

Amendments Proposals to European Commission

Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Directive 2003/87/EC to enhance cost-effective emission reductions and low-carbon investments

Amendment 1

Proposal for a decision

(5) Article 10a – is amended as follows:

(b) a new third subparagraph is added to paragraph 2 as follows:

Text proposed by the Commission

Amendment

(i) On the basis of information submitted pursuant to Article 11, the Commission shall identify whether the values for each benchmark calculated using the principles in Article 10a differ from the annual reduction referred to above by more than 0.5% of the 2007-8 value higher or lower annually. If so, that benchmark value shall be adjusted either 0.5% or 1.5% in respect of each year between 2008 and the middle of the period for which free allocation is to be made;

(i) On the basis of information submitted pursuant to Article 11, the Commission shall identify whether the values for each benchmark calculated using the principles in Article 10a differ from the annual reduction referred to above by more than 0.5% of the 2007-8 value higher or lower annually, If so, that benchmark value shall be adjusted either 0.5% or 1.5% in respect of each year between 2008 and the middle of the period for which free allocation is to be made. **For sectors with verified unavoidable process emissions and where real production data shows annual reduction below 0.2% annually, then benchmark value shall be adjusted by 0.2%.**

Justification :

Justification : - The Commission applies arbitrary half a percent benchmark adjustment differentiation which is not sufficiently scientifically nor technically supported. For some sectors, the annual/potential improvements of the benchmarks are very low to non-existent due to technical limits such as the existence of unavoidable process emissions.

Whereas ETS is intended to trigger Industry's efforts to improve GHG emissions, once a technically unavoidable emission level is reached, such incentive becomes impossible. Assuring achievable targets and efforts for the ETS system is an integral part of any fair system, not punishing sectors who have already achieved emission levels close to their absolute, defined minimum.

Footnote: Unavoidable process emissions are defined as emissions of CO2 embedded in the raw material and released to air in the process of making a product, excluding the CO2 released from energy generation.