

List of ongoing measures to implement the Climate and Energy Package of December 2008

EU Emissions Trading System

Carbon leakage

The Commission has to adopt a list of carbon leakage sectors by 31st December 2009. Following a comprehensive quantitative and qualitative analysis, Commission services have established provisional results, which have been discussed with and presented to all stakeholders in a stakeholder meeting on 1st July. Interservice consultation will be launched in mid July with a view to voting the list in the Climate Change Committee (Comitology Committee) on 17th September. Following a 3-month scrutiny period by the European Parliament and Council/European Council, the Commission will adopt the list by 31st December.

Benchmarking

In parallel with the work on carbon leakage, the Commission has started work on determining the benchmarks for free allocation to be adopted by end of 2010. A number of stakeholder meetings and technical working group meetings with Member States have been and will be organised. The next stakeholder meeting is scheduled for end of October. In addition, bilateral meetings with industry associations concerned are taking place.

The Commission intends to continue the general consultation process until Spring 2010, when draft benchmarks will be discussed with all parties concerned. A draft decision on the benchmarks is scheduled for September 2010, in order to allow their final adoption by December 2010.

Auctioning

A Regulation on auctioning allowances has to be adopted by the Commission by 30th June 2010. The Commission has launched a comprehensive public consultation running from 3rd June to 3rd August on the basis of a consultation document, which addresses all relevant issues. Member States and stakeholders are invited to respond, as this process will greatly inform the Commission's further work on the auctioning regulation. The Commission intends to discuss the results with Member States and stakeholders in a meeting towards the end of September.

Taking into account, among other things, the findings of the consultation, the competent Commission services intend to send a draft proposal for a regulation to Member States by the end of the year.

Cap setting

By 30th June 2010, the Commission is to publish the cap for existing installations followed by publication of the adjusted cap taking into account new sectors and gases including opt-ins (and opt-outs) from 2008 to 2012 by 30th September 2010. The overall approach on setting the cap has been already presented to Member States.

With respect to submitting duly substantiated emissions data to the Commission (30th June 2010), the Commission aims at providing Member States with any guidance that

would be useful by the end of the year. To this end, a specific Task Force will be established at the Compliance Forum at the beginning of September. The Commission will also contract a consultant to provide the necessary input.

Estimated amount of auctioning rights

Pursuant to Article 10(1) of the revised ETS Directive, the Commission is to publish an estimated amount of auctioning rights by 31st December 2010. The Commission is considering addressing the issue in the months to come through the Climate Change Committee. In this respect, Commission services are also preparing guidance (e.g. definition of electricity generator) to Member States with a view to gathering further input to carry out the task.

300 million allowances from the new entrants reserve for carbon capture and storage and renewable energy sources

Until 31st December 2015, up to 300 million allowances from the new entrants reserve (NER) may be used for funding demonstration of CCS and innovative renewables. The Commission is exploring ways to involve the European Investment Bank (EIB) in the implementation of the provisions. The criteria and modalities are to be adopted by the Climate Change Committee. The issue has been tabled three times in Working Group 3 of the Climate Change Committee, most recently on 10th June. Outstanding issues concern the split CCS – renewables, monetisation of the 300 million allowances and the selection process.

Optional derogation from full auctioning for power sector

By 30th September 2011, Member States eligible for optional derogation from full auctioning for the power sector, may submit an application to the Commission, if they intend to make use of the option. In line with the corresponding provisions of the revised ETS Directive, the Commission will give timely guidance to Member States to ensure that the allocation methodology avoids undue distortions of competition and minimises negative impacts on the incentives to reduce emissions.

CDM access (including aviation) quantitatively and qualitatively

Quantitative access: Pursuant to Article 11a(8), 5th subparagraph, the overall use of credits shall not exceed 50% of the Community-wide reductions below 2005 levels. The exact quantity of credits will be determined by the Climate Change Committee. This will be possible after the publication of the adjusted cap in September 2010, as measures determining the exact number of access to credits will take into account, among other things, the exact number of the adjusted cap.

Qualitative access: Pursuant to Article 11a(9), the use of specific credits from project types may be restricted by means of comitology. Any such measures implementing the provision may, however, only be launched in the light of the outcome of the negotiations in Copenhagen.

Registries regulation

Commission services are working on revising the EU ETS registry system to implement the climate change package.

Market monitoring

The Commission will monitor the functioning of the carbon market and submit an annual report, which will cover the implementation of the auctions. In addition, the Commission will, by 31st December 2010, examine whether the carbon market is sufficiently protected from insider dealing and market manipulation. If appropriate, the Commission shall bring forward proposals to ensure the necessary protection.

Shipping

In the light of the need that, by 2050, global greenhouse gas emissions should be reduced by at least 50% below their 1990 levels, all sectors of the economy must contribute to achieving these emission reductions including international maritime shipping and aviation. Aviation is contributing to these reductions through its inclusion in the Community scheme. In the event that no international agreement which includes international maritime emissions in its reductions targets through the International Maritime Organisation has been approved by the Member State or no such agreement through the UNFCCC has been approved by the Community by 31st December 2011, the Commission should make a proposal to include international maritime emissions according to harmonised modalities in the Community reduction commitment, with the aim of the proposed act entering into force by 2013. [Recital 3 of the revised ETS Directive and recital 2 of the ESD]

Monitoring and Reporting Regulation

Work is underway.

Verification Regulation

Work is underway.

Effort Sharing Decision

Action	Description	Instrument
Allocation decision	Lay down in absolute tonnes CO ₂ eq the 2020 emission targets on the basis of 2005 emissions and the annual allocations (linear reduction pathway) on the basis of 2008 - 2010 emission data	Comitology decision
Monitoring, reporting and verification of emission data	Revise the Monitoring Mechanism Decision to align with split ETS / non ETS as well as to implement the specific modalities for monitoring, reporting, verification and compliance as defined in the effort Sharing Decision	Amendment of the Monitoring Mechanism Decision (280/2004/EC) through co-decision
Transfer modalities	Establish rules for the transfers of emission allocations between Member States to ensure transparency.	Comitology Decision + amendment of the Registries Regulation
Land use, land use change and forestry (LULUCF)	Establish rules for including LULUCF in the Community reduction commitment	Legislative proposal to be adopted through co-decision

CCS

Action	Description	Instrument	State of play
Develop monitoring and reporting guidelines for CCS under the Emissions Trading Directive	Amend MRGs for combustion installations using CCS; develop MRGs for capture, pipeline transport and geological storage.	Amendment of Commission Decision 2007/589/EC through comitology	Vote in CCC on 16 March 2009. Submitted to EP and Council for scrutiny.
Exchange of information on implementation	Required under Article 28.2 of Directive; should cover key issues for transposition and implementation including guidance required under Article 12.2, 18.2 and 20.	Working group under Climate Change Committee and Commission guidance	Contract on main guidance issues has reported. Invitations sent for first meeting, Autumn 2009.
Establishment of Scientific Panel	Panel will provide scientific input into COM opinions on draft permit decisions and decisions on transfer of responsibility.	Commission Decision	Scheduled for end 2009.
Propose ratification instruments for CCS amendments to OSPAR Convention	Ratify amendment to Convention to allow geological storage in sub-seabed in North Sea, as well as decisions on storage in the water column and risk management.	Proposal for a Council Decision	Proposal adopted by COM on 25 May 2009 (COM 2009 236)