

Roma - 2 novembre 2016



EFFORT SHARING E RIFORMA ETS

Stato dell'arte e posizione dell'Italia

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EU climate policy in a snapshot

The 2020 package: 20% cut in GHG emissions
(from 1990 levels)

The **2020 ETS** (45% of the EU's GHG) target:
-21% compared to 2005.

not ETS (55% of total EU GHG) target:
-10% compared to 2005 [effort sharing: national
commitments vary from -20% to +20%]

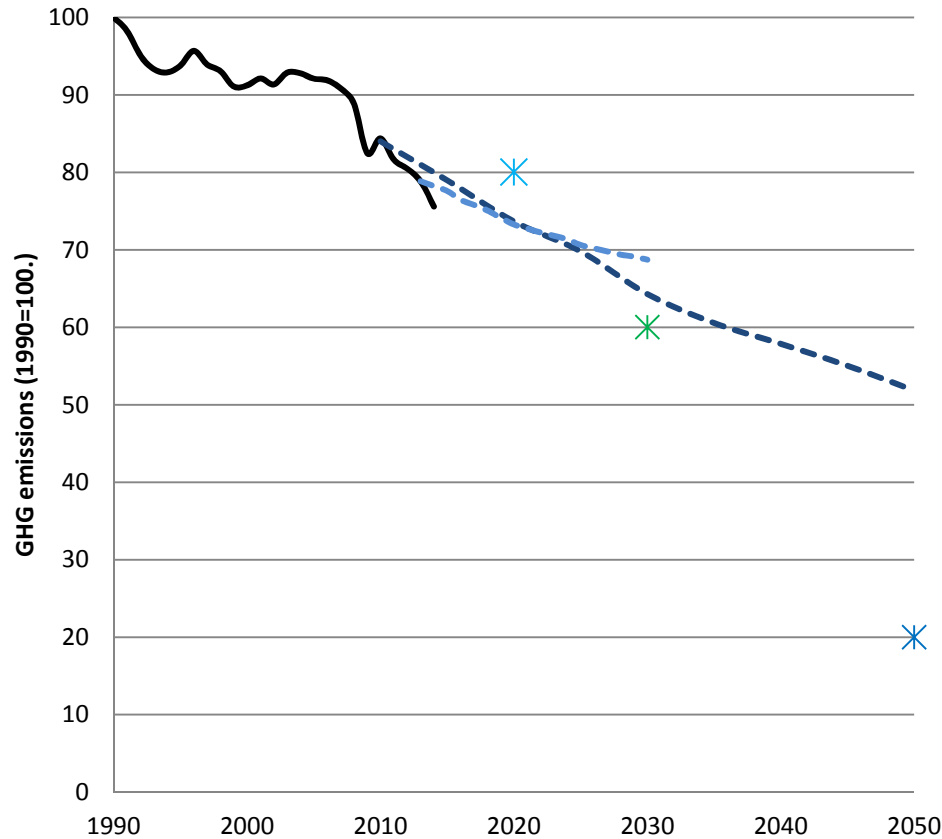
2030 climate & energy framework: 40% cut in
GHG emissions (from 1990 levels)

The **2030 ETS** target: -43% compared to 2005.

not ETS target: -30% compared to 2005 [effort
sharing: national commitments vary from 0% to -40%]

By **2050**, EU should cut emissions to **80%** below
1990 levels

GHG data and projections



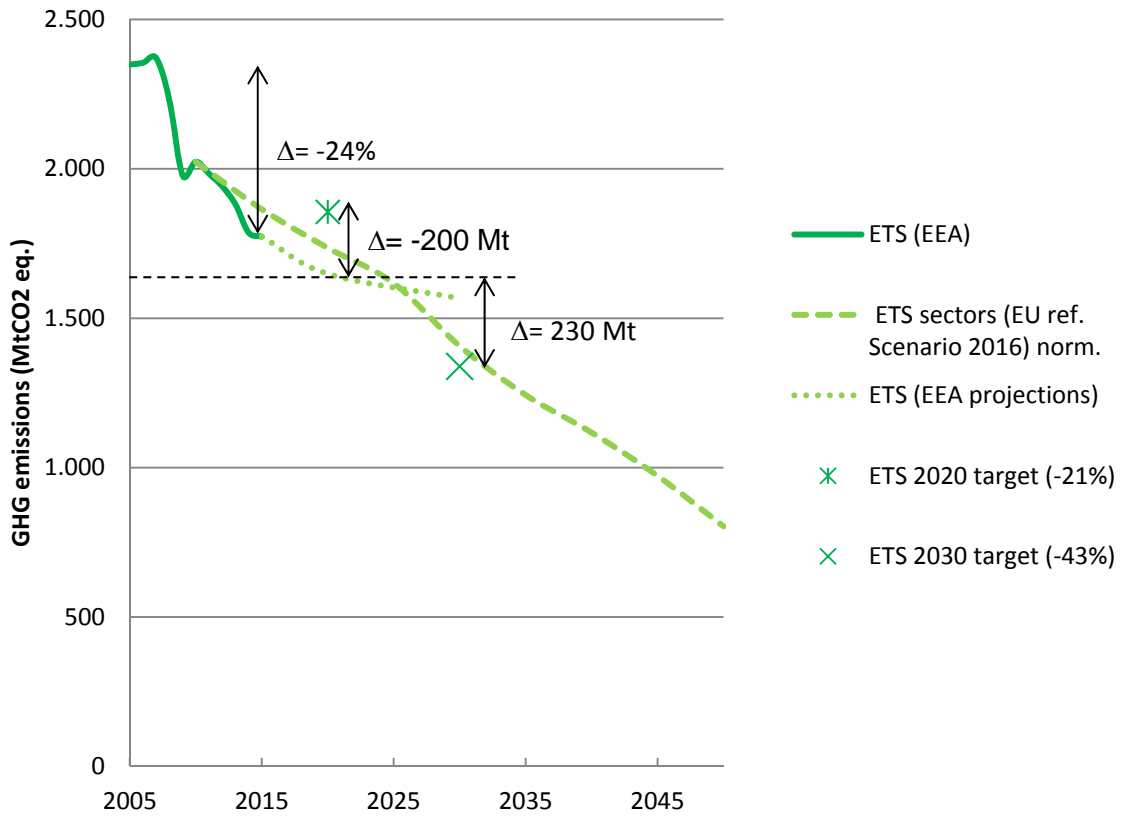
- GHG emissions (1)
- - - EU Reference Scenario 2016 (2)
- - - EEA 2015 WAM Projections (3)
- * 2020 Target (-20%)
- * 2030 Target (-40%)
- * 2050 Target (-80%)

