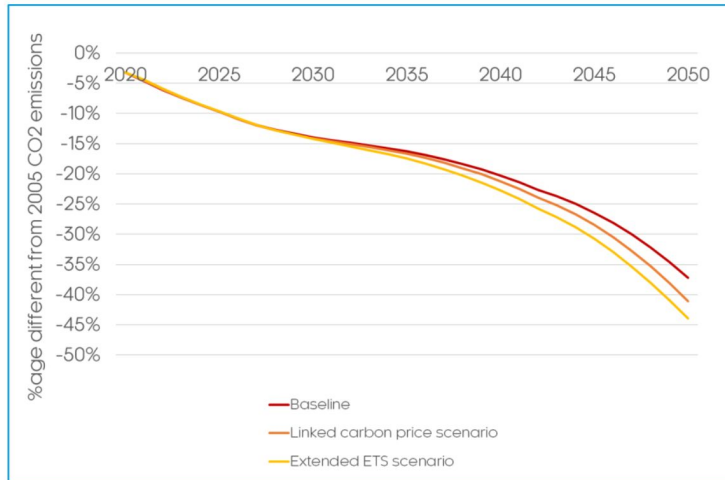


# A green deal for road transport

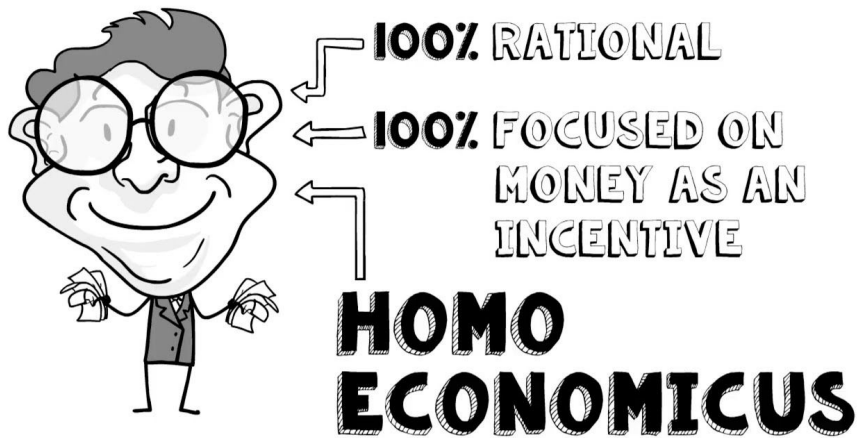
what role for emissions trading //  
carbon pricing

