

Benchmarking for the EU ETS and Beyond

A Member State Perspective

Sarah Resouly

23 June 2009

Role of the CEPS task force



- A forum for stakeholders to provide input to the process of developing benchmarks for Phase III of the EU ETS
- Opportunity to involve industry, NGOs and other stakeholders
- Opportunity to cross-scrutinise and look at wider context of benchmarking
- Ensure comparability of sector contributions to reaching emissions reduction target
- Identify and share best practice on benchmarking

Crucial issues to settle



1. Consensus on the process and principles of free allocation methodology
2. Establish feasibility for benchmarking in the concerned sectors, based on the agreed principles
3. Identify possible fall-back options for (sub)sectors where benchmarks seem impossible
4. Method for verification of benchmark curves: How do we get validated or verified data for the various industries concerned across the 27 MS?
5. Activity data: What are the criteria to base our choice for activity data on, and how verify?
6. Extensions: How should we deal with extensions carried out in 2008-2012 for the allocation in the period after 2013?
7. How will the benchmarks fit together under the industry cap?

Topics to discuss in the CEPS Task Force (1)



1. Agreement of the general principles
2. Determination of the "10% most efficient"
3. Treatment of combustion and heat flows
4. Verification of benchmark curves
5. Fall back options

Topics to discuss in the CEPS Task Force (2)



6. How to incentivise greatest emission reductions and avoid perverse incentives
7. How to ensure comparability of effort between sectors and sub-sectors
8. What are the impacts on competitiveness issues between sectors?
9. How applicable are the benchmarks in an international context?