- Target 2020 🤔
- Target 2030 😬
- Target 2050 🤩

(1) EU 28 (Convention) submitted to UNFCCC
 (2) EU Reference Scenario 2016 - Energy, transport and GHG emissions Trends to 2050 (July 2016)
 (3) Trends and projections in Europe 2015 (EEA Report No 4/2015)

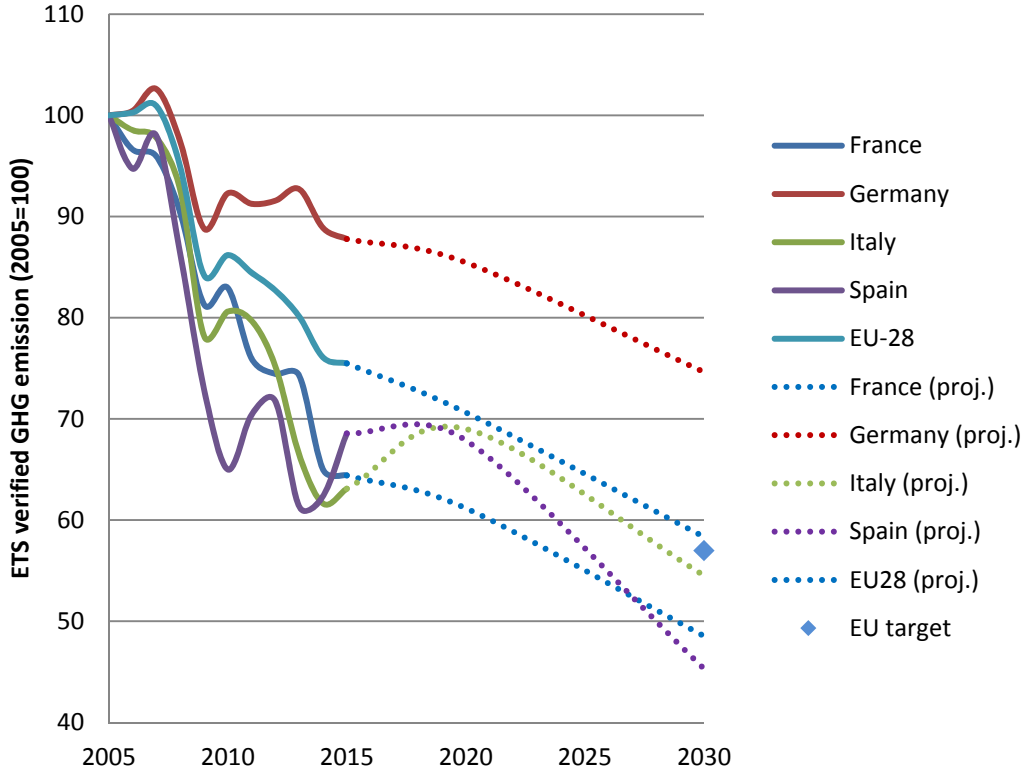
Source: I-Com on EU Commission and EEA data

ETS: data and projections



Source: I-Com on EU Commission and EEA data

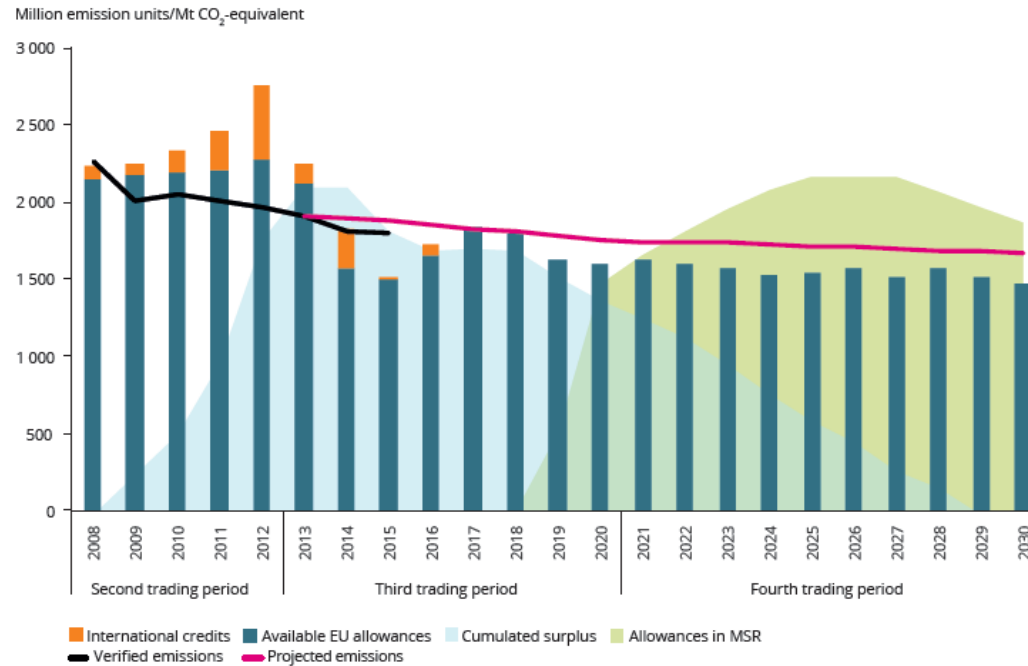
ETS: EU4 benchmark



	FR	DE	IT	ES	EU 28
2015-2020 change	-5,0%	-2,6%	9,4%	-1,0%	-6,4%
2020-2030 change	-20,6%	-12,7%	-21,0%	-33,2%	-17,4%

