



MEPs and Council Presidency reach deal on final details of climate package

MEPs and the French Council Presidency reached an informal agreement on Saturday morning on the last details of the climate change package. This comes after the summit on Thursday and Friday which saw agreement between EU Member States. The compromises reached still need to be put to a first reading vote at Parliament's December plenary session in Strasbourg and then to be formally endorsed by the full Council.

In three consecutive meetings, Parliament's delegations, led by the three rapporteurs, and representatives of the French presidency finalised the informal negotiations on:

- the directive revising the current EU emission trading system (ETS);
- the decision setting ceilings for national emissions in sectors not covered by the ETS directive;
- the directive providing the legal framework for the new carbon dioxide capture and storage technology (CCS).

Informal negotiations with the French Presidency of the Council had started in November, with the aim of reaching an informal agreement before Parliament's plenary vote at its session of 15-18 December.

EU emission trading system: “a very good result and a balanced outcome”

Avril Doyle (EPP-ED, IE), rapporteur on the EU Emission Trading System said the outcome was a “very good result and a balanced outcome between preserving the environmental integrity of the proposal and ensuring a level playing field for European industry.” She continued that was “highly unusual” to get first reading agreement between the European Parliament and the Council of Ministers on such groundbreaking and technical reports. To get a serious funding line for Carbon Capture and Storage (CCS) was one of the key successes of her report, she said.

Mrs Doyle said: “It is not 12 months since we first received the text and yet we have completed our work in a timetable that should not have been asked of us; although with the Parliamentary elections next year, a new Commission in the autumn and particularly the deadline of the climate change conference in December 2009, I understand the reason why.”

The EU ETS is a “cap and trade” system: it caps the overall level of emissions allowed but, within that limit, allows participants to buy and sell allowances as they require, so as to cut emissions cost effectively. The new law revises the ETS, which was launched in 2005 and is a key tool for achieving the EU's aim of reducing its greenhouse gas emissions by at least 20% by 2020 from 1990 levels, or by 30% in event of an interna-

tional agreement. The ETS currently covers over 10 000 installations in the energy and industrial sectors, which are collectively responsible for close to half of the EU's emissions of CO₂ and 40% of its total greenhouse gas emissions.

Effort sharing: “a historical achievement”

Satu Hassi (Greens/EFA, FI), rapporteur on the effort sharing decision, said: “It is a historical achievement to have emissions reductions targets for EU Member States with also binding linear pathway and binding yearly limits. Parliament managed to introduce new elements to ensure compliance. However, I cannot feel completely happy, because the deal allows outsourcing of over half of EU emissions reductions to other countries. I hope the governments behave in a responsible way and make sure that the major part of emissions reductions are achieved domestically.”

The “effort sharing” decision will set binding national targets for each EU Member State to reduce greenhouse gas emissions from non-ETS sources (e.g. road and sea transport, buildings, services, agriculture and smaller industrial installations), between 2013 and 2020. These sources currently account for about 60% of all EU greenhouse gas emissions. The decision aims to reduce these emissions overall by 10% between 2013 and 2020, so as to contribute towards the EU's overall aim of a 20% reduction in total greenhouse gas emissions by 2020.

Carbon Capture and Storage: “foundations for a massive reduction in emissions”

Chris Davies (ALDE, UK), rapporteur on the directive on Carbon Capture and Storage said: “We set the foundations for the development of CCS technology that will help us secure massive reductions in CO₂ emissions from power stations and industrial installations. The regulatory framework provides for the safe and permanent underground storage of CO₂, and we have provided the financial means to bring about the construction of 9 or 10 commercial CCS demonstration projects across Europe.”

In March 2007, the European Council advocated building at least 12 large-scale commercial demonstration facilities by 2015 to test the permanent underground storage of CO₂, but so far no funding had been secured. The agreement reached today calls for 300 million ETS allowances to be awarded to large scale CCS projects in the EU. The value of this support mechanism will depend on the price of CO₂ when the gas is eventually buried underground, but according to the rapporteur it could mean €6-9 billion.

Agreements already reached on the three other parts of the package

In the negotiations between European Parliament and the French presidency of Council, informal agreements had been reached already in the last weeks on three of the six proposals:

- CO₂ emissions from cars - EP rapporteur Guido Sacconi (PES, IT)
- renewable energy - EP rapporteur Claude Turmes (Greens/EFA, LU)
- fuel quality - EP rapporteur Dorette Corbey (PES, NL)

More information on these agreements is available in our background note on the negotiations – see the link below.

The informal compromise will now have to need to get the backing of Parliament's political groups, as well as representatives of the full Council (in COREPER, which is meeting on Saturday), before being tabled to a first reading plenary vote at the December II session.

The plenary debate on the whole package will take place on Tuesday afternoon (16 December 1500-2000) with the vote to take place on Wednesday (17 December, from 1130). The texts adopted by Parliament will then need to be formally adopted by the full Council.

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