



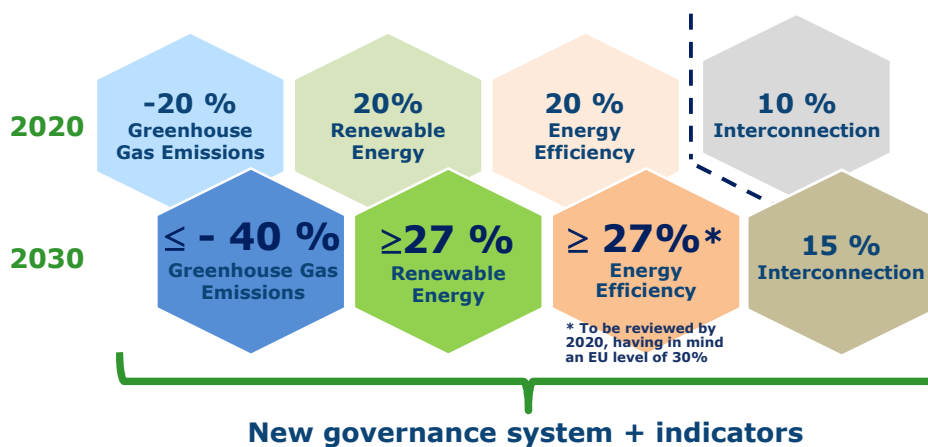
Revision of EU ETS for the period after 2020

