



on behalf of:

**giz** Deutsche Gesellschaft  
für Internationale  
Zusammenarbeit (GIZ) GmbH



# Decision on 2030 Climate and Energy Framework - *The importance for and impact on a European Energy Transition* -

**Josche Muth**  
Senior Consultant  
Energy and Climate  
*RE Dialog EU*

*on behalf of:*

**Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH**

## 23<sup>th</sup> October 2014: Decision of HoS on 2030



binding EU target of at least  
40% domestic GHG reduction

binding EU target of at least  
27% RES

indicative EU target of at least  
27% EE

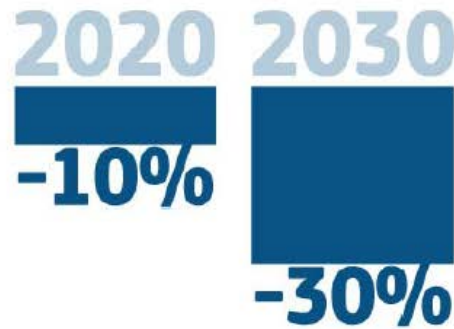
indicative target of 15% IC

No nationally  
binding targets

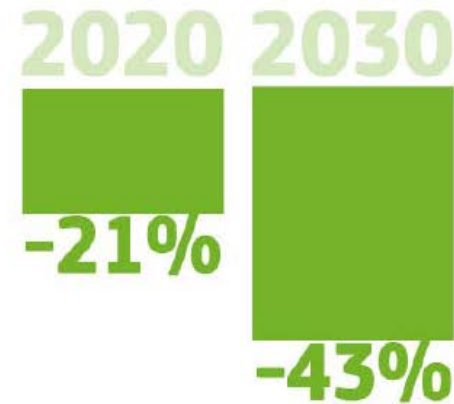
**Reliable and transparent governance system**

