environment spokesperson and member of the environment committee **Bas Eickhout** said:

"While it falls short of the overhaul that would have been needed to make ETS the climate policy flagship it is claimed to be, today's outcome is nonetheless a marked improvement on the Commission's proposal.

"We have taken tentative steps towards aligning the EU climate instruments with Paris Agreement commitments and have begun the process of unpicking the accumulated surplus of allowances for polluting industries. In the absence of a meaningful ceiling on emissions, the Market Stability Reserve intake will be doubled with the effect of a faster removal of surplus and increasing the carbon price in the short term.

"Regrettably, the compromise also includes a number of early Christmas presents for many of the EU's biggest polluters. A new 10 billion subsidy scheme for the most power intensive industries will be carved out from the common EU pot, seriously diluting incentives for the sector to green their power sources. The steel and fertilizer sectors will be given allowances even more generous than under the current rules and the Polish government will be able to continue to support their coal fired power sector. However, we are pleased to have secured much needed restrictions for cement and clinker manufacturers."

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Responsible MEPs

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