



# Public Hearing Emissions Trading System – ETS

Committee on the Environment, Public Health and Food Safety European Parliament

18 February 2016

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# Phase 3 Suboptimal allocation?





### Tackling phase 3 issues

Use all available volumes Avoid <u>unwarranted</u> cuts Common sense policy Political decision Optimise allocation Benchmarks Baseline process Add flexible production element level Carbon leakage list



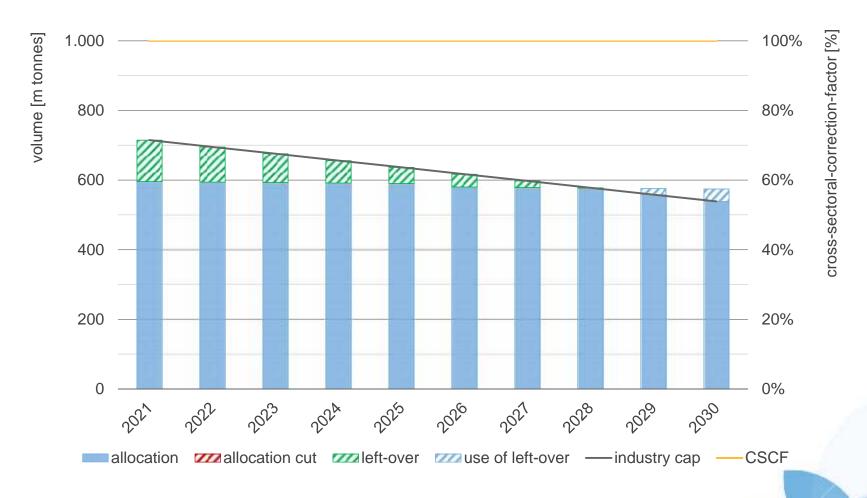


# Phase 4 Optimised allocation?





## Phase 4 – Optimised allocation!





#### Conclusions

- Certainty
  - New process ensures that all available volumes are used
  - Low likelihood of an application of the CSCF
  - Predictable benchmark reduction
- Flexibility
  - Free allocation adjustment based on latest production data
  - Three different flat-rates for benchmarks







#### **Thank You**

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