## GHG reductions: ETS and Non-ETS

**EMISSION  
REDUCTIONS  
IN ETS AND  
NON-ETS**  
COMPARED TO 2005

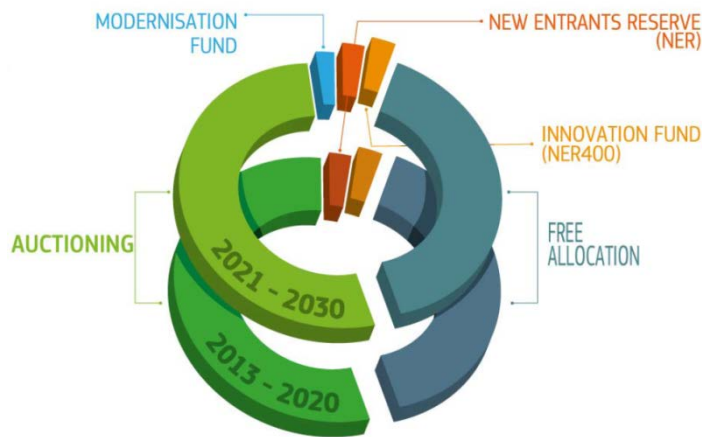


**NON  
ETS**  
INCLUDING  
ROAD TRANSPORT,  
HOUSING,  
AGRICULTURE  
etc.



**ETS**  
INCLUDING  
POWER/ENERGY  
SECTOR & INDUSTRY

# Carbon market to 2030: EU-ETS

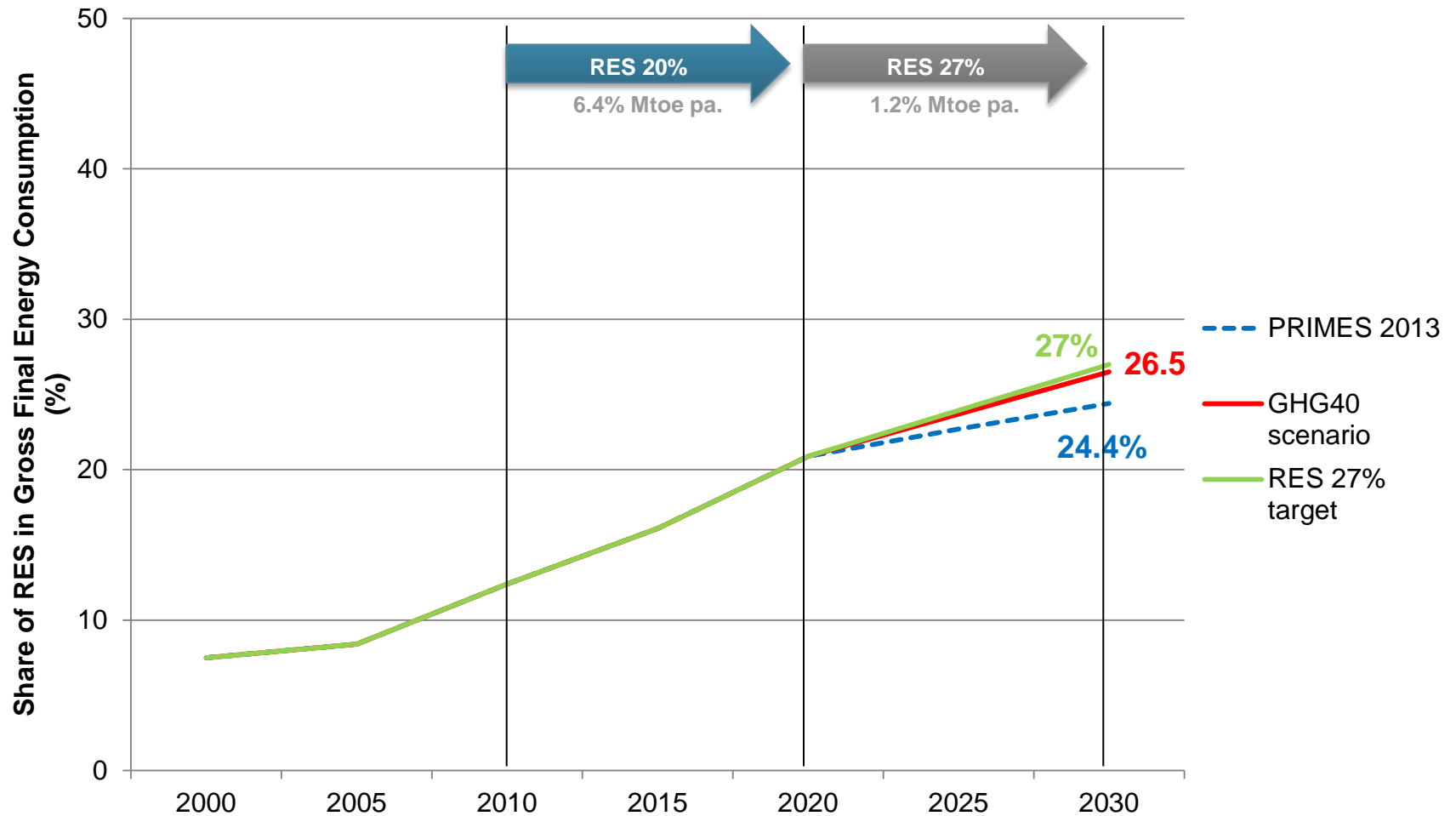


- Annual reduction factor to be changed from 1.74% to 2.2%
- Free allocation to be continued after 2020 to prevent carbon leakage
- Low-income MSs can give free EUAs to the energy sector (max. of 35% of their total EUAs)
- NER300 to be NER400 ("Innovation Fund")
- New "Modernisation Fund" of 2% of EUAs for low-income MSs
- New "Solidarity, Growth, Interconnections Reserve" of 10% of EUA for mid-income MSs
- 88% will be distributed among all MSs based on verified emissions

