

Public questionnaire for the revision of the Emission Trading System (ETS) State aid Guidelines

Fields marked with * are mandatory.

Introduction

In 2005 the European Union Greenhouse Gas Emission Trading Scheme (EU ETS) was introduced to reduce CO₂ emissions in a cost-effective way and combat climate change. Directive 2009/29/EC[1] amending Directive 2003/87/EC[2] ("ETS Directive") improved and extended the EU ETS in the third trading period 2013-2020 (phase 3). Phase 3 of the EU ETS is based on a stricter and single EU-wide cap, the allocation of allowances are made on transitional fully harmonised EU-wide basis and wider auctioning of allowances have been progressively introduced.

Article 10a(6) of the ETS Directive foresees that Member States may adopt financial measures in favour of sectors determined to be exposed to a significant risk of carbon leakage due to costs relating to greenhouse gas emissions passed on in electricity prices ('indirect emissions costs'), in order to compensate for those costs and where such financial measures are in accordance with State aid rules.

On that basis, the Commission adopted in 2012 the Guidelines on certain State aid measures in the context of the greenhouse gas emission allowance trading scheme post-2012 ("2012 ETS Guidelines") allowing Member States to compensate some electro-intensive undertakings active in a sector exposed to international trade, for part of the higher electricity costs expected to result from the EU ETS in the period 2013-2020.

The ETS Directive has been revised for its next trading period 2021-2030 (phase 4), with the adoption of Directive (EU) 2018/410[3], to enable it to achieve the EU's 2030 emission reduction targets. The new ETS Directive states in its recitals that "[i]t would be desirable that Member States partially compensate, in accordance with State aid rules, certain installations in sectors or subsectors which have been determined to be exposed to a significant risk of carbon leakage because of costs related to greenhouse gas emissions passed on in electricity prices [...]".[4]

Under the revised Directive, Article 10a(6) now foresees that "Member States should adopt financial measures [...] in favour of sectors or subsectors which are exposed to a genuine risk of carbon leakage due to significant indirect emissions costs that are actually incurred from greenhouse gas emission costs passed on in electricity prices, provided that such financial measures are in accordance with State aid rules, and in particular do not cause undue distortions of competition in the internal market. Where the amount available for such financial measures exceeds 25 % of the revenues generated from the auctioning of allowances, the Member State concerned shall set out the reasons for exceeding that amount. Member States shall also seek to use no more than 25 % of the revenues generated from the auctioning of allowances for the financial measures referred to in the first subparagraph. [...] Those measures shall be such as to ensure that there is adequate protection against the risk of carbon leakage, based on ex-ante benchmarks for the indirect emissions of CO₂ per unit of production. Those ex ante benchmarks shall be calculated for a given sector or subsector as the product of the electricity consumption per unit of production corresponding to the most efficient available technologies and of the CO₂ emissions of the relevant European electricity production mix".

At their expiry on 31 December 2020, the 2012 ETS Guidelines will therefore need to be updated, reflecting the new provisions of the ETS Directive 2003/87/EC, as revised by Directive (EU) 2018/410.

The abovementioned provisions of the ETS Directive are based on the premise that financial support for indirect emissions costs can be highly distortive, if it is not properly targeted to sectors that are at significant risk of carbon leakage due to CO₂ costs passed on in electricity prices and limited to the additional cost stemming from ETS Phase 3 for the most energy efficient firms. Otherwise, aid would introduce economic distortions within the EU

economy and have a detrimental impact on the efficiency of the EU ETS.

Therefore, the primary objective of State aid control in the context of the implementation of the EU ETS is to ensure that State aid measures will address the risk of carbon leakage due to indirect emissions costs (thus resulting in a higher overall level of environmental protection) and to ensure that the positive effects of the aid outweigh its negative effects in terms of distortions of competition in the internal market, while preventing overcompensation and ensuring a level playing field across the EU.

The information collected through this consultation will be used by the Commission to prepare the evaluation of the 2012 ETS Guidelines and the impact assessment for the future ETS Guidelines. The questionnaire is available in the Commission three working languages (English, French and German) and replies can be submitted in all official EU languages.

A summary report of the public consultation will also be published in Summer 2019 on the official public consultations page of the European Commission (https://ec.europa.eu/info/law/better-regulation/have-your-say_en). The final report will be published early 2020 on the same website.

