



***** Press release for immediate release *****
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New emissions data builds pressure to rescue Europe's failing emissions trading scheme

Just two weeks ahead of a key vote in the European Parliament, new data has been published which finds Europe's emissions trading scheme more oversupplied with carbon allowances than ever before. The emissions trading scheme set a cap on emissions from power stations and factories of 10.5 billion tonnes of CO₂ equivalent over the five year period from 2008-2012^[1], but data released today finds verified emissions sitting 8% below the cap at only 9.7 billion tonnes.^[2]

In 2012 emissions for ETS sectors fell by 1.4% against the previous year, but weak carbon prices have meant that the cap-and-trade policy has had a negligible role in this, with background economic conditions and direct regulation being the main driver.

While a quarter of installations are yet to submit their 2012 emissions data, the data so-far reported suggests the scheme is oversupplied by some 840 million carbon allowances. The extent to which new offsets will compound this oversupply will not be known until May, but some 555 million offsets have already been surrendered into the scheme over 2008-2011 years.

Damien Morris at Sandbag comments, "To function as an environmental policy, an emissions trading scheme must limit pollution below business-as-usual levels, but the EU scheme has so far singularly failed to meet this criterion. It will be difficult enough for Europe to meet its share of the global climate challenge without awarding itself superfluous carbon allowances along the way, and we can ill-afford to take the pressure off the sectors most amenable to cost-effective abatement. In two weeks the European Parliament will vote on whether to support the ETS by withholding new allowances from auction. MEPs must seize this opportunity to get the market back on track as the first step towards more significant reforms.

ENDS

The Sandbag Climate Campaign is the NGO leading in research-led campaigning for effective emissions trading. Through expert analysis, hard hitting reports and targeted advocacy we aim to shine a light on what's working and what's not and campaign for changes that could save billions of tonnes of carbon emissions.

For further comment and information please contact:
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[1] Phase 2 National Allocation Plans taken from <http://ec.europa.eu/environment/ets/napMgt.do?languageCode=en> (accessed 2/4/2013)

[2] Verified emissions data published by European Commission at http://ec.europa.eu/clima/policies/ets/registry/docs/verified_emissions_2012_en.xls (accessed 2/4/2013)