

DAILY NEWS to Members: 06/03/2008 by Anna Törner

ENVIRONMENT MINISTERS CALL FOR FLEXIBILITY IN CLIMATE PLANS

EU Environment Ministers, taking their turn on 3 March to debate the European Commission's energy-and-climate package of proposals*, called for greater flexibility in attaining the targetted 20%-by-2020 cut in EU greenhouse gas emissions, given concerns over the costs involved. Ministers also had some interesting ideas on carbon sequestration and called for greater emphasis on energy efficiency in the package.

The UK, Spanish and Austrian Ministers urged greater use of carbon credits from the Kyoto Protocol's flexible mechanisms - *Joint Implementation (JI)* and *Clean Development Mechanism (CDM)* - to help Member States meet their reduction targets. The Commission proposes to limit countries' use of Kyoto credits to 3% of their 2005 emission levels.

In response, EU Environment Commissioner Stavros Dimas said that without a post-2012 international climate agreement in place, over-reliance on JI/CDM would "*fail to provide the right incentives for the necessary emission reductions within the EU*". But he assured Ministers that if a global agreement is found, JI/CDM use would "*increase significantly*".

A majority of Central and East European delegations demanded greater scope to spread reduction efforts between sectors covered by the Emissions Trading Scheme (ETS) and those currently outside its scope. The same bloc of newer Member States were also united in their opposition to taking 2005 as baseline year for the emissions cap in the third ETS phase 2013-2020, arguing that this fails to take proper account of reductions achieved after 1990, when emissions fell sharply due to the collapse of much Soviet-era industry..

Many delegations called on the Commission to act more quickly in identifying energy-intensive industries at risk of "*carbon leakage*", echoing comments made last week by energy ministers and MEPs. The Commission has promised to carry out an assessment of which industries could receive compensation by 2010 before tabling proposals in 2011.

A significant minority of delegations - including Germany, the Netherlands and Sweden - called on the Commission to specify burden-sharing figures for a 30% cut in emissions by 2020, which the EU has pledged to achieve if other developed countries follow suit.

Discussing the proposed legislative framework for carbon capture & storage (CCS), several Ministers argued that the new rules should promote mineral and chemical sequestration of carbon as well as geological storage. In addition, several delegations including Germany, Italy and Austria pointed out that measures to promote and reward improvements in energy efficiency^o were missing from the "*green package*". The German Minister said the EU must ensure sufficient measures are taken to promote energy efficiency, while his Italian colleague called for "*something binding*" on the issue.

See *DNs 05/03 et al; ^o06 &15/02.

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