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- Gaelic
- German
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- Company/business organisation
- Consumer organisation

- EU citizen
- Environmental organisation
- Non-EU citizen
- Non-governmental organisation (NGO)
- Public authority
- Trade union
- Other

* First name

Clemens

* Surname

Rosenmayr

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rosenmayr@eurochambres.eu

* Organisation name

255 character(s) maximum

EUROCHAMBRES, Association of European Chambers of Commerce and Industry

* Organisation size

- Micro (1 to 9 employees)
- Small (10 to 49 employees)
- Medium (50 to 249 employees)
- Large (250 or more)

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Check if your organisation is on the [transparency register](#). It's a voluntary database for organisations seeking to influence EU decision-making.

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Please add your country of origin, or that of your organisation.

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- Bhutan
- Bolivia
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- Bosnia and Herzegovina
- Botswana
- Bouvet Island
- Brazil
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- Ethiopia
- Falkland Islands
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- Gabon
- Georgia
- Germany
- Ghana
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- Greece
- Greenland
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- Guernsey
- Guinea
- Guinea-Bissau
- Guyana
- Haiti
- Heard Island and McDonald Islands
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- Hungary
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- Mexico
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- Monaco
- Mongolia
- Montenegro
- Montserrat
- Morocco
- Mozambique
- Myanmar/Burma
- Namibia
- Nauru
- Nepal
- Netherlands
- New Caledonia
- New Zealand
- Nicaragua
- Niger
- Nigeria
- Niue
- Norfolk Island
- North Korea
- Northern Mariana Islands
- São Tomé and Príncipe
- Saudi Arabia
- Senegal
- Serbia
- Seychelles
- Sierra Leone
- Singapore
- Sint Maarten
- Slovakia
- Slovenia
- Solomon Islands
- Somalia
- South Africa
- South Georgia and the South Sandwich Islands
- South Korea
- South Sudan
- Spain
- Sri Lanka
- Sudan
- Suriname
- Svalbard and Jan Mayen
- Swaziland
- Sweden
- Switzerland
- Syria
- Taiwan
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- Thailand
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| <input type="radio"/> Denmark | <input type="radio"/> Liberia | <input type="radio"/> Saint Martin | |

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The Commission will publish the responses to this public consultation. You can choose whether you would like your details to be made public or to remain anonymous.

Anonymous

Only your type, country of origin and contribution will be published. All other personal details (name, organisation name and size, transparency register number) will not be published.

Public

Your personal details (name, organisation name and size, transparency register number, country of origin) will be published with your contribution.

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Please describe the main activities of your company/organisation/association, if applicable:

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EUROCHAMBRES represents over 20 million businesses in Europe through 45 members (43 national associations of chambers of commerce and industry and two transnational chamber organisations) and a European network of 1700 regional and local chambers. More than 93% of these businesses are small and medium sized enterprises (SMEs). Chambers' member businesses employ over 120 million. EUROCHAMBRES strives to improve the general conditions in which businesses operate, to facilitate access to markets within and beyond the EU and to ensure the availability of human, financial and natural resources.

Please indicate your sector of activity (NACE code), if applicable:

1000 character(s) maximum

Please specify whether you have received indirect emissions cost compensation in the past (if applicable):

- Yes
 No
 I don't know

If you replied yes to the question above, please specify the amount per year:

	Amount of compensation received (EUR in millions)
2012	
2013	
2014	
2015	
2016	
2017	
2018	

Please also specify how the share of indirect emissions costs over the total energy and operating costs of your undertaking has evolved since 2012 (if applicable).

1000 character(s) maximum

Please indicate in which Member State(s) you operate (if different from your location indicated above):

1000 character(s) maximum

Section A: Evaluation questions

According to the ETS Directive, the beneficiaries eligible for aid for indirect emissions costs should be those sectors that are exposed to a genuine risk of carbon leakage due to significant indirect costs that are actually incurred from greenhouse gas emission costs passed on in electricity prices.

The 2012 ETS guidelines define "carbon leakage" as the prospect of an increase in global greenhouse emissions when companies shift production outside the European Union, because they cannot pass on the cost incurred by the EU ETS to their customers without significant loss of market share.

Financial support should therefore be limited to those electricity intensive sectors which are unable to pass through the electricity cost increase stemming from the CO2 price to their customers into product prices without significant loss of market share and which are likely for this reason to relocate to less carbon-constrained zones outside the EU.

