

**Question for written answer E-004008/2017
to the Commission**
Rule 130
Christofer Fjellner (PPE)

Subject: Benchmarks under ETS

Directive 2003/87/EC sets ex-ante benchmarks so as to ensure that EU emissions trading scheme (ETS) allowances are allocated 'in a manner that provides incentives for reductions in greenhouse gas emissions and energy efficient techniques'¹.

The Commission's Decision² on such benchmarks specifies that a benchmark should be established for each product. However, the decision also states that 'where a product is a direct substitute of another, both should be covered by the same product benchmark and the related product definition'.

Is the Commission of the opinion that this decision still applies for the establishment of benchmarks and could it elaborate on how it has been put in practice?

Iron ore pellets and iron ore sinter are two substitutes for the production of crude iron. The main difference between the two is that the production of iron ore pellets is more energy efficient and that crude iron made with pellets has a significantly smaller carbon footprint. The benchmark for the pre-product of crude iron already exists ex-ante as the sinter benchmark.

Would the Commission agree that the more efficient substitute should be covered by the same product benchmark?

Can it clarify the procedures, reasoning and methodology for the benchmark decision in relation to the pellets and sinter benchmarks?

¹ Article 10a(1) of Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC.

² Commission Decision 2011/278/EC of 27 April 2011 determining transitional Union-wide rules for harmonised free allocation of emission allowances pursuant to Directive 2003/87/EC of the European Parliament and of the Council.