Source: I-Com on EEA data and EU Reference Scenario 2016

ETS critical point: credit surplus



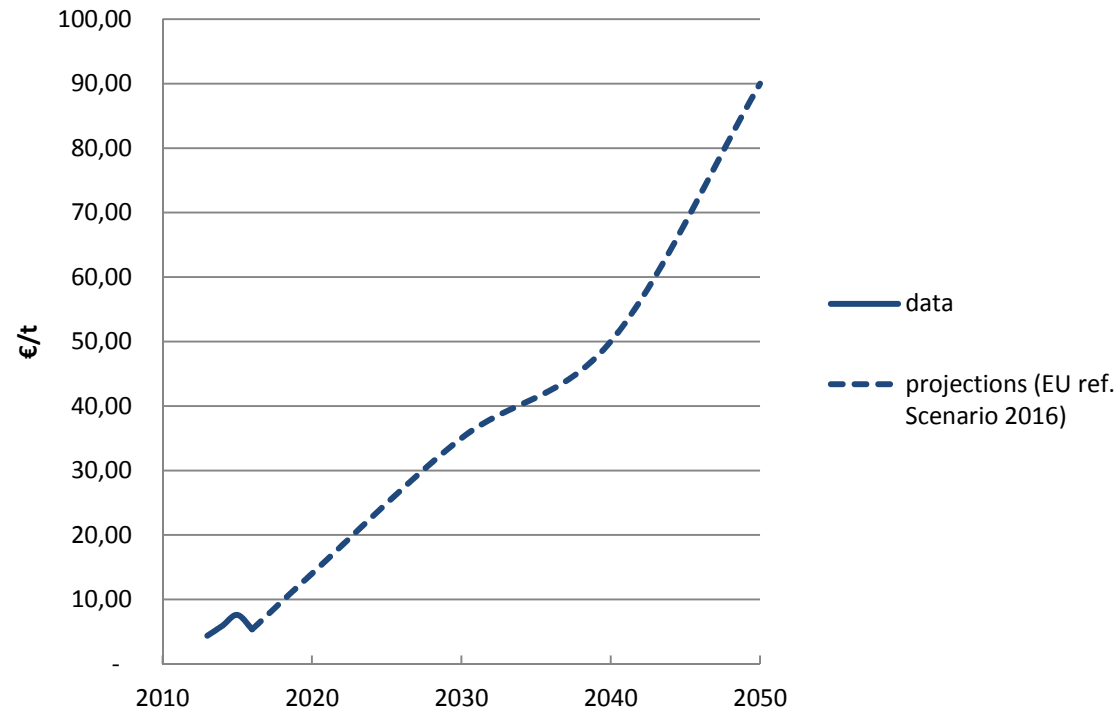
Allowances surplus cumulated (~ 2Gt in 2014 and 1,8Gt in 2015)

Back-loading (2014, 2015, 2016) + Market Stability Reserve (from 2019)

Surplus should be absorbed between 2029 and 2031

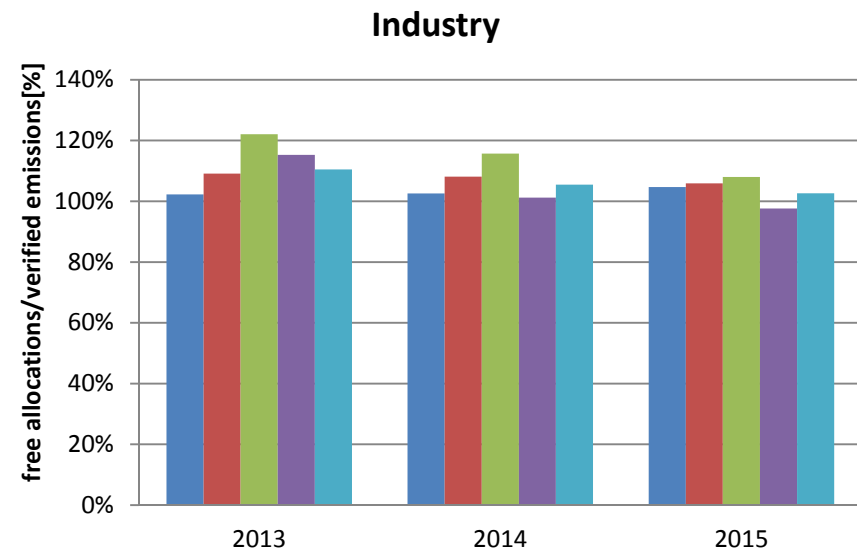
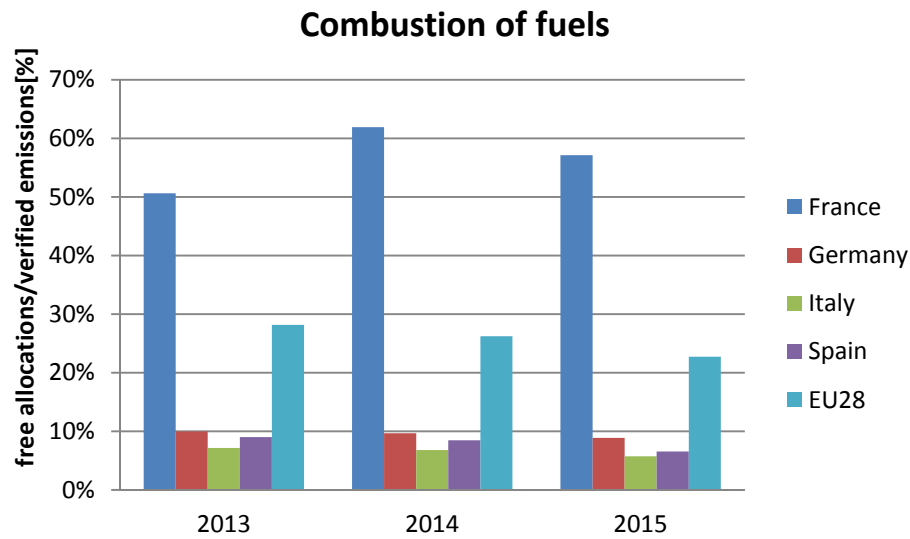
Source: EEA