## Carbon-”Sweeteners”

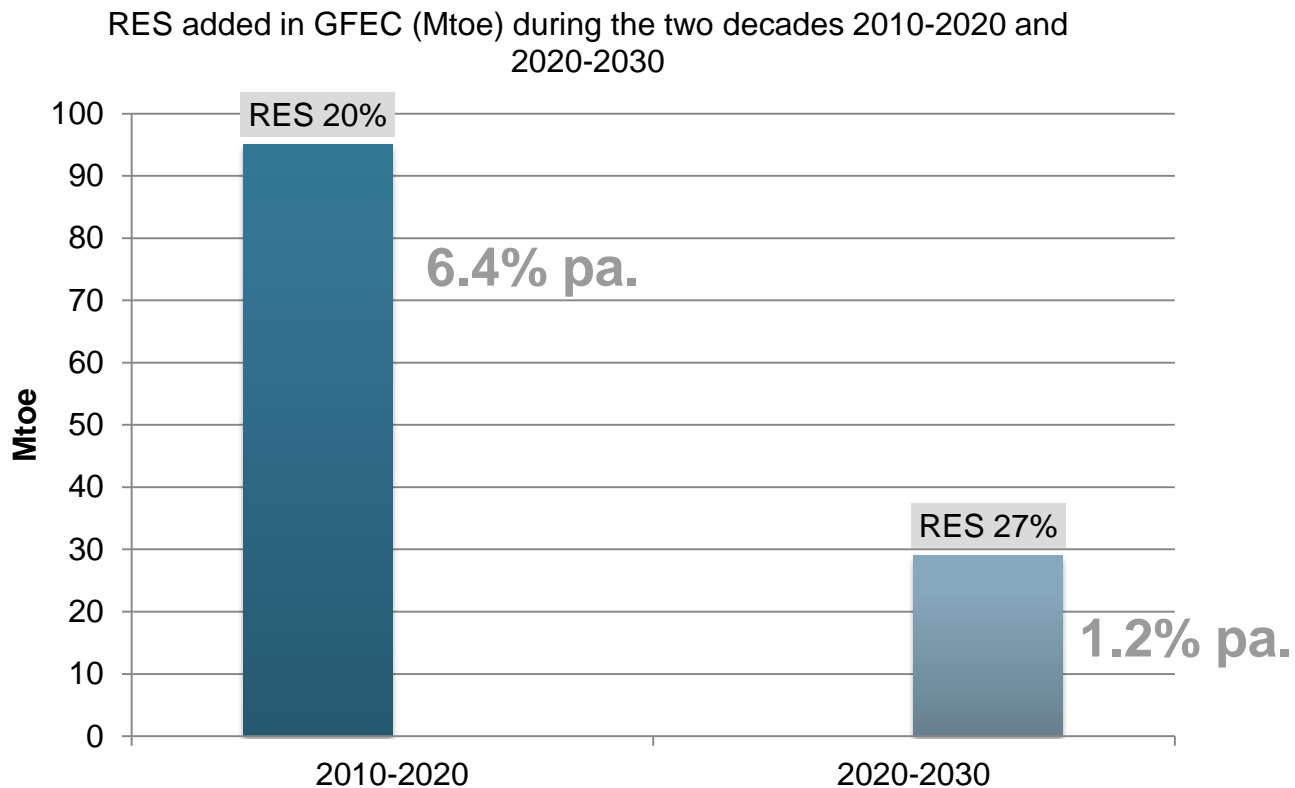
Member State Grouping	Member State	Sweetener
Low-income countries: GDP/capita <60% EU average (2013)	Bulgaria; Romania; Hungary; Poland; Croatia; Latvia; Lithuania; Slovakia; Estonia; Czech Republic	<ul style="list-style-type: none"> <li>• Free allowances to the energy sector</li> <li>• “Modernisation Fund” (=300 million EUAs)</li> <li>• “Solidarity, Growth, Interconnections Reserve”</li> </ul>
Mid-income countries: GDP/capita <90% EU average (2013)	the ones mentioned above + Portugal; Greece; Malta; Slovenia; Cyprus	<ul style="list-style-type: none"> <li>• “Solidarity, Growth, Interconnections Reserve”</li> </ul>

