EMISSION TRADING SYSTEM vs. 20% RE in EU

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The existence of the EU emissions trading scheme (ETS) is the key instrument of European Commission´s Climate Change policy. Preparations for global trading scheme is on the way.

Until now ETS (caps and trade) in Europe proved to be a failure. Over allocations of caps in several countries.

When EC decided to reduce caps for several new EU MS they took EC to the court (Czech Rep., Slovakia etc).

Ministries were taken to the national courts when they decided to reduce caps for some industries (e.g. US Steel) in some countries (Slovakia).

In reality industries and many EU MS are not willing to reduce the emissions. They ask for growth.

ETS covers only half of the GHG emissions in energy sector. Transport and small sources is not covered at all. Many difficulties cannot be overcomed.

Result: GHG EMISSIONS IN EU ARE NOW GROWING.

Key questions:

- Is the ETS the right tool in order to reduce GHG emissions?
- Why trading (banking) is the main force to reduce GHG when other tools can work better?
- Why Carbon/Energy tax is not considered anymore?

DEVELOPMENT OF RE IS THE BEST WAY TO REDUCE GHG EMISSIONS FROM ENERGY SECTOR.

ETS did not contribute to the development of RE yet.

Feed-in tariffs showed to be the most efficient measure in Europe.

Heads of EU governments agreed for 20% RE target in 2020 (recent share is 7%).

If EU will force RE targets ETS can be redundant and carbon prices may collapse (UK government memo published in Guardian newspaper).

Ultimate question: 20% RE or ETS.

INFORSE should stand for tough (binding) EU RE targets supported by proved measures like feed-in tariffs or carbon/energy tax.

Sustainable Energy Policy Seminar, October 1-5, 2007
http://www.inforse.org/europe/seminar07_samso.htm