

Ahead of a committee vote at the European Parliament on the revision of the EU's Emissions Trading System, four civil society networks and 22 organisations across Europe call on committee members to stop coal subsidies and take measures to ensure meaningful carbon price.

The members of the European Parliament's Committee on Industry, Research and Energy will vote on amendments concerning the revision of the EU ETS.

Today, the committee is holding a final meeting of the representatives of the different political groups to decide on the compromise amendments ahead of the vote.

The ITRE will among others decide on the future form of the Modernisation Fund and Article 10c of the EU ETS Directive after 2020.

The two mechanisms were designed to help mostly Central and Eastern European member states modernise their power sector. However, so far Article 10c has been largely misused to subsidise existing and new coal energy plants in these countries.

Between 2013-2019, the EU has approved a clear majority of the up to €12 billion investments through Article 10c for modernisation and expansion of fossil fuel capacity, including hard coal and lignite.

NGO letter proposes measures to support rapid phase-out of coal

In the lead up to this important vote, civil society representatives have addressed the ITRE members in an open letter, calling on them to adopt ambitious amendments to the Modernisation Fund and Article 10c that support a rapid phase out of coal.

They ask for the MEPs to ensure that any investments in both new and existing coal energy from the Modernisation Fund and Article 10c will be excluded. To be fit for purpose, the two mechanisms should be used to shift investments in the region to energy efficiency and sustainable renewable energy sources.

Furthermore, NGOs oppose the proposal to expand the eligibility of supported project types to district heating and cogeneration. These installations already receive free allowances through the EU ETS. Any additional support could increase investments in combined heat and power coal plants.

Finally, the underlining problem of the EU ETS is the lack of ambition and a too low carbon price. A meaningful price would incentivise the transition of investments from high to low carbon technologies. To phase out coal, the cap needs to be tightened and free pollution permits to the power producers eliminated.

After the ITRE vote, the Committee on Environment, Public Health and Food Safety, which leads the talks on the EU ETS at the European Parliament, is expected to vote on the proposal on 8 December. The final plenary vote will take place early 2017.



Civil society urges lawmakers to end coal subsidies from the EU's carbon market

source: carbonmarketwatch.org