# Renewable energy towards 2030



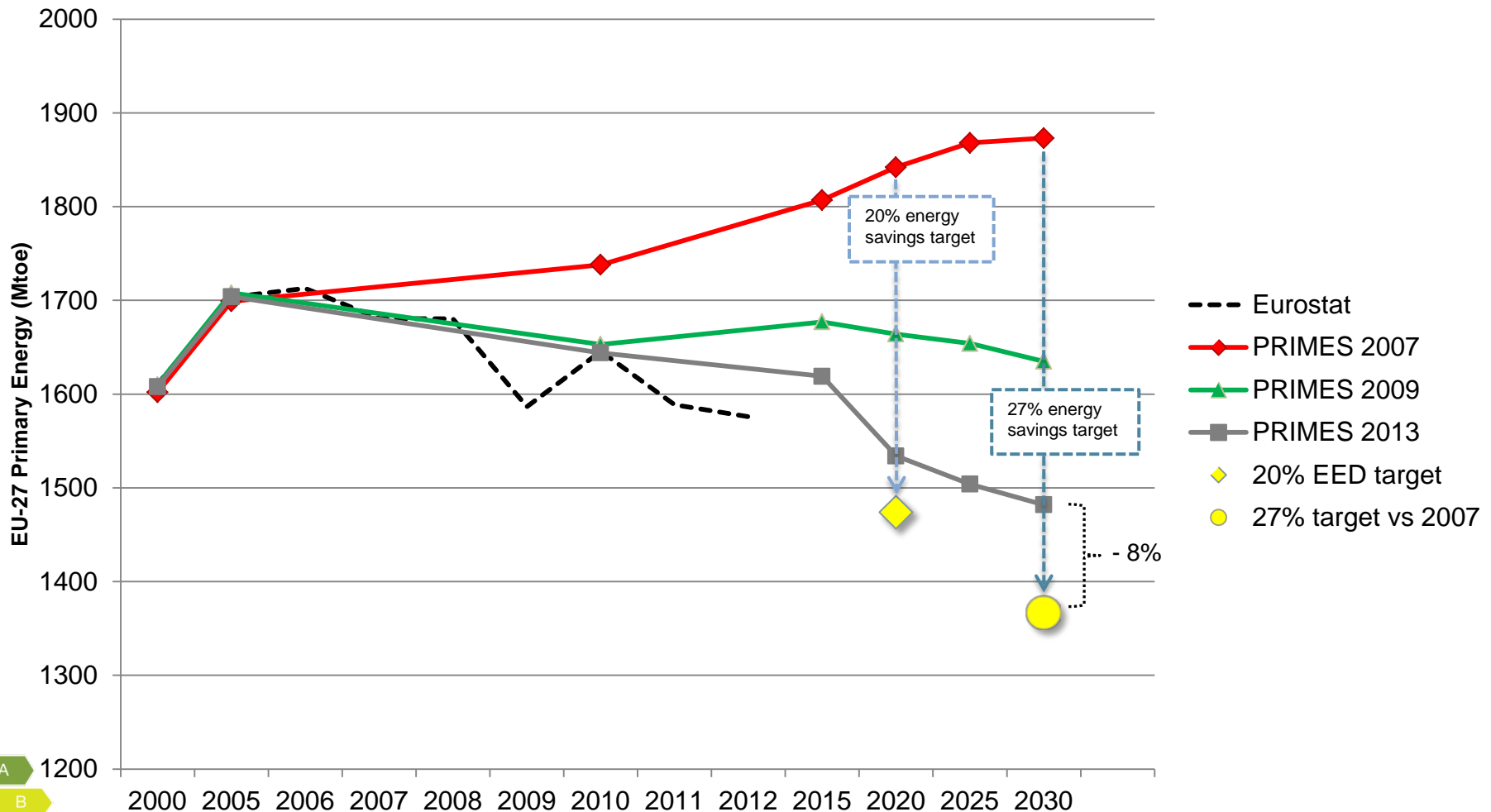
Source: own illustration, based on EC and Eurostat data

