

WRITTEN QUESTION P-1646/09
by Hanne Dahl (IND/DEM)
to the Commission

Subject: EU emission trading scheme

Does the Commission intend to submit proposals to remedy the problems which have arisen in connection with the collapse in prices on the European market in CO2 quota trading, where prices have slumped by more than 70% since last summer?

Climate experts caution that the crisis, in combination with the allocation of free quotas, has undermined the EU's emission trading scheme. The EU's CO2 reduction target is based on a CO2 market mechanism which only works with a sufficiently high price. It is highly likely, therefore, that the fall in prices will result in the suspension of climate-friendly EU projects since it cannot pay to invest in such projects when CO2 quotas are so cheap.

They call for a method to be found of remedying this distortion and propose a minimum price as a possible solution. Does the Commission have plans to propose a minimum price?