

The role of the EU ETS funding mechanisms in delivering the European Green Deal

This meeting is under Chatham House Rules / No press

Agenda

Date: October 27, 2020

Time: 2pm – 3:30pm CET

Location: ZOOM

The revision for the fourth phase of EU Emissions Trading System (2021-2030) introduced a number of important changes concerning funding mechanisms in the system. Existing mechanisms – the Solidarity Provision and Article 10c Derogation – were updated, and new instruments – the Modernisation Fund and the Innovation Fund – have been introduced.

With the start of the 4th phase just being months away, most of the implementation documents to ensure the proper functioning of the funds have been adopted by the Commission. The implementing regulation for the Modernisation Fund was adopted on 9 July 2020. The Commission also announced the first call for proposals under the Innovation Fund a few months ago, and member States from Central Europe are preparing to do so soon for the Modernisation Fund.

The European Roundtable on Climate Change and Sustainable Transition (ERCST), together with the Central European Energy Partners (CEEP), has been working this important topic since 2018. It concluded in two papers, two events in Brussels and four workshops in the region (CZ, RO, BG, PL) and many discussions and interviews with MS and stakeholders.

Last year, we outlined the significant changes that were made by Member States through reshuffling allowances to different mechanisms, in accordance with Articles 10c(5) and 10d(4) of the Directive. Consequently, the Modernisation Fund has more than doubled in size, while most Member States will not make use of Article 10c derogation during Phase 4.

This year, CEEP and ERCST are taking deeper look into the state of operationalising **the selection process of projects for Article 10c derogation and the Modernisation Fund in the eligible Member States**. The results of this exercise will be presented during this meeting, which will be followed by a roundtable discussion with European Commission, Member States and stakeholder representatives.

14:00

Welcome and introduction

Andrei Marcu, Executive Director of ERCST

Mariusz Kawnik, Executive Director of CEEP

14:05 – 14:20

Presentation: introduction to the funding mechanisms and state of play

ERCST and CEEP will present an overview of the ETS funding mechanisms and key decisions made by Member States. It will focus on the state of operationalising the selection process of projects for Article 10c derogation and the Modernisation Fund in the eligible Member States, and look ahead to the impacts of Brexit and the upcoming ETS revision.

14:20 – 15:20

Stakeholder views and roundtable discussion

- Jozuas Tunaitis, Technical Director, Achema
- Barbora Vondruskova, Project manager, CEZ Group
- Radu Dudau, Co-founder and Director, Energy Policy Group (EPG)
- Tomasz Dąbrowski, Director, PKEE
- Artur Patuleia, Senior Associate, E3G

Followed by a roundtable discussion including webinar participants

15:20 – 15:30

Reactions from the European Commission

- Roman Doubrava, Deputy Head of Unit for Land Use and Finance for Innovation, DG Clima (C.3)

15:30

Concluding remarks