Martin STASEK
European Commission
Representation in Berlin

Climate
Action



2030 Framework: Agreed headline targets 2030 Framework for Climate and Energy



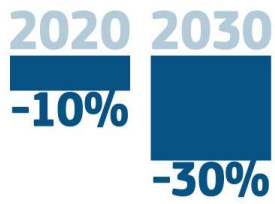
Climate
Action



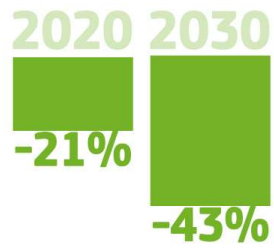
Emission reductions in ETS and non-ETS

EMISSION
REDUCTIONS
IN ETS AND
NON-ETS
COMPARED TO 2005

GHG Emissions



**NON
ETS**
INCLUDING
ROAD TRANSPORT,
HOUSING,
AGRICULTURE
etc.



ETS
INCLUDING
POWER/ENERGY
SECTOR & INDUSTRY

Climate
Action



EU ETS REVISION

EUROPEAN COMMISSION PROPOSAL



15 JULY 2015

Climate
Action


 European Commission

EU EMISSIONS TRADING SYSTEM

FOR CITIZENS, BUSINESS & THE CLIMATE

below **2°C** 




Paris COP21

Reducing emissions by at least 40% EU wide


in 43% EU ETS

Climate Action


 European Commission

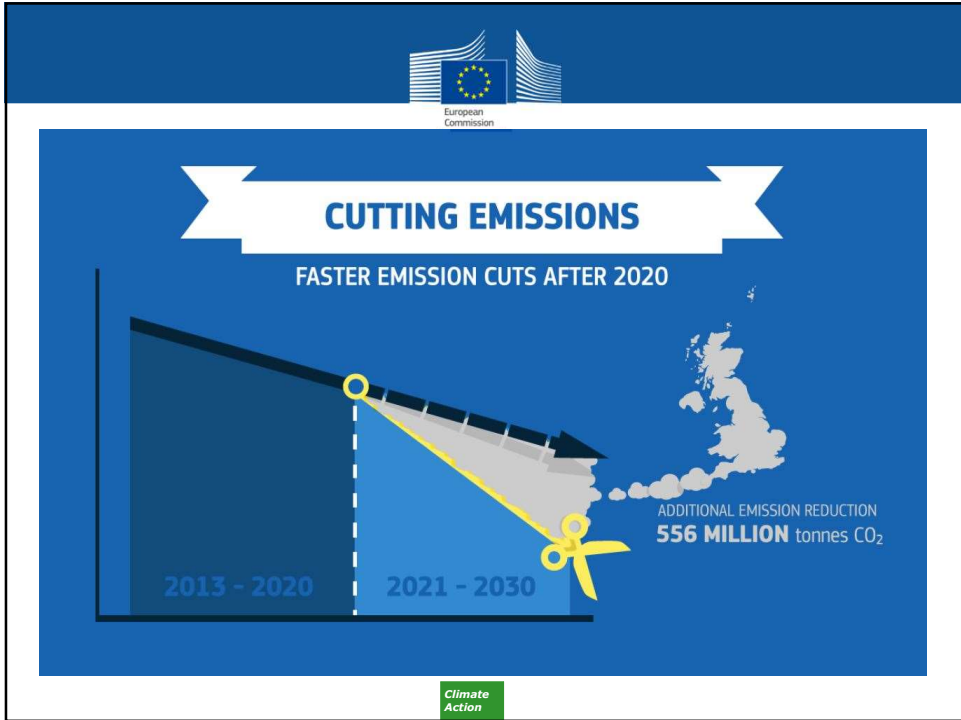
The European carbon market after 2020

Well-functioning reformed EU ETS as the main instrument



- Cap to decline with **2.2 %** from 2021 onwards
-
-
-
-

Action



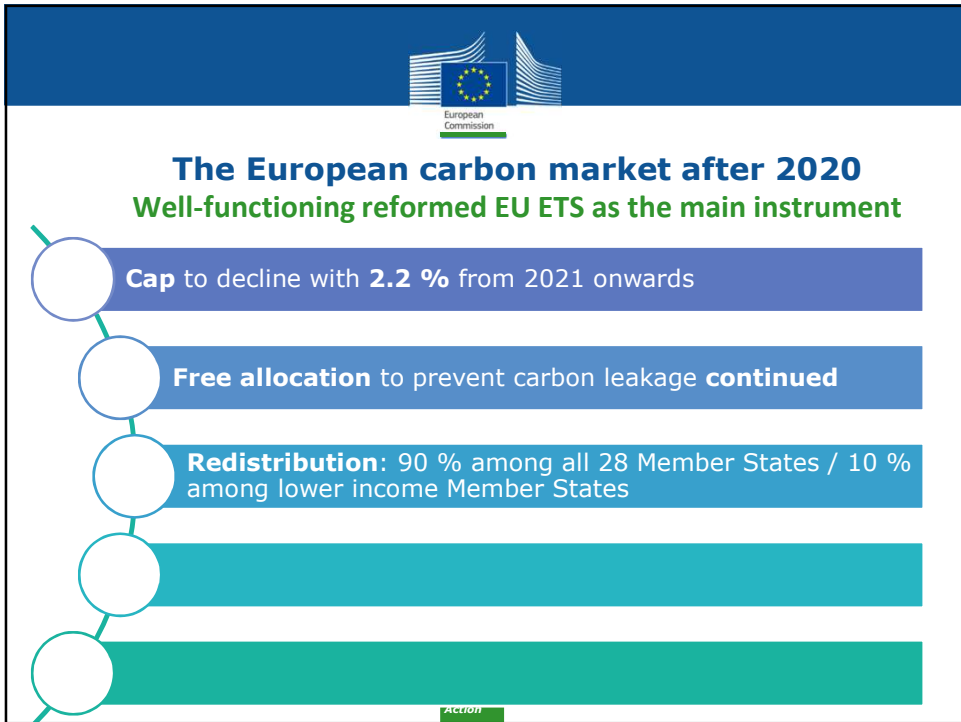
European Commission

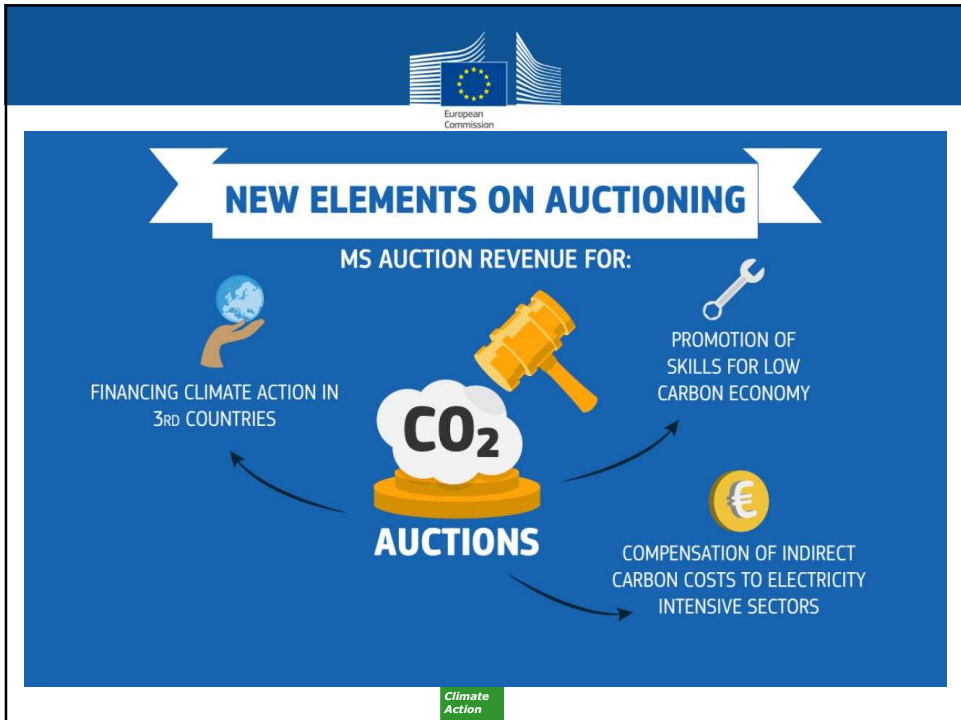
The European carbon market after 2020

Well-functioning reformed EU ETS as the main instrument

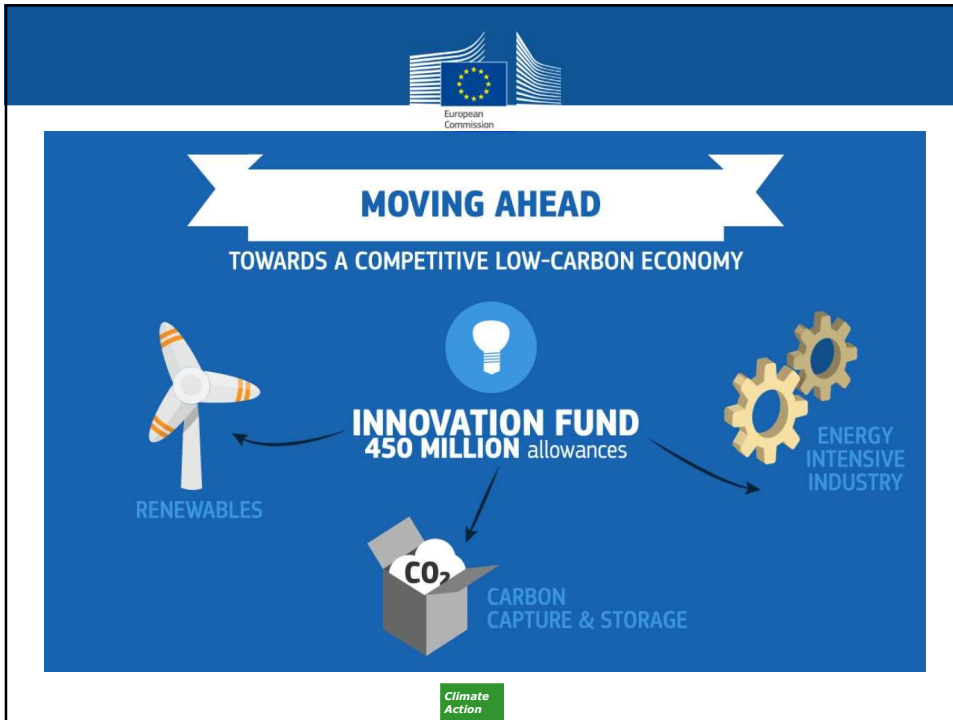
- Cap to decline with **2.2 %** from 2021 onwards
- Free allocation to prevent carbon leakage **continued**
-
-
-

Action





-
- The infographic has a blue header with the European Commission logo. The main title is "The European carbon market after 2020" in bold blue, followed by the subtitle "Well-functioning reformed EU ETS as the main instrument" in green. Below this are five horizontal bars, each preceded by a white circle on a teal line:
