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EU ETS

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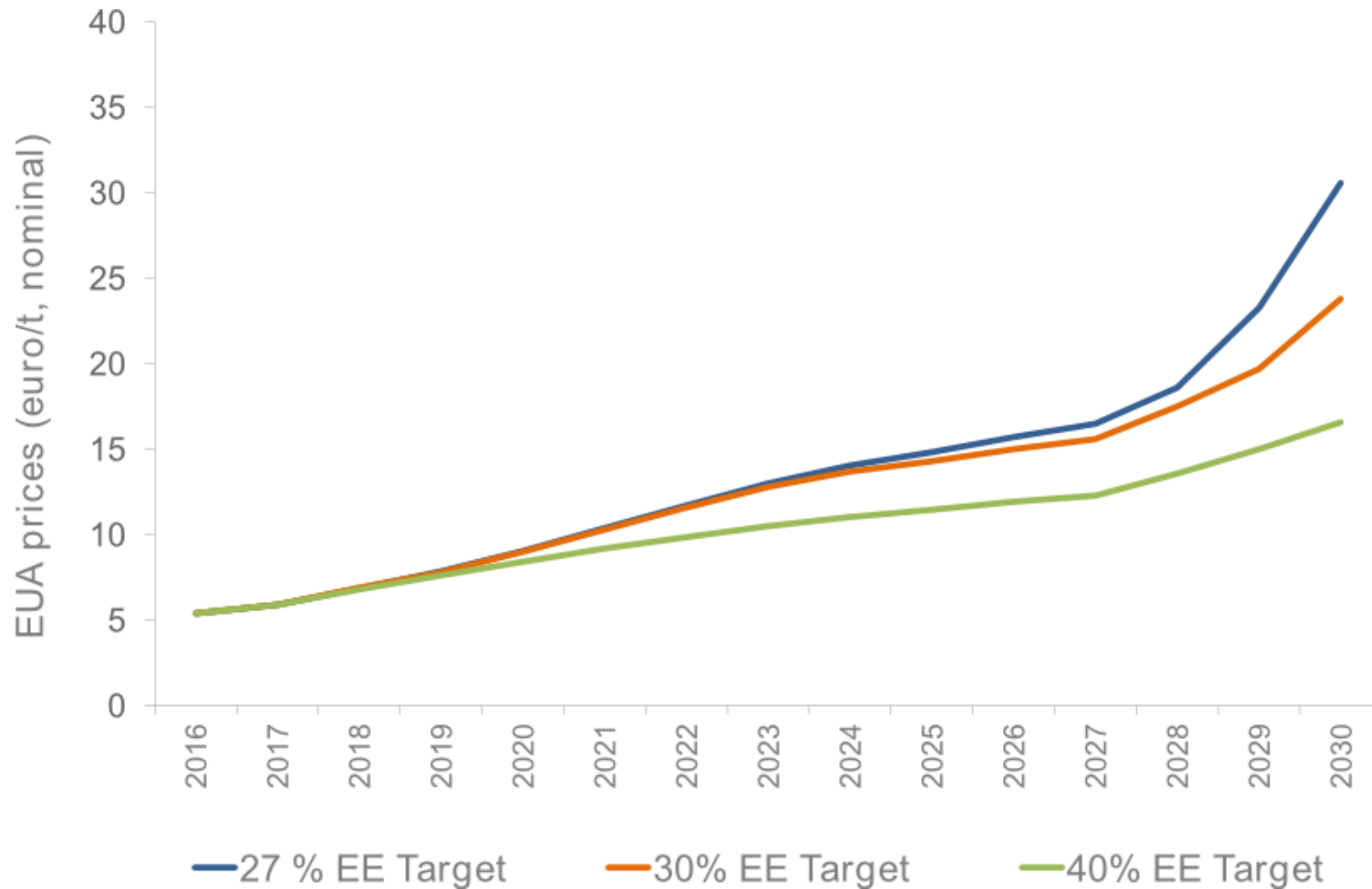
The EU ETS

- Goals:
 - Market-based solution to guide investments.
 - Cost-effective decarbonisation.
 - Incentives to decarbonise.



Overlapping policies example – the Energy Efficiency Directive:

~10% decrease over phase 4 EU-ETS in EE30, ~30% down in EE40



Source: Thomson Reuters Point Carbon



Prospects for the EU ETS reform

- Goals of the reform:
 - More meaningful carbon price.
 - More dynamic system.
 - Protection for the best in class.
 - More real data.



Aligning ambitions

What would happen if regional global ambitions become more aligned?

Total GHG Emissions Including Land-Use Change and Forestry (in MtCO₂e)

Country/region	1990	2010	2030	% share		2030	% share	Ambition increases	Emissions w.r.t. 1990
Total (Rest of the World)	15.9	20.3	28.0	47%		23.8	48%	15%	+50%
Japan (15% below 1990 by 2030)	1.1	1.1	0.9	2%		0.8	2%	20%	-32%
India	1.2	2.6	5.1	9%		4.3	9%	15%	+258%
Brazil	1.6	1.8	2.3	4%		2.0	4%	15%	+22%
EU (40% below 1990 by 2030)	5.1	4.3	3.1	5%		3.1	6%	0%	-40%
US (28% below 2005 by 2025)	5.7	6.1	4.7	8%		3.4	7%	26%	-40%
China (peak emissions by 2030)	3.2	9.5	15.3	26%		12.2	25%	20%	+280%
World total	33.9	45.7	59.4	100%		49.6	100%		
Needed for 2dC scenario			30-50			30-50			

Total GHG Emissions Including Land-Use Change and Forestry (MtCO₂e).

1990 source: CAIT Climate Data Explorer. 2015. Available online at: <http://cait.wri.org>.

2030 source: Boyd, Stern and Ward, 2015. What will global annual emissions of greenhouse gases be in 2030, and will they be consistent with avoiding global warming of more than 2°C? Available at: <http://goo.gl/jFaMkM>.

Japan 2030 source: Climate Action Tracker. Available at: <http://climateactiontracker.org/countries/japan.html>



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Thank you