# What carbon pricing/cap & trade can and cannot do

Figure 5.1 Emissions from road transport



# People vs. Companies

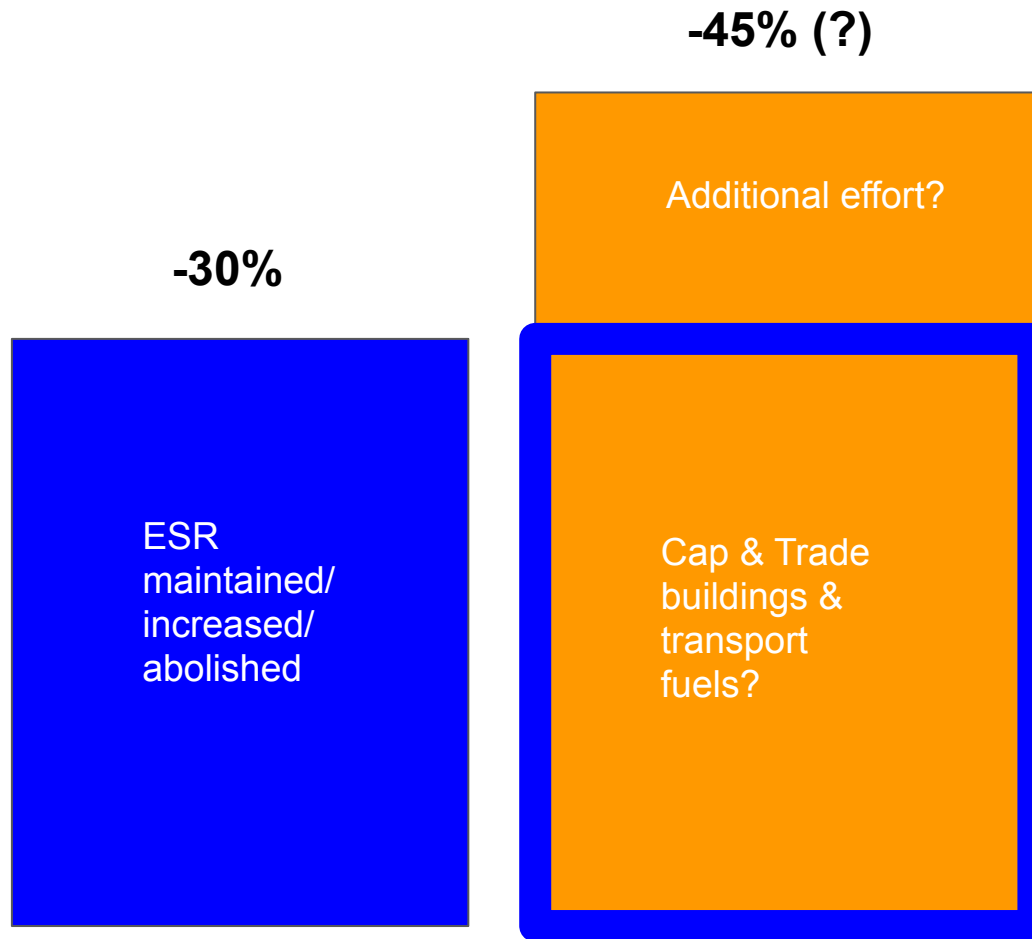


*EU already has an implicit carbon price (fuel tax) of ca. €200/ton. To really change behaviour of 'irrational' people, very high (i.e. > €100-200/tonne) additional carbon taxes are needed. FYI, €25/tonne = 6cts/litre so €100/tonne = 24cts*

*Transport abatement cost in ETS is high & emissions reductions potential of CO2 price low, i.e. reductions must come from power & industry and price of allowances will rise, perhaps above what is optimal for exposed sectors.*

# 1. A separate ETS? Or a fuel tax in disguise?

## Integrity of the -55%?



### Questions

- Do we allow market/cap to determine price?
- Are we ok with €200-€400 prices?
- Interaction with ETS?

### Conclusions

- Separate ETS will raise (huge) revenues
- Won't cut CO2 significantly if done smart; will damage EU if done stupid
- Increased ESR needed

## 2. The end of national targets\*: a price worth paying?



### 2030 Climate Action Regulation targets vs. 2005

Belgium: -35 %	Greece: -16 %	Lithuania: -9 %	Portugal: -17 %
Bulgaria: -0 %	Spain: -26 %	Luxembourg: -40 %	Romania: -2 %
Czech Rep.: -14 %	France: -37 %	Hungary: -7 %	Slovenia: -15 %
Denmark: -39 %	Croatia: -7 %	Malta: -19 %	Slovakia: -12 %
Germany: -38 %	Italy: -33 %	Netherlands: -36 %	Finland: -39 %
Estonia: -13 %	Cyprus: -24 %	Austria: -36 %	Sweden: -40 %
Ireland: -30 %	Latvia: -6 %	Poland: -7 %	UK: -37 %