 - Bar 1: "Cap to decline with 2.2 % from 2021 onwards" (dark blue bar)
 - Bar 2: "Free allocation to prevent carbon leakage continued" (medium blue bar)
 - Bar 3: "Redistribution: 90 % among all 28 Member States / 10 % among lower income Member States" (light blue bar)
 - Bar 4: "Innovation fund created ('NER400')" (teal bar)
 - Bar 5: (dark green bar, text not visible)
 The European Commission logo is at the top, and an "Action" tag is at the bottom.



-
- European Commission
- ## The European carbon market after 2020
- Well-functioning reformed EU ETS as the main instrument
- Cap to decline with **2.2 %** from 2021 onwards
 - Free allocation to prevent carbon leakage **continued**
 - Redistribution:** 90 % among all 28 Member States / 10 % among lower income Member States
 - Innovation fund** created ("**NER400**")
 - Modernisation fund** set up
- Action


 European Commission

WORKING TOGETHER

SUPPORTING LOWER INCOME MEMBER STATES

EXISTING SOLIDARITY MECHANISM OF AUCTION REVENUES

+

NEW

MODERNISATION FUND


310 MILLION allowances

10 Member States

Eligible for funding to modernise their energy systems



Climate Action


 European Commission

Overall architecture

OVERALL ARCHITECTURE

Climate Action



Next steps

Setting of **Member States targets** in the **non-ETS sectors**, including policy on how to include **Land Use, Land Use Change and Forestry**

Decarbonisation of **transport**

Policy initiative on **new governance system**

2nd State of Energy Union

Climate
Action



Thank you!

#EnergyUnion

<http://ec.europa.eu/clima>

@EUClimateAction

Martin STASEK
European Commission
martin.stasek@ec.europa.eu

