

From: [REDACTED] (SG)
Sent: 19 October 2015 09:47
To: [REDACTED] (SG)
Subject: Read-out of a meeting with ArcelorMittal, 16 October 2015

Participants:

- ArcelorMittal: [REDACTED] (Head of EU Institutional Affairs)
- Commission: Cristina Lobillo Borrero (Head of Cabinet of Commissioner Arias Cañete) and [REDACTED] (SG.D.3)

This was a follow up meeting to a meeting on the proposal to revise the EU Emissions Trading System with the Cabinets of President Juncker and Commissioner Arias Cañete on 13 October 2015. Its aim was to inform the Commission in more detail about the five main points of the company's position on the proposal:

- Share of auctioned allowances of 57%: They call for a much lower figure.
- Benchmarks for free allocation: They believe the current steel benchmark cannot be reached and that due to the introduction of an additional linear reduction of benchmarks, the sector will be confronted with a considerable shortage of free allowances.
- Carbon leakage list: They believe the list should be shorter still. Trade intensity should have more weight in order to determine the sectors really at risk.
- Compensation for power prices: There should be full compensation given by Member States. However, it is challenging to see a solution on this issue.
- Use of unallocated allowances, Market Stability Reserve and New Entrants' Reserve: Free allocation for industry should be supplemented by unused allowances from phase 3 as well as phase 4 (including from the New Entrants' Reserve), and possibly from the Market Stability Reserve, in order to avoid or limit the cross-sectoral correction factor.

A constructive dialogue ensued and the Commission took the provided information into due account.