



European Association of Mining Industries

The EU Emission Trading System (ETS)

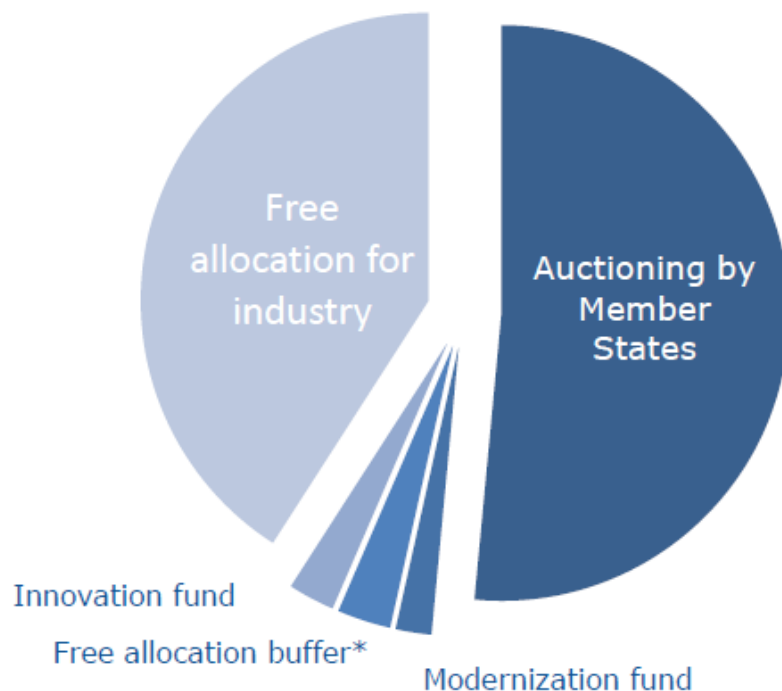
Phase IV (2021 -2030)

SSDCEI, 9 October 2019, Brussels

The EU Emission Trading System (ETS) Phase IV: 2021 -2030



Structure of the EU ETS in Phase 4 (15.5 billion allowances)



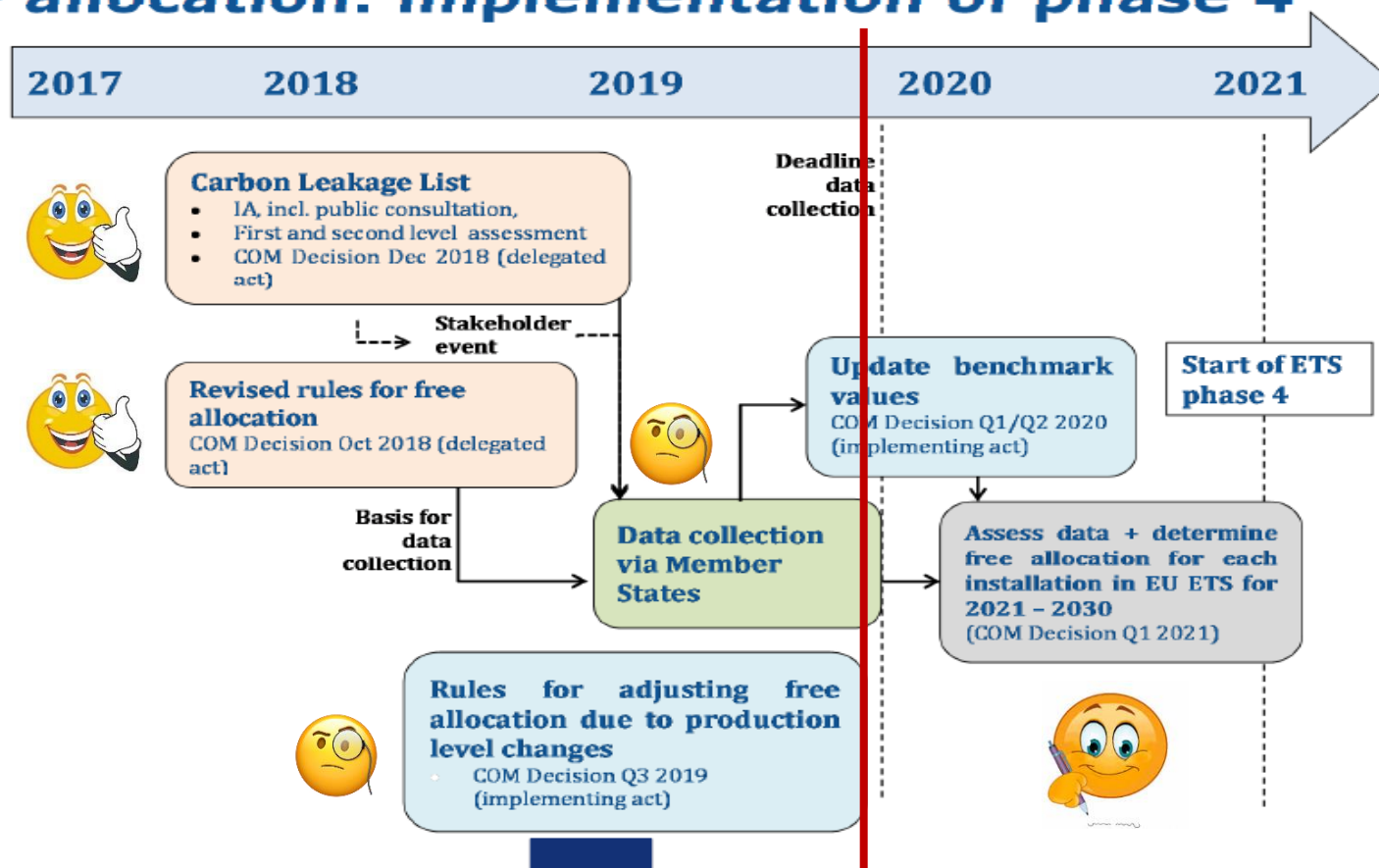
* Allowances dedicated for auctioning that may be converted

