

The 2030 Climate Target Plan

Impact Assessment and role of the EU ETS

*** Draft Agenda***

Date: April 7, 2020

Time: 10:00 -12:10

Location: Zoom

To put the EU firmly on a path towards climate neutrality by 2050, the Commission will propose an increased greenhouse gas emission reduction target for 2030 from at least 40% to at least 50% to 55% (compared to 1990), including through an amendment to the recently proposed Climate Law. The Communication will set out potential implications for the overall regulatory and enabling framework. It will describe the overall architecture of policy measures to be put in place to achieve that target.

Following the series of discussions on the Green Deal and Climate Law, ERCST organizes this online meeting, which will be an opportunity for participants to reflect on the process and implications of the review of the 2030 target, and how the increase in ambition can be financed, with an initial focus on the role of the EU ETS funds and EUA revenues.

10:00

Welcome

- A. Marcu, Director of ERCST

10:05 – 11:00

2030 climate target Impact assessment

This first session will shed light on the upcoming impact assessment, focusing on what the Commission intends to assess, and what not, and what stakeholders deem important to be included in this exercise.

Background:

In reviewing the Union's 2030 target, the Commission is taking a two-step approach: by September 2020 the EC shall propose an enhanced 2030 target, based on an impact assessment, through an amendment of the climate law. Subsequently, this process will inform the Commission's proposals to review the current 2030 climate, energy and transport framework – to be expected by June 2021. These legislative proposals in 2021 will be supported by further detailed impact assessments.

This process has been outlined in the '2030 Climate Target Plan' inception impact assessment. Until April 15th, there is a 4 weeks consultation process for interested stakeholders.

Given the fact that the roadmap outlines both a large number of policy options (*e.g. ETS scope extension; different levels of ambition for other energy and climate policies; options for flanking measures, etc.*) as well as a large number of elements to be included in the assessment, this exercise could be quite extensive.

After initial contributions from the speakers there will be floor open for Q&A with the participants

Introduction

- T. van Ierland, DG Clima

Contributions

- S. van den Plas, Carbon Market Watch
- G. Zachmann, Bruegel
- J. Hein, BDI
- M. Burny, PGE

11:00 – 12:00

EU ETS contribution in achieving the 2030 targets

This session aims to take a deeper dive, focusing on the role of the EU ETS in contributing to the achievement of the revised 2030 target, both in terms of the emission reductions to be contributed, as well as the role it could play in financing the transition, through revenue recycling of the auctioning of EUAs.

Although proposals on the sectoral measures/specific policies such as the EU ETS will only come out by the Summer of next year, ERCST deems it important to start the debate early on.

Some of the guiding questions for this session include:

- What contribution (*LRF*) should be expected from the ETS sectors in achieving the enhanced 2030 targets?;
- What are the price implications of an increased ambition, and how will this impact the ETS sectors and their consumers, as well as the total auctioning revenues raised?
- Achieving the enhanced target will require additional investments - what role should the EU ETS play in financing the transition? Should the Modernisation/Innovation funds be enhanced?
- Should the ETS play a role in helping finance a just transition – e.g. through revenue recycling towards flanking measures?

Invited speakers will have their interventions followed by the discussion with the participants.

Introduction

- H. Bergman, DG Clima

Reactions

- R. Jeszke, KOBIZE
- J. Olsen, Bloomberg NEF
- D. Agostini, Enel

12:05

Concluding remarks and next steps