ETS: the question of pricing



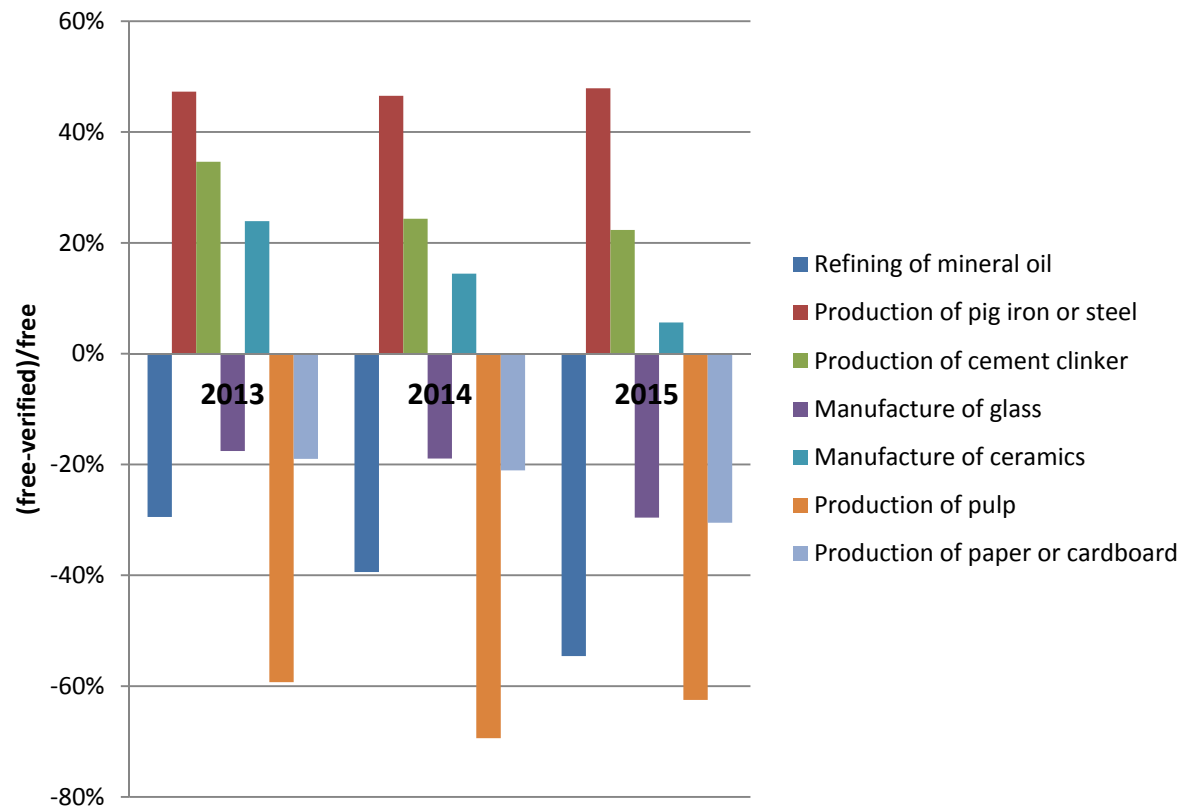
Source: I-Com on EEX and EU data

Free allocations vs. verified emissions



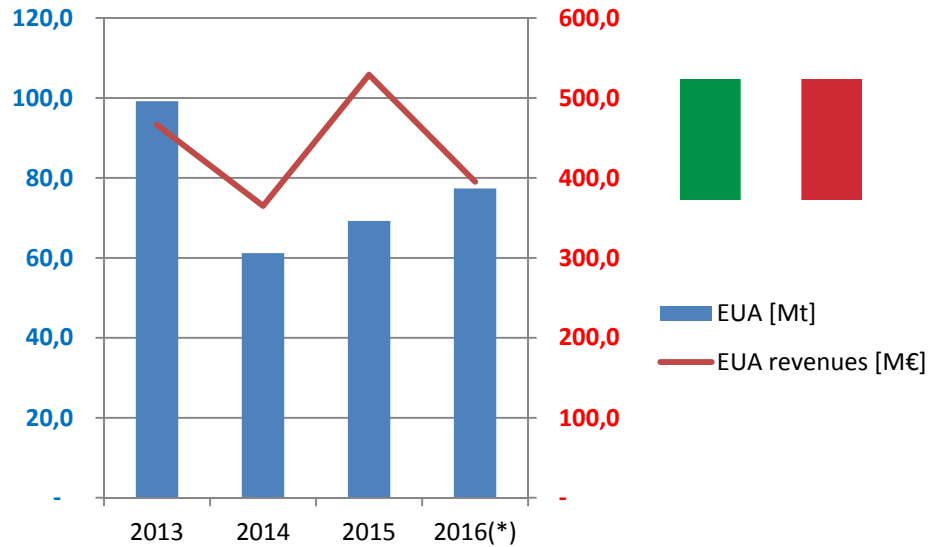
Source: I-Com on EEA data

Free allocations vs. verified emissions in selected industrial sectors (ITALY)