# Volume increase of renewable energy



Source: own illustration, based on EC and Eurostat data

# Energy Efficiency Ambitions

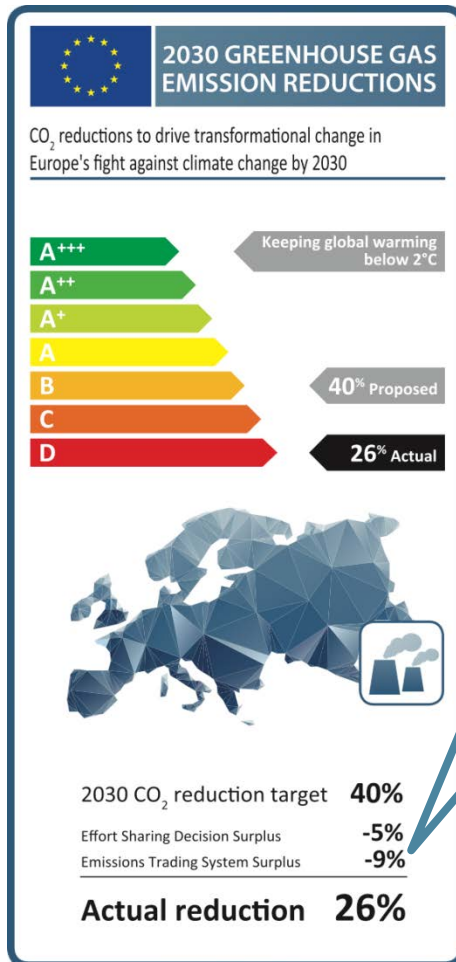


Source: own illustration, based on EC and Eurostat data

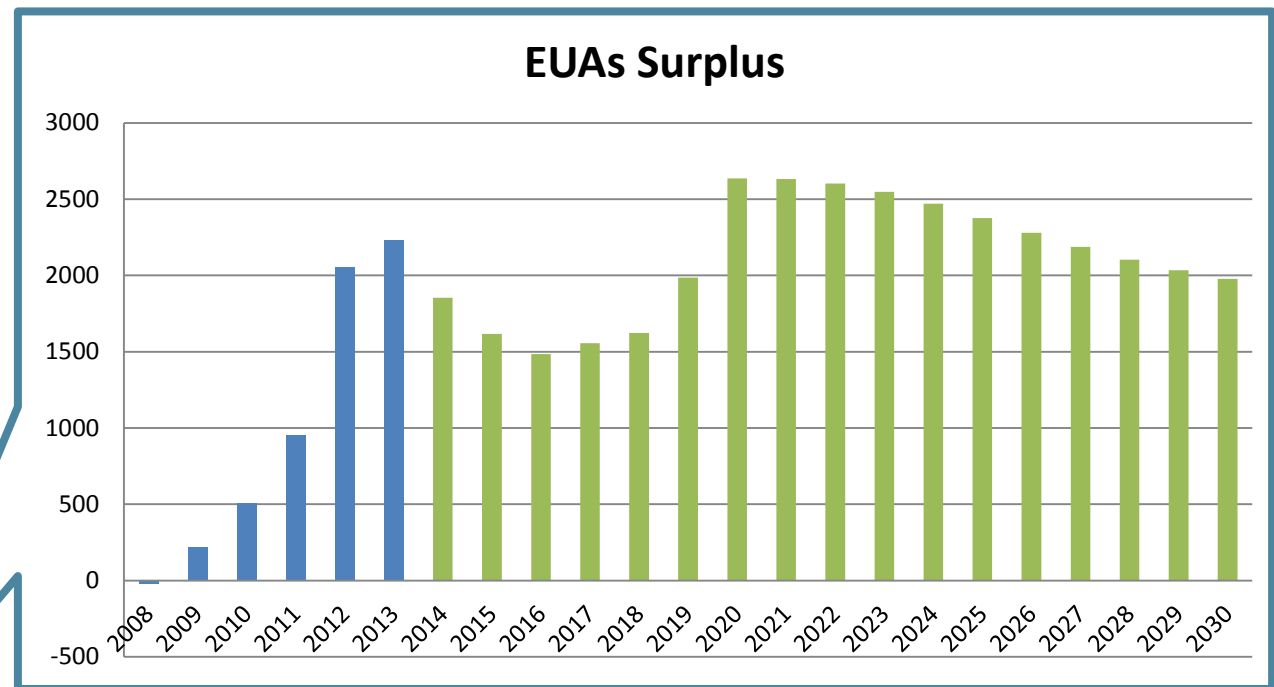




# GHG reductions: Need to closing loopholes

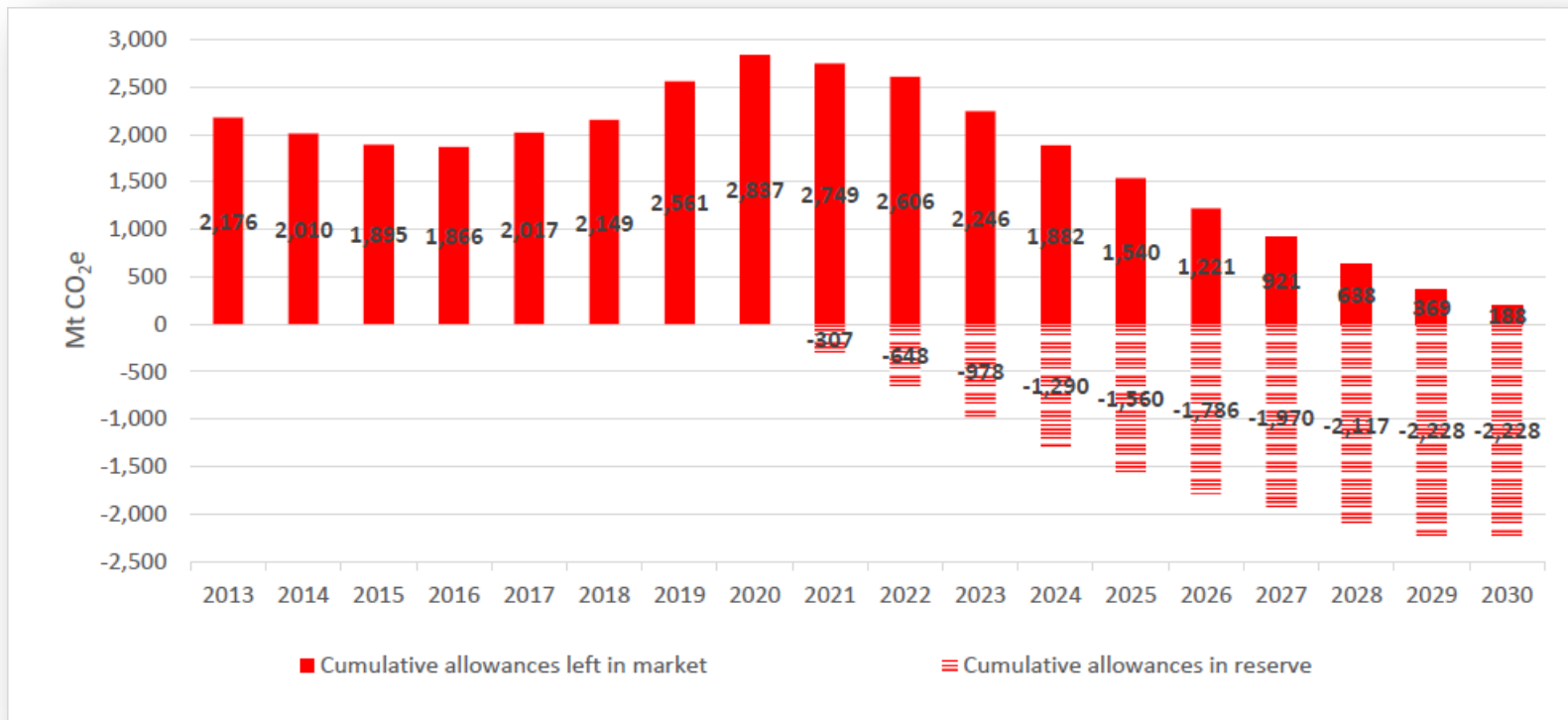


Source: Carbon Market Watch



Source: European Commission, DG Climate Action

# MSR: Supply of allowances under COM proposal



Source: Sandbag

## 2030 Overall Governance Structure

### Process

- National Plans for CSS energy
- European Semester?

### EU-target sharing

- Binding pledging result?
- Fair-share benchmark?
- Regional targets?

### Enabling policies

- EU binding measures:
  - Priority access and dispatch?
  - Education and Certification?
- National flexibility?
- Financial incentives for voluntary higher pledging?
- European RES Projects of Common Interest?

## Next Steps: 2014 - 2015

Initiative on  
new  
governance  
system

Decision on  
Market  
Stability  
Reserve  
(MSR)

Setting MSs  
targets in  
non-ETS  
sector  
(ESD)

Legislative  
proposals  
for post-  
2020 period

## Contact

### **Josche Muth**

Senior Consultant  
Energy and Climate  
*RE Dialog EU*  
[josche.muth-giz@outlook.com](mailto:josche.muth-giz@outlook.com)

### ***on behalf of***

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

### Torsten Fritsche

Senior Manager  
Industrialised Countries  
[torsten.fritsche@giz.de](mailto:torsten.fritsche@giz.de)

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# Climate Change: We understand...