The objective of the following questions is to gather evidence to establish whether the 2012 ETS Guidelines adequately targeted sectors exposed to a carbon leakage risk due to indirect emissions costs and whether the aid amount was adequately set to prevent carbon leakage without undermining cost-effective decarbonisation of the economy and creating undue competition distortion. The following questions are therefore only backward looking and only concern Phase 3 of the EU ETS, and should be answered taking into account the situation under Phase 3, in particular with the CO2 prices experienced during that period.

1. Are there sectors (at NACE 4 level[5]) and subsectors (at Prodcom 8 level[6]) which, according to you, were included in the list of eligible sectors for indirect emissions cost compensation (c.f. Annex II of the 2012 ETS Guidelines[7]), but were not exposed to carbon leakage, as defined above?

- Yes
- No
- I do not know

If you replied "yes" to question above, please list those sectors and subsectors and substantiate your answer:

1000 character(s) maximum

2. Are there sectors (at NACE 4 level[8]) or subsectors (at Prodcom 8 level[9]) which, according to you, were exposed to a carbon leakage risk, as defined above, but were not included in the list of eligible sectors for indirect emissions cost compensation (c.f. Annex II of the 2012 ETS Guidelines[10])?

- Yes
- No
- I do not know

If you replied "yes" to question above, please list those sectors and subsectors and explain what makes them susceptible to carbon leakage:

1000 character(s) maximum

The following sectors are exposed to carbon leakage risk and their inclusion should therefore be considered:

- 19.20 refined petroleum products
- 23.11 flat glass
- 23.13 hollow glass
- 23.14 glass fibres
- 23.19 other glass including technical glass ware
- 23.51 cement
- 23.52 lime and plaster
- 23.32 bricks, clay roof tiles, clay drainage pipes
- 23.20 refractories

23.42 sanitary ware

23.41 tableware

These sectors cannot pass through indirect emission costs to their product prices and therefore have a competitive disadvantage compared to sectors eligible for compensation.

3. Can you identify any concrete example of carbon leakage due to indirect emissions costs?

- Yes
- No
- I do not know

If you replied "yes" to question above, please indicate which companies were involved:

1000 character(s) maximum

EUROCHAMBRES represents the European economy in its entirety, not single companies. We therefore cannot comment on individual business decisions. However, studies (e.g. by the German Economic Institute/ Institut der deutschen Wirtschaft (IW)) show that the capital stock of the energy intensive industry has been decreasing significantly in the EU over the last decade.

4. In case you identified any concrete example of carbon leakage due to indirect emissions costs under question 3, and based on your experience, please specify the main reasons that triggered this decision of shifting production outside the EU.

Please rate from 1 to 5, 1 being very minor reason and 5 being very important reason:

	1	2	3	4	5	I do not know
Limited possibility to pass on indirect emissions costs to final customer	<input type="radio"/>	<input checked="" type="radio"/>				
Absence of indirect emissions cost compensation scheme in the Member State	<input type="radio"/>	<input checked="" type="radio"/>				
Other reasons. Please rate and specify in the field below	<input type="radio"/>	<input checked="" type="radio"/>				

Please explain the reasons for your rating and where possible provide figures:

1000 character(s) maximum

5. Based on your experience, has a compensation of indirect emissions costs, as defined by the 2012 ETS guidelines, been sufficient to prevent such carbon leakage?

- Yes
- No
- I do not know

Please substantiate your answer:

1000 character(s) maximum

The compensation of indirect emission costs has not been implemented in all member states so far. Yet, power prices and thus indirect CO2 costs are an important economic location factor and failing to compensate leads to an uneven playing field both within the EU and in relation to competitors from third countries. In addition this is not the only instrument necessary to prevent carbon leakage. Direct EU instruments include the free allocation of ETS allowances.

6. Based on your experience, has a compensation of indirect emissions costs created market distortion?

- Yes
- No
- I do not know

Please substantiate your answer:

1000 character(s) maximum

Every member state is entitled to use a compensation scheme. Not all of them have done so. Different economic structures result in different economic decisions of governments. Member states can avoid market distortions between countries by introducing a domestic compensation scheme for sectors at risk of carbon leakage. The European list of eligible sectors should cover all sectors at risk of carbon leakage and, therefore, be adjusted accordingly.

7. Has the amount of compensation of indirect emissions costs undermined the incentive for cost-effective decarbonisation of the economy?

- Yes
- No
- I do not know

Please substantiate your answer:

1000 character(s) maximum

The European energy-intensive industries have already invested in energy efficiency and less carbon-intensive solutions for decades and as a result, they own some of the most efficient installations worldwide.