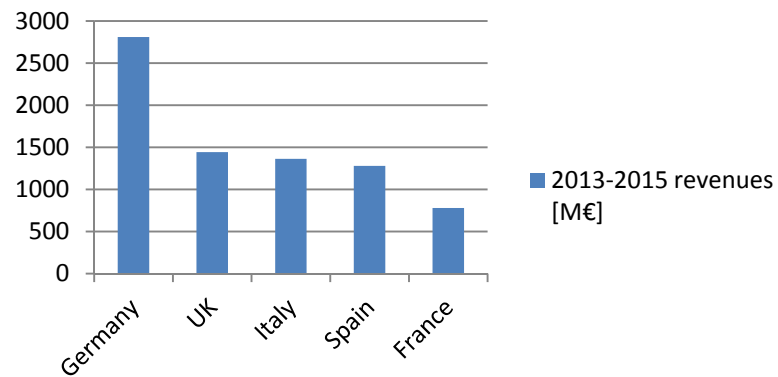


Source: I-Com on EEA data

Revenues from ETS auctioning

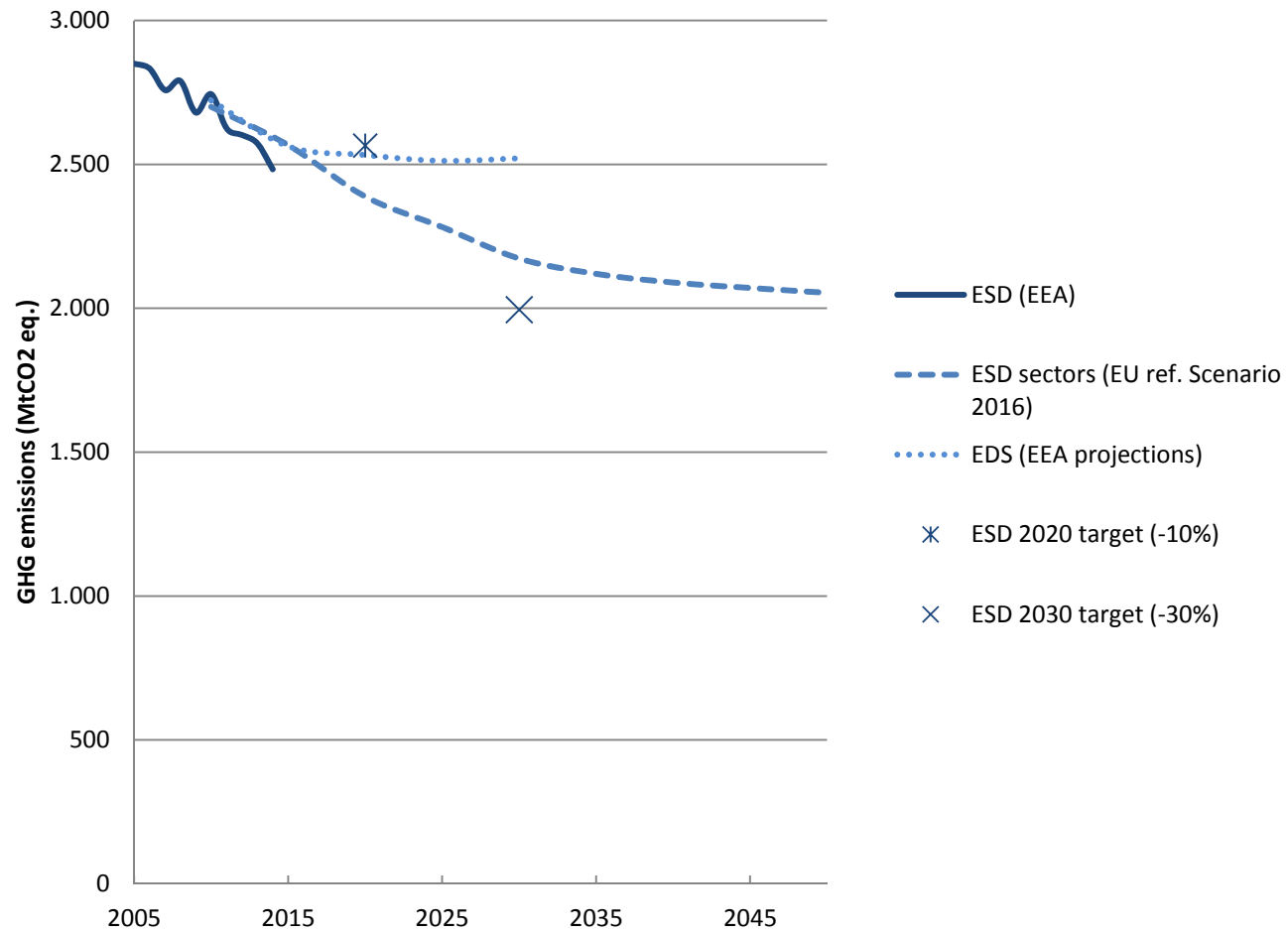


Total (2013-2016) ~ 1,7 G€



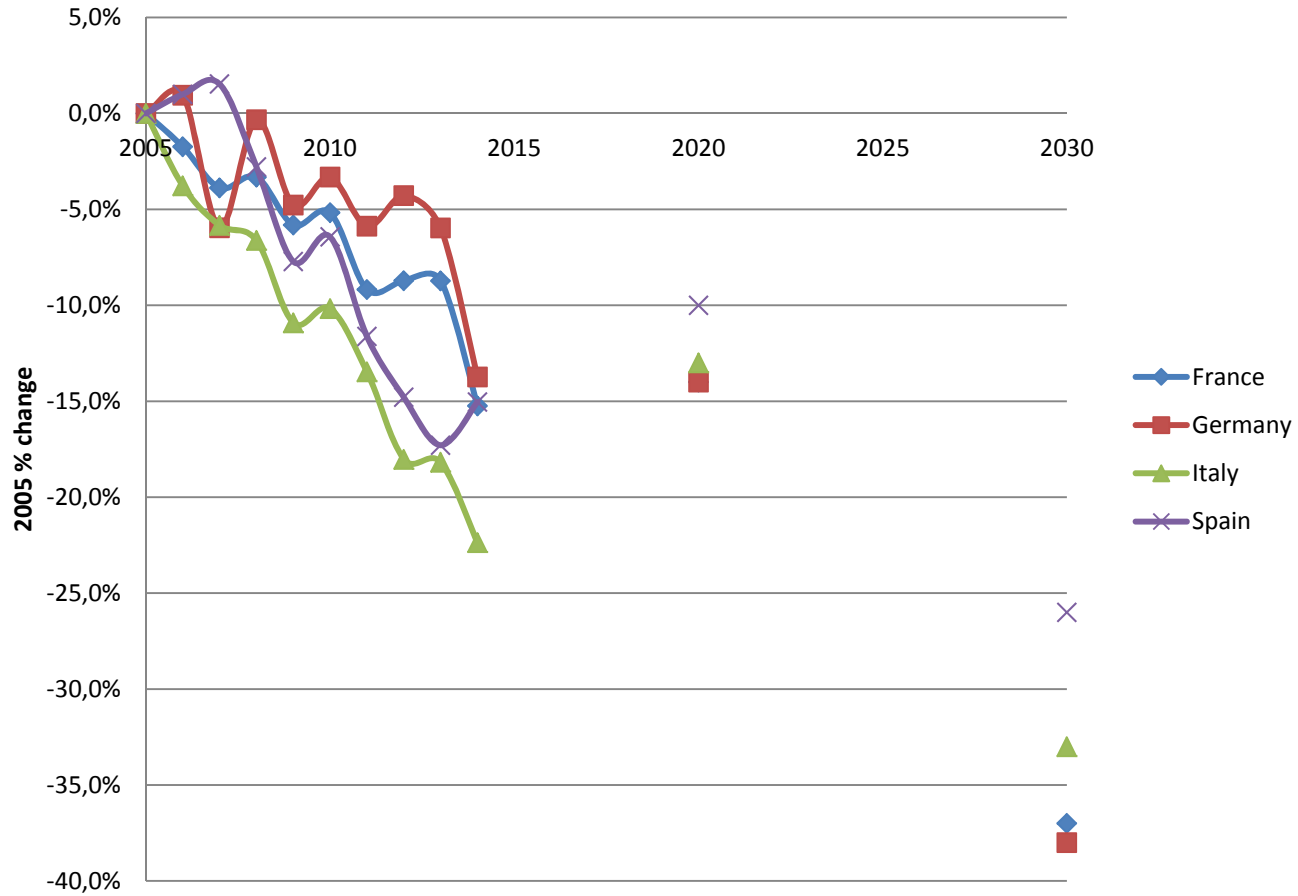
Source: I-Com on GSE and EEA data