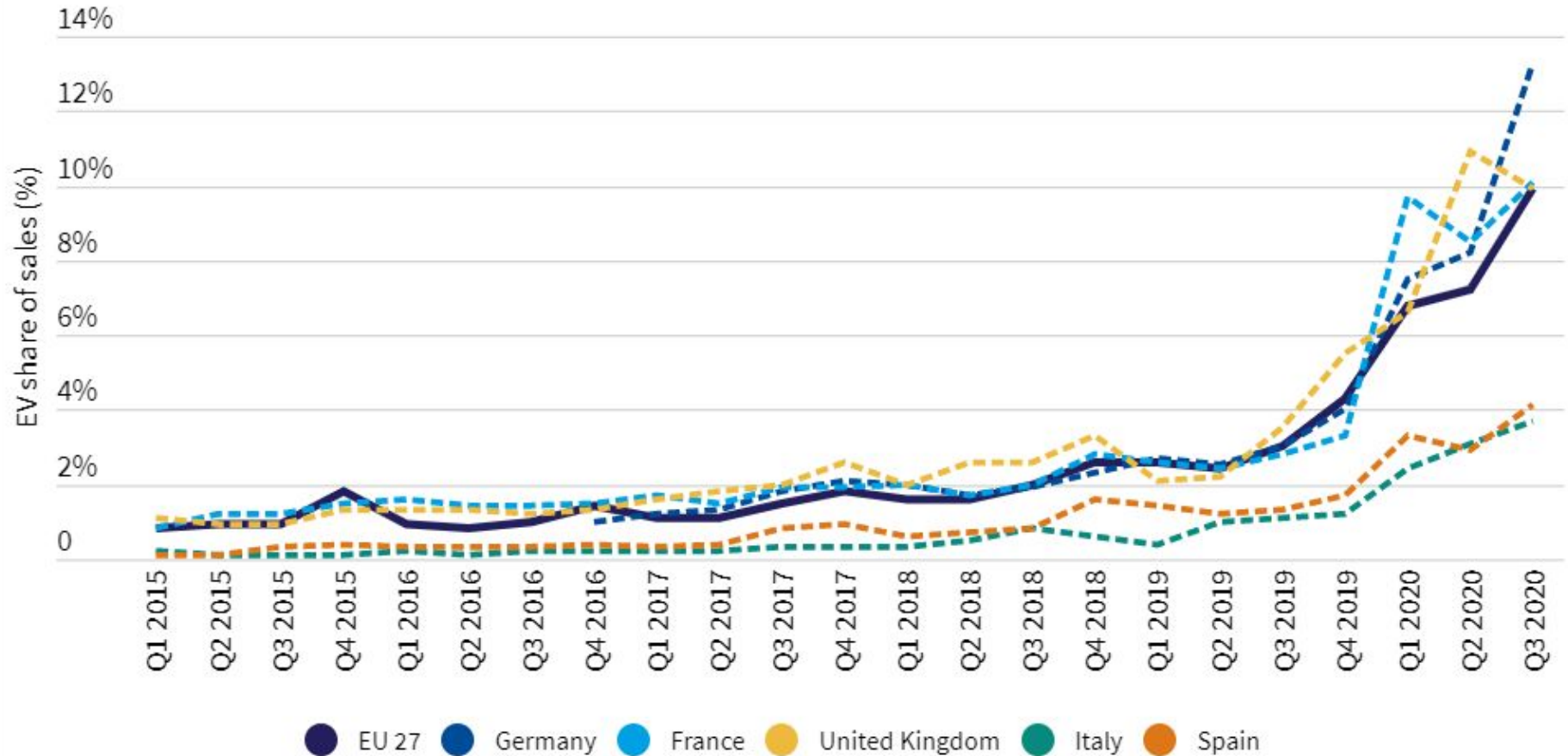
\*EC CPT suggests  
repealing ESR



### 3. The right political frame? EU green deal equals higher fuel taxes?



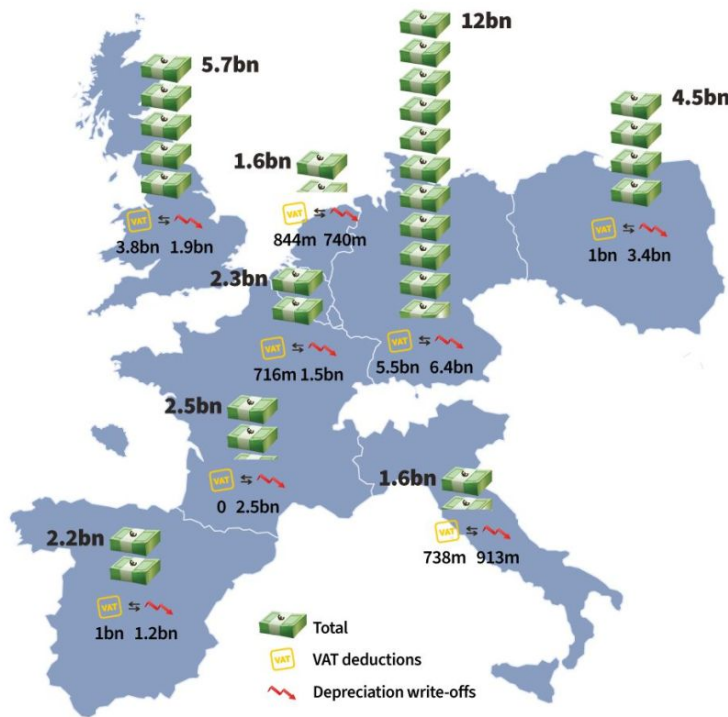
## 4. CO2 standards work & drive innovation



Source: Transport & Environment analysis of ACEA Quarterly Alternative Fuel Vehicle Registrations

# Are higher fuel taxes the top priority? Don't we have better ideas?

## European taxpayers' €32bn in subsidies to company cars



## European corporate new car registrations in 2019

6 new cars out of 10 are registered through the corporate channel

