



The Federal Ministry
for the Environment,
Nature Conservation
and Nuclear Safety

Setting Caps in the EU-ETS

Example: Germany

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Cap Setting in the EU-ETS

- **1. and 2. Trading Period (TP) (2005 -2012):**
 - National Allocation Plans (NAPs) (COM)
 - Criteria for setting up in the ETS Directive
 - Control by EU Commission
- **3. TP (2013-2020):**
 - EU-wide Cap
 - Reduction path: -1,74 %/year



1. and 2. Trading Period

- **Basis: Reduction Commitments in the Kyoto Protocol and EU-wide Burden Sharing Agreement**
- **Germany: Caps were set to achieve target within Burden Sharing Agreement in 1. Kyoto Commitment Period**
- **1. Trading Period (1. TP) = Pilot Phase**
 - ▶ **Cap according to path towards 1. Kyoto Commitment Period**
 - **COM accepted Member States' NAPs with minor corrections**
- **2. Trading Period (2. TP) = 1. Kyoto Commitment Period**
 - **As consequence of over allocation in 1. TP many NAPs were significantly reduced and revised by COM**



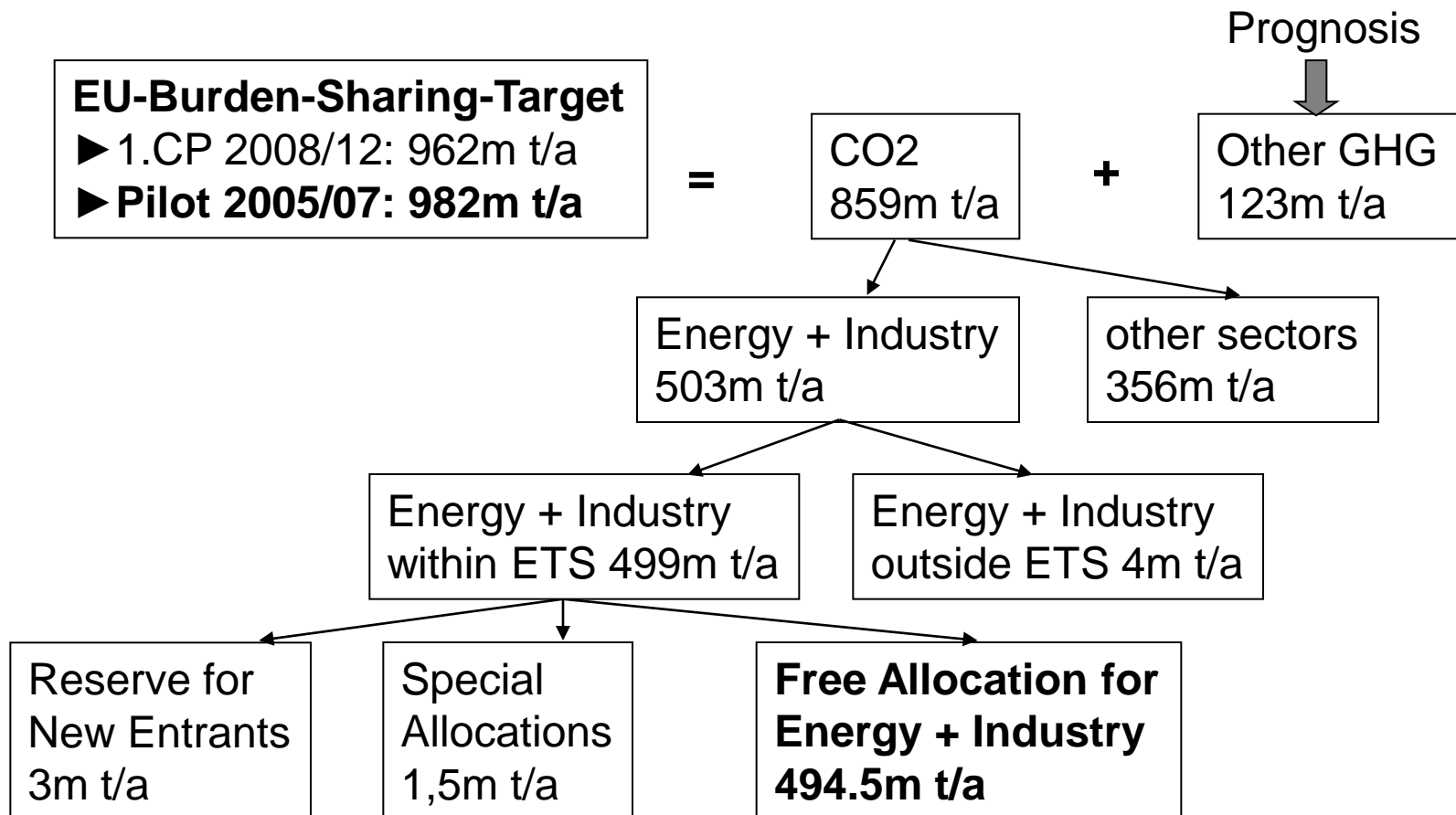
Data Collection in the 1. Trading Period

- **Data basis for emissions 1990-2002 in various sectors: National GHG Inventory and National Energy Balance data**
- **Analysis of emissions declarations as per law on air pollution control by the Federal States**
 - **Information on air pollutants relevant for CO₂-emission**
 - **Information on activity rates of installations**
- **2003 voluntary data query at operators by Federal States for 2000 – 2002**
 - **Energy and process related CO₂-emissions**
- **Deliberations with and clearance by Commission**
 - **top down approach combined with bottom up elements**



Process of Cap Setting

1. Trading Period in Germany





Stakeholder Involvement in Germany

- **Scientific support by German research institutes**
- **Working Group on Emissions Trading: Permanent stakeholder consultation founded in 2001**
Currently 65 members – representatives of companies, trade associations, environmental NGOs, trade unions, parliamentary factions of political parties, federal states and agencies
- **Subcommittee “Emissions Trading” of the Working Committee of Federal Government and States**
- **High-level closed door consultations with CEOs of leading companies in Germany**



Conclusions

- Use reliable Data
- Aim at comparable effort in trading and non-trading sector
- Take into account indirect effects of other instruments



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Thank you for your attention

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