

European Union

MEPs approve overhaul of EU carbon emissions trading scheme

European parliament accused of failing in its commitment to Paris climate deal with compromise measures to reduce emissions



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Daniel Boffey in Brussels

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MEPs hope the ETS overhaul lead to greater cuts in greenhouse gases being balanced with protection for energy-intensive industries. Photograph: Patrick Pleu/EPA

An overhaul of a trading scheme to cut carbon emissions by European industries has been approved in a knife-edge vote by MEPs, although environmental campaigners have been quick to denounce the legislation for not going far enough.

Under the proposals agreed in the European parliament in Strasbourg to update the emissions trading scheme (ETS), MEPs hope to balance greater cuts in greenhouse gases with protection for energy-intensive industries.

The ETS imposes a cap on emissions from 11,000 power stations and industrial plants in 31 countries by forcing companies to buy allowances to emit carbon. The new measures agreed by MEPs will gradually reduce the number of allowances available in an attempt to push up their cost and provide an incentive for industries to adopt cleaner technologies. The cap on emissions will fall by 2.2% a year – the so-called linear reduction factor – until at least 2024.



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The highest performing 10% of factories and other installations will also receive all their allowances free while a fund of up to €12bn (£10.2bn) is to be established to help industry innovate and invest in technology.

The Conservative MEP Ian Duncan, who steered the legislation through the parliament, said: “By passing this report we will be reminding member states of the commitment they signed up to. We simply must deliver the ambitions of the Paris agreement on climate change and do what is required for our planet.

“This is bigger than Brexit, bigger than Britain, bigger than the EU. We have to get it right.”

The report will now enter so-called “trilogue” negotiations between the European parliament, commission and council, which represents member states.

Efforts to overhaul the ETS have also been overshadowed by Britain’s decision to leave the EU, raising fears the country would also leave the scheme.

The draft measures were approved by 379 votes to 263 with 57 abstentions, although until a few hours before the vote MEPs were not sure the proposals would be passed.

The parliament’s environment committee had suggested a more radical cut in the number of allowances allowed under the scheme.

Wendel Trio, director of Climate Action Network Europe, a coalition of environmental groups, said MEPs had failed. He said: “It is shocking that the parliament chose to bow to the interests of polluting industries instead of protecting citizens from a catastrophic climate breakdown. The parliament has completely failed the first test of its commitment to the Paris agreement.

“The proposed reforms will keep the carbon market ineffective for a decade or more. We urge progressive EU governments to finally turn the ETS into a functioning tool and create a stimulus to ditch old models and move to green economy.”

Marc-Olivier Herman, Oxfam’s EU policy adviser, said: “Today’s vote by the European parliament represents a missed opportunity for the climate and for those hardest hit by global warming.

“The text adopted fails to set new ambitious limits for climate-damaging emissions of the EU’s industry after 2020.

“In addition, no share of the revenues from the EU emissions trading scheme was allocated to help poor countries adapt to the devastating impacts of climate change. The parliament and the council must address these flaws when they decide on the final text of the legislation.”

Changes to the ETS will now be debated at the council of environment ministers on 28 February.

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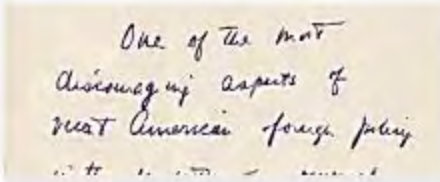


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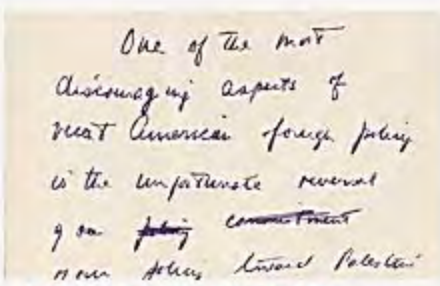


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