8. Please specify which of the following reasons prevented carbon leakage.

Please rate from 1 to 5, 1 being very minor reason and 5 being very important reason:

	1	2	3	4	5	I do not know
The undertakings were able to pass on most if not all the indirect emissions costs to their customers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
The indirect emissions cost compensation granted was effective	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other support measures such as the allocation of free allowances, reductions from levies financing support to renewable energy sources or reductions on electricity taxation outweighed the higher costs linked to electricity consumption	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
The level of CO2 price	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other reasons. Please rate and specify in the field below	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

Please explain the reasons for your rating and where possible provide figures:

1000 character(s) maximum

CO2 price level will increase in trading phase 4, which makes effective carbon leakage measures even more important as of 2021.

9. The 2012 ETS Guidelines set the formulas to be used to calculate the maximum aid amount payable per installation for the manufacture of products within the sectors eligible for indirect emissions cost compensation[11]. Do you consider these calculation formulas adequate or do you consider that they do not effectively compensate the indirect emissions costs paid by the undertakings concerned?

- Yes, the calculation formulas are adequate
 No, the calculation formulas are not adequate

Please substantiate your answer:

1000 character(s) maximum

Degressive compensation jeopardises the competitiveness of energy-intensive industries. In addition, the fallback electricity consumption efficiency benchmark should be increased to take into account the energy efficiency improvements achieved so far.

10. How do administrative costs incurred by the aid application compare with the actual amount of compensation received?

Please rate from very low (administrative costs representing less than 1% of the actual amount of compensation received) to very high (administrative costs representing more than 20% of the actual amount of compensation received):

	Very low (less than 1%)	Low (between 1% and 5%)	Intermediate (between 5% and 10%)	High (between 10% and 20%)	Very high (more than 20%)	I do not know
Proportion of administrative costs in total actual amount of compensation received	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

Please explain the reasons for your rating:

1000 character(s) maximum

11. Which benefits for society did the 2012 ETS Guidelines create in your view?

Please rate from 1 to 5, 1 being very minor benefit and 5 being very important benefit:

	1	2	3	4	5	I do not know
Improved wellbeing of individuals	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Energy Efficiency improvements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Reduced greenhouse gas emissions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Wider macroeconomic benefits (GDP improvements, productivity enhancements, greater employment rates, improved job quality...)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other non monetisable benefits (protection of fundamental rights, social cohesion, reduced gender discrimination, international and national stability)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other. Please rate and specify in the field below	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

Please explain the reasons for your rating and where possible provide figures:

1000 character(s) maximum

Due to the expected price increases in greenhouse gas allowances and the advancement of the electrification of energy-intensive industrial processes the compensation of indirect ETS costs will become more important in the future. In addition, at the moment it seems rather unlikely that other world regions adopt similarly ambitious climate policies as the EU. Comprehensive carbon leakage protection measures are therefore essential to safeguard the effectiveness of the ETS as a climate protection instrument and the competitiveness of European industries.

12. Which costs for society did the 2012 ETS Guidelines create in your view?

Please rate from 1 to 5, 1 being very minor cost and 5 being very important cost:

	1	2	3	4	5	I do not know
Regulatory charges (fees, levies, taxes...)	<input type="radio"/>	<input checked="" type="radio"/>				
Substantive compliance burdens (costs to comply with substantive obligations or requirements contained in the 2012 ETS Guidelines)	<input type="radio"/>	<input checked="" type="radio"/>				

Administrative burdens (costs resulting from administrative activities performed to comply with information obligations included in the 2012 ETS Guidelines)	<input type="radio"/>	<input checked="" type="radio"/>				
Hassle costs (waiting time, delays, redundant legal provision...)	<input type="radio"/>	<input checked="" type="radio"/>				
Other. Please rate and specify in the field below	<input type="radio"/>	<input checked="" type="radio"/>				

Please explain the reasons for your rating and where possible provide figures:

1000 character(s) maximum

13. Point 11 of the 2012 ETS guidelines states that “in case of electricity supply contracts that do not include any CO2 costs, no State aid will be granted”. Has this rule affected the potential for producers of renewable energy to sell their output through Power Purchase Agreements?

- Yes
- No
- I do not know

Please substantiate your answer:

1000 character(s) maximum

14. In your view, was it useful to have ETS State aid Guidelines compared to the counterfactual scenario where - in the absence of ETS State aid Guidelines - national measures to compensate for indirect emissions costs would have had to be designed by Member States without any guidance from the Commission?