ESD: an overview



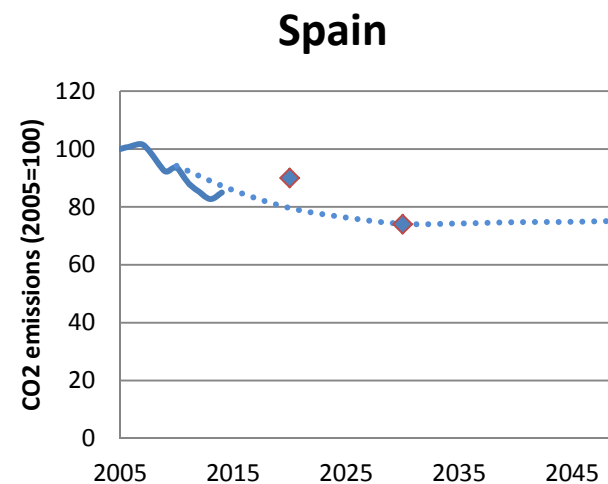
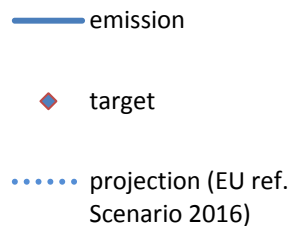
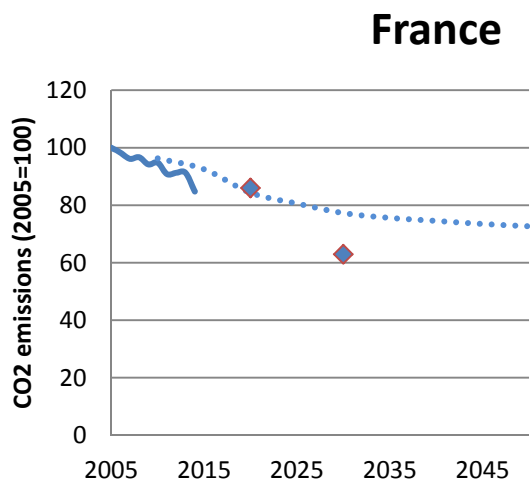
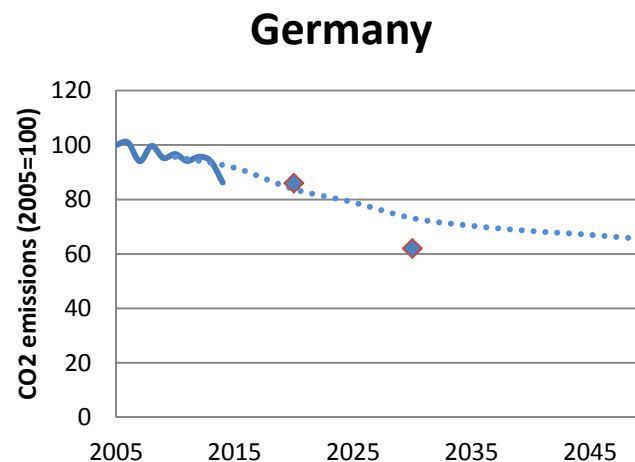
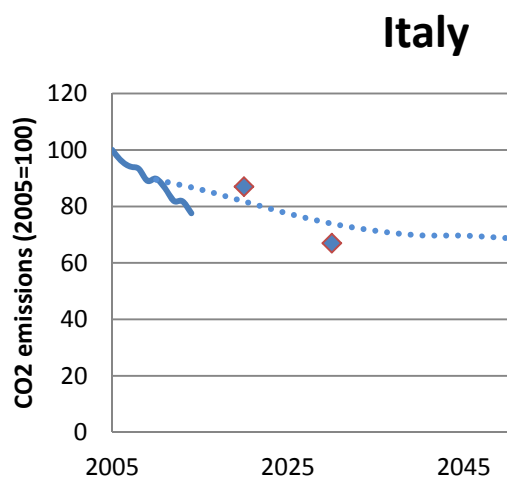
Source: I-Com on EEA and EU data

