

IFIEC Europe-press release

MSR voting in ITRE underlines need to include CL framework. Plenary voting is necessary.

Brussels, 29 January 2015 – The Market Stability Reserve (MSR) is the Commission's proposed measure to overcome perceived problems related to the EU Emissions Trading System (EU ETS). The European Parliament's committee for industry (ITRE) voted on it last week and did not agree on a common position for its opinion report. However, the voting on individual aspects of the proposal was clear:

- An earlier introduction of the MSR (before 2021) has been rejected.
- The backloading volume should not be directly transferred into the MSR.
- A clear proposal for a comprehensive carbon leakage framework including direct and indirect emissions was requested.

IFIEC Europe, representing energy intensive businesses from EU-Member States, stresses that these clear votes must not be overlooked in the further decision-making process in the European Parliament. The next voting will be in the committee for environment (ENVI) and IFIEC Europe urges all parliamentarians there to take account of the strong signal the individual ITRE votes have sent. Furthermore, IFIEC Europe expects that MEPs will insist on a plenary voting on this important issue for the EU's climate and industry policy as it became clear that a wider discussion on specific aspects of the MSR proposal in combination with carbon leakage provisions for direct and indirect emissions is needed. Parliamentarians should therefore not rush into trilogue negotiations with Council and Commission.

IFIEC Europe warns against taking a decision on the MSR in isolation. The EU ETS needs a comprehensive reform for the period post 2020 to make it fit for its purpose, i.e. to prepare for the highly challenging EU reduction targets in a world of ever growing global competition and an increasing role of regions and countries that do not face any carbon constraints. Should the EU consider its EU ETS really as a blueprint to be applied for worldwide efforts against global warming, it should be designed to ensure carbon reductions while at the same time allowing for efficient economic growth without the risk of carbon leakage to areas where less stringent climate policies are pursued. A dynamic EU ETS, i.e. allocation based on actual production data, is the solution for these objectives. The best performers should not face any carbon costs. Industry therefore rejects the introduction of the MSR without the simultaneous strengthening of the carbon leakage protection framework for direct and indirect effects in the EU.

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IFIEC Europe, International Federation of Industrial Energy Consumers, represents European energy intensive industrial consumers where energy is a major component of operating costs and directly affects competitiveness.

*For further information, please contact:
Lars Jope, Director of Coordination
jope@ifieceurope.org, + 49 172 234 07 30*