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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 CO$_2$(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 CO$_2$ 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 CO$_2$ 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 CO$_2$ emissions from HDVs in both freight and passenger transport.
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• 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