ESD: EU4 benchmark



Source: I-Com on EEA and EU data

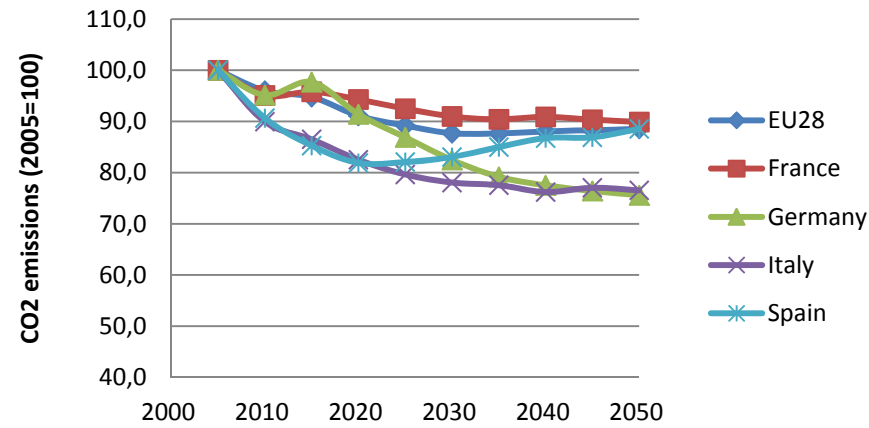
ESD: EU4 data and projections



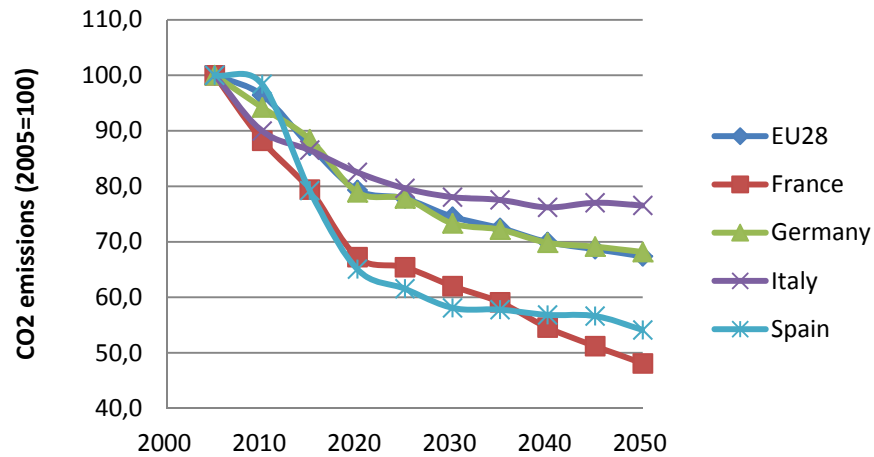
Source: I-Com on EEA and EU data

ESD: EU4 benchmark by sector

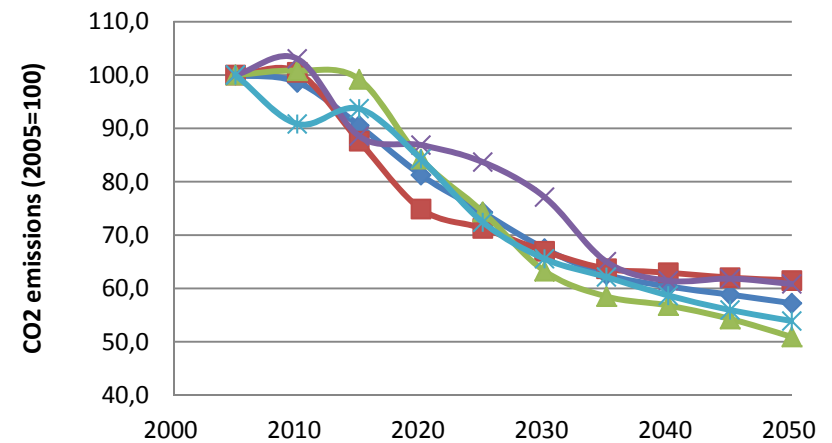
Transport



Residential

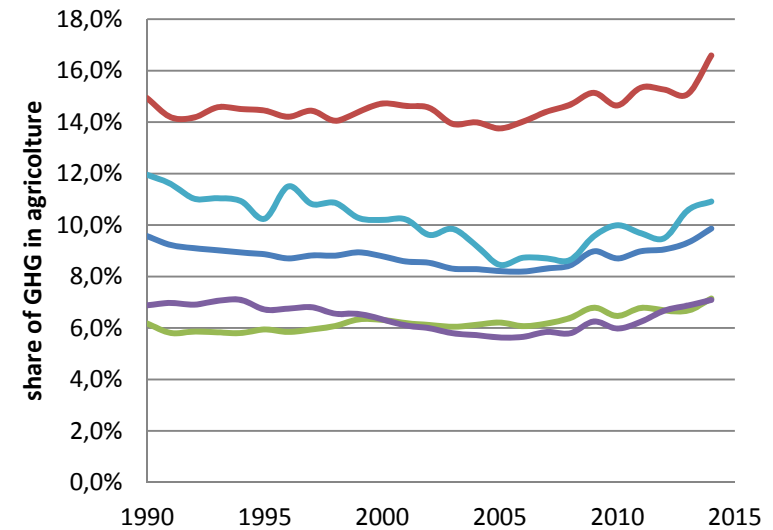
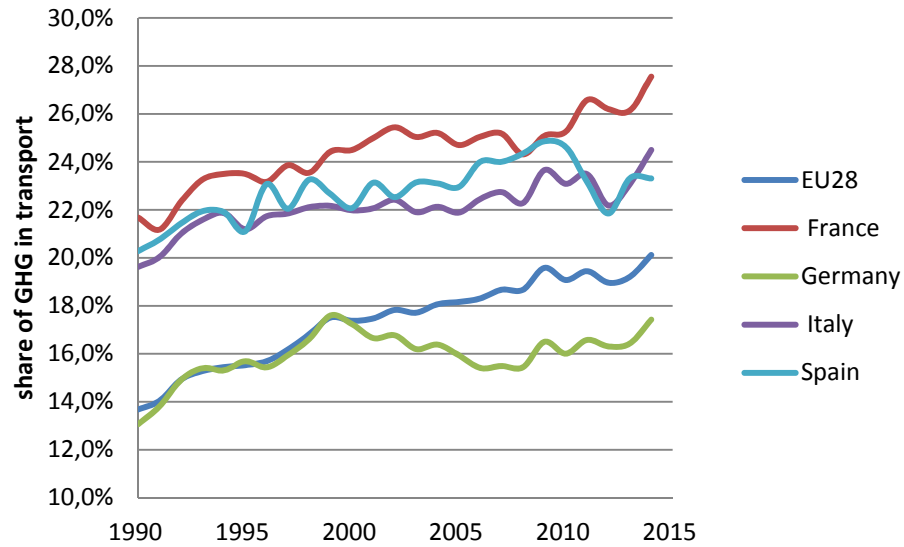


