



5th PMR Workshop

**EU ETS & Domestic Transport
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Short on the EU ETS

- *Some 11.000 - 12.000 stationary installations emitting +/- 2.300 ('05) -> 2.000 ('10) Mtons CO₂(e) in total*
- *+/- 45% of total EU-GHG emissions covered*
- *11.000 - 12.000 greenhouse gas permits,*
- *11.000 - 12.000 monitoring plans, etc.*
- *A lot of people (regional) Competent Authorities & companies, verification bodies involved, where capacity has been building up since 2003 (almost 10 years)*
- *From 2012 > 4.000 aviation operators (monitoring from 2010)*

EU Transport & CO₂

- Transport is responsible for a quarter of EU GHG emissions making it the second biggest GHG emitting sector after energy
- Road transport alone contributes about one-fifth of the EU's total CO₂ emissions
- While emissions from other sectors are generally falling, those from transport have increased 36% since 1990
- The EU has policies in place to reduce emissions from a range of modes of transport, such as including aviation in the EU ETS and CO₂ emissions targets for cars

EU ETS & Transport 1

- Emissions trading is limited in its ability to adequately mitigate GHG emissions from road transport (environmental effectiveness, cost efficiency)
- MRV emissions reductions from vehicles will add a significant transaction cost to the implementation of any road transport mitigation (230 ML cars)
- Legislating climate change mitigation measures for road transport can significantly contribute to the overall GHG mitigation efforts for the EU
- Reducing GHG emissions from road transport to be accomplished by the introduction of integrated measures: improved fuel efficiency, improved vehicle efficiency and behavioural modification measures

Light-duty vehicles

- Light-duty vehicles - cars and vans - are a major source of GHG emissions, producing around 15% of CO₂ EU emissions. Road transport alone contributes about one-fifth of the EU's total CO₂ emissions
- The legislation sets binding emission targets for new car and van fleets
- For cars, manufacturers are obliged to ensure that their new car fleet does not emit more than an average of 130 grams of CO₂ per kilometre by 2015 and 95g by 2020. This compares with an average of almost 160g in 2007 and 135.7g in 2011

CO2 labelling of cars

Fuel quality

- Drivers choose new cars with low fuel consumption
- EU legislation requires Member States to ensure that relevant information is provided to consumers: a label showing a car's fuel efficiency and CO₂ emissions
- Fuel quality is an important element in reducing greenhouse gas emissions from transport. EU legislation requires the greenhouse gas intensity of vehicle fuels to be cut by up to 10% by 2020

Heavy-duty vehicles

- Heavy-duty vehicles (HDV) - trucks and buses - are responsible for about a quarter of CO₂ emissions from road transport in the EU and for some 6% of total EU emissions
- HDV emissions are still rising, mainly due to increasing road freight traffic
- The Commission is currently working on a comprehensive strategy to reduce CO₂ emissions from HDVs in both freight and passenger transport

EU ETS & Transport 2

- The ETS would only give a very small price signal to transport users compared to what they already pay, so they will not change their behaviour much
- A few % of car purchase price, 1.5% of total cost of car ownership; 1-2% of total cost of truck ownership; rise in the cost of products due to transport by 0.01-0.4%.
Therefore transport emissions are unlikely to be reduced
- As a result of this low price signal, including road transport in the ETS will not lead to a reduction in transport emissions
- Including road transport into the ETS is unrealistic in a straightforward manner (there are more than 230 million cars in the EU)

EU ETS and Transport - main conclusions:

- EU ETS has a downstream approach
- Difficult to imagine a similar operational framework for urban transport
- EU ETS pursues first and foremost an approach pushing for efficiency of engines (technology forcing)
- Aviation has been included in a downstream fashion in the EU ETS - these have large combustion engine enabling downstream coverage