Source:
European
Commission

Free Allocation for Direct Emissions

Lead: DG Clima

Free allocation: implementation of phase 4



ETS (2021 - 2030): Direct Emissions Latest developments



Writing and negotiating the Implementing Act on Activity Level Changes

(adoption end 2019)

Sets up the methodology for changing the amount of free allowances to be received by an installation if it changes production by more than 15% (upwards or downwards)

Updating the Guidance Documents for Implementing ETS phase IV:

(adoption end 2019)

GD1: General Guidance to allocation methodology

GD2: Allocation methodology at installation level

GD3: Data collection

GD4: Verification

GD5: Monitoring and Reporting [new numbering]

GD6: Cross-boundary heat flows

GD7: New entrants and closures

GD8: Waste gases

GD9: Sector specific guidance

GD10: Mergers and splits

ETS (2021 - 2030): Direct Emissions

Next steps



Determination of updated benchmark values

- Method set by revised ETS Directive
- Update rate between 3% and 24%
- 2 rounds:
 1. update of heat and fuel benchmarks
 2. update of product benchmarks

Adoption by Commission: mid 2020

ETS (2021 - 2030): Indirect Emissions

Lead: DG Competition



Indirect Costs Reimbursement for electricity costs

- ❑ **Step 1 – Eligibility:** Sectors must be part of Annex II of the soon to be revised EU level State Aid Guidelines in the context of the EU Emissions Trading Scheme (EU level)
- ❑ **Step 2 - Maxim Aid:** The Maximum Aid Formula ensures the maximum possible level of costs to be reimbursed

15 February – 9 April 2019 / 21 February – 16 May 2019

Targeted and General public consultations of Interested sectors on the Revision of the State aid Guidelines in the context of the amended EU Emissions Trading Scheme to:

- ❑ gather the necessary information/data enabling for the determination of sectors eligible for costs reimbursement (and)
- ❑ gather empirical information enabling for the determination of the level of compensation

Next steps: The draft **Guidelines on state aid for ETS** (indirect costs reimbursement) will be published for public consultation before end October 2019

Final adoption envisaged for second half 2020.