Tertiary



Source: I-Com on EEA and EU data

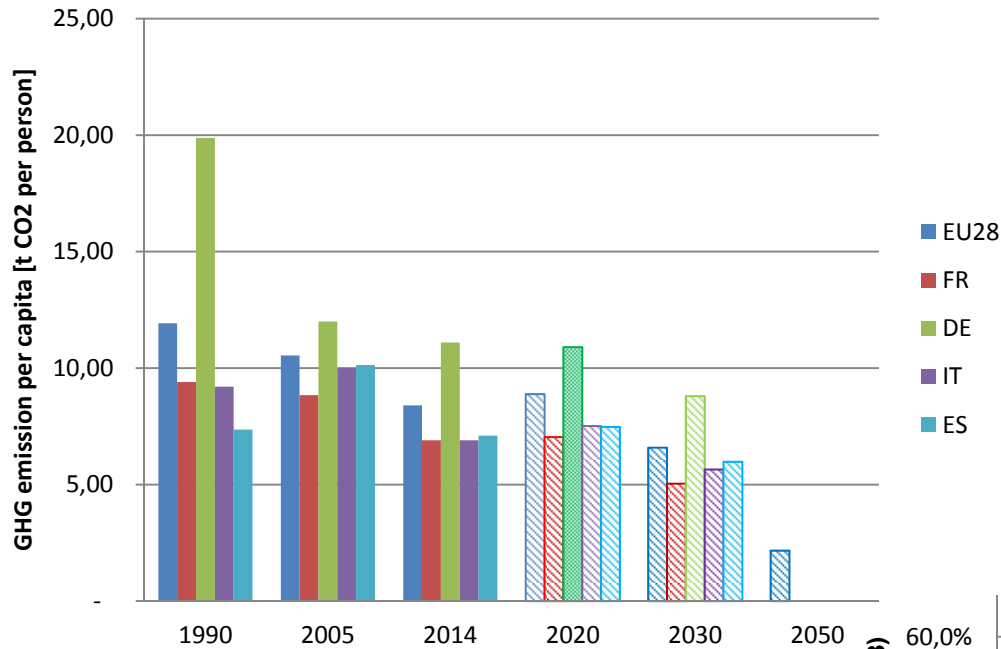
ESD: TRANSPORT & AGRICULTURE



1/3 of EU GHG emission in 2014 are from agriculture & transport

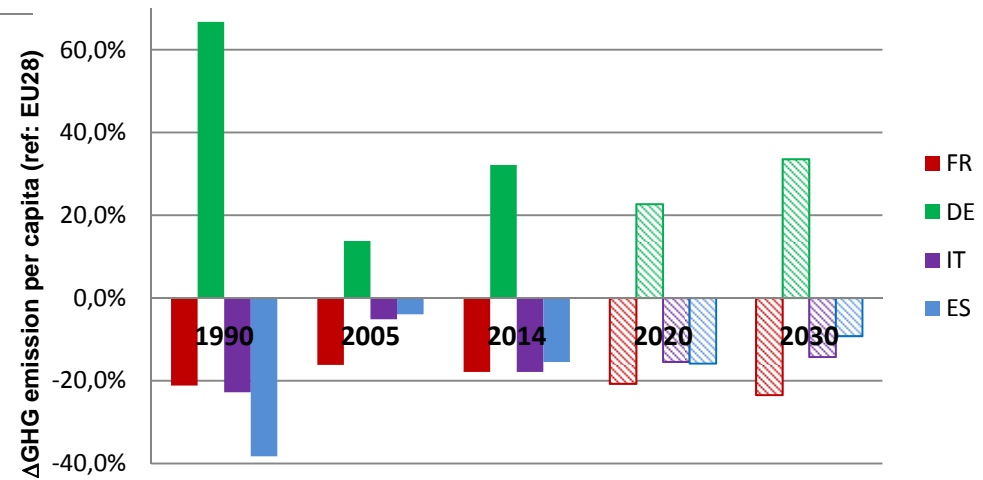
Source: I-Com on EEA data

EFFORT SHARING 2030: A POSSIBLE FAIRNESS INDICATOR



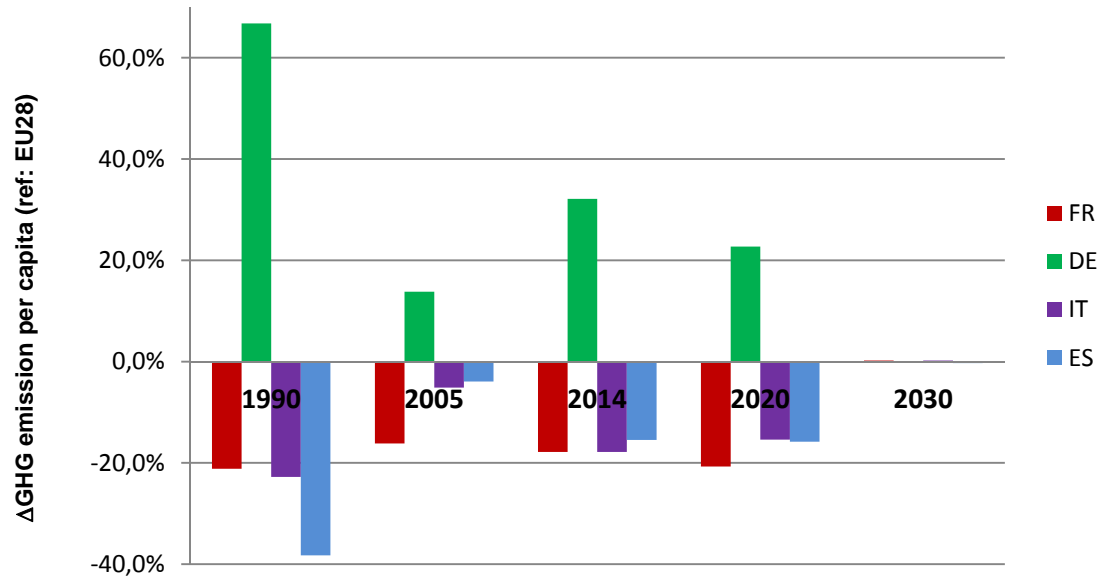
Δ per capita GHG 2030 (ref. EU28)	
FR	-23%
DE	34%
IT	-14%
ES	-9%

- 2020, 2030 and 2050 EU GHG emissions based on overall target
- MS 2020 and 2030 ETS GHG emissions based on EU Reference Scenario 2016
- MS 2020 and 2030 ESD GHG emissions based on national targets



Source: I-Com on EEA and EU data

EFFORT SHARING 2030: a “renormalized” scenario



- 2020, 2030 and 2050 EU GHG emissions based on overall target
- MS 2020 and 2030 ETS GHG emissions based on EU Reference Scenario 2016
- MS 2020 GHG emissions based on national targets
- MS 2030 ESD GHG emissions based renormalized to close the ΔGHG emission gap

	FR	DE	IT	ES
ESD 2030 target	-37%	-38%	-33%	-26%
ESD renormalized (*)	-12%	-73%	-15%	-15%
(*) to meet GHG per capita = average EU28				

Source: I-Com on EEA and EU data

Key questions

1. POST-2020 ETS REFORM

*Is the reformed-ETS suitable to provide long term investment signals for decarbonization?
Does the “ex-post” intervention & correction of market functioning undermine the mechanism itself?
Which alternatives to deal with allowance surplus?*

2. POST-2020 ESD

*Is the EU Commission proposal on national targets fair enough?
Are the proposed flexibility mechanisms suitable?
How to stimulate emission reductions in most critical sectors such as transport and agriculture?*

3. “THE ITALIAN JOB”

*Which is the possible impact of the 2030 GHG emission reduction targets on the energy mix and final consumptions? How to blend RE and EE measures to optimize the result?
How to reform the general stimulus system (incentives, fiscal deductions, financial mechanisms)?
How to promote innovation and competitiveness?
How to invest the CO2 auctioning revenues (e.g. R&D, international cooperation, market stimulus) and create synergies with ongoing initiatives?*

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