**Border Carbon Adjustment in the EU**

**CBAM Scope 2 emissions**

***This meeting is by invitation only***

**Date**: March 2nd, 2022

**Time:** 15:00 – 17:00 CET
**Location**: Zoom

|  |
| --- |
| The European Commission (EC) has proposed a Carbon Border Adjustment Mechanism, aiming to have the regime functional by 2023, and negotiations are ongoing on the shape of the final instrument. One of the most critically important issues, yet to be resolved, is the question of whether Scope 2 emissions should be included under the mechanism. The EC’s proposal so far does not include Scope 2 emissions and the Commission continues to voice serious doubts about the availability of a methodology to allow the necessary calculations for their inclusion. This approach is also favoured by electricity-intensive sectors that fear eliminating the current system of compensation for indirect costs in favour of Scope 2 CBAM coverage will mean a loss of competitiveness due to the EU’s marginal electricity pricing model. However, there is some concern that not including Scope 2 emissions may lead to downstream leakage, thereby merely shifting the problem to other sectors. In light of this ongoing debate, this session will bring together global experts in the areas of economics, law, and policy to explore the critical underlying questions and assess proposals to address them.*ERCST’s project on border carbon adjustment is supported by BDI, CEFIC, EBRD,* *Électricité de France, Enel, Eurofer, Eurometaux, ExxonMobil, Fertilizers Europe, FuelsEurope, Grupa Azoty, HeidelbergCement, the Government of France, the Government of Germany, the Government of Spain, Metinvest and Solvay.* |

15:00 **Opening and introduction**

* Andrei Marcu, Director, ERCST
* M. Mehling, ERCST
* A. Cosbey, ERCST

15:15 **Kick off reactions**

* L. S. Nagell, Bellona Europa
* O. Sartor, AgoraEnergiewende
* C. O’Donoghue, Eurometaux

15:50 **Roundtable discussion with participants**

16:50 **Concluding remarks**