- Yes
- No
- I do not know

Please substantiate your answer:

1000 character(s) maximum

The State Aid guidelines provide a good framework for member states to design their own compensation schemes. They need to have enough flexibility to tailor these schemes to their industries and economic structure. EUROCHAMBRES therefore see a full harmonisation at EU-level very critically. However, in the interest of an intra-EU level playing field we call upon the Commission to recommend all member states the introduction of (tailor-made) compensation schemes for indirect emission costs.

15. Are there any other observations or comments as regards both the eligibility criterion and/or the formula used in the 2012 ETS Guidelines that you would like to make?

1000 character(s) maximum

Section B: Impact Assessment questions

The following questions aim at providing the Commission with relevant data and information necessary to define and potentially revise (i) the sectors at risk of carbon leakage due to the cost of indirect emissions costs they bear, and (ii) the amount of compensation that should be granted to avoid such carbon leakage without undermining the incentive for cost-effective decarbonisation of the economy and without undue distortion of competition in the internal market. Contrary to section A, these questions are forward-looking and respondent should answer them in view of the expected market circumstances during the next trading period (i.e. Phase 4).

B1 Sectoral Eligibility

16. How should the list of eligible sectors be established for the next trading period?

- The list should remain the same as the one currently applicable under the 2012 ETS Guidelines
- The list should be identical to the Carbon Leakage List for the period 2021-2030
- The list should follow the same methodology as the Carbon Leakage List for the period 2021-2030 but only considering indirect emission intensity
- The list should be established through an adaptation of the quantitative criteria used to determine the Carbon Leakage List for the period 2021-2030
- Other
- I do not know

Please justify your choice:

1000 character(s) maximum

Increasing CO₂ costs and further electrification will result in additional sectors being at risk of carbon leakage. In addition to all sectors covered by the carbon leakage list, compensation should thus be available for all sectors and sub-sectors for which indirect emission costs create a risk of carbon leakage. The criteria for beneficiaries need to be developed in a transparent way and in close cooperation with relevant stakeholders. The Commission should also consider the inclusion of those electricity-intensive sectors that supply sectors eligible for compensation (e.g. manufacturers of industrial gases, compressed air and cooling water). By doing so, the electrification of industrial processes can be driven forward.

17. In your view, should the compensation be made conditional on?

- The energy efficiency achieved (volume of production/MWh)
- The reduction of energy consumption (reduction of MWh)
- The participation in a national energy efficiency programme, where such programme exists
- It should not be made conditional
- I do not know

Please substantiate your answer:

1000 character(s) maximum

Indirect emission cost compensation should not be made conditional. E.g. conditionality upon energy efficiency investments would penalise front-runners who have already invested accordingly in the past.

B2 Level of Support

Aid intensity

18. Based on your experience, what should be the aid intensity at the beginning of the next trading period?

- 75%, as it is today
- Lower than 75%
- Higher than 75%
- A variable aid intensity depending on trade intensity and/or the beneficiary's Gross Value Added (GVA), as defined in Annex 4 of the Guidelines on State aid for environmental protection and energy 2014-2020[12]
- I do not know

Please substantiate your answer:

1000 character(s) maximum

Aid intensity should be at least 85% and remain constant over the entire trading phase 4.

Degressivity

The 2012 ETS Guidelines states that the aid granted to compensate indirect emissions costs must be reduced over time.

19. Based on your experience, should the aid intensity be degressive over the next trading period?

- Yes
- No
- I do not know

Please substantiate your answer:

1000 character(s) maximum

In view of increasing allowance prices, a decreasing aid intensity endangers the competitiveness of industrial sectors, especially of those who have already fully exploited their energy efficiency potentials. We recommend to apply the maximum aid intensity of 85% constantly over the entire trading phase 4 instead.

20. How should the degressivity trend evolve in the next trading period?

- It should remain the same as in Phase 3 (i.e. flat in years #1,#2 and #3, -5% in years #4, #5 and #6, -5% in years #7 and #8)
- The trend should be less degressive
- The trend should be more degressive
- The aid intensity should remain stable over the period, but the electricity consumption efficiency benchmarks should be updated more frequently to maintain the incentive to achieve cost-effective decarbonisation of the economy
- I do not know

Please substantiate your answer:

1000 character(s) maximum

The electricity consumption efficiency benchmarks incentivise energy efficiency improvements. They are based on real-world technical progress, whereas the general and automatic decrease of the aid intensity is not linked to any real-world factor.

Electricity consumption efficiency benchmarks

The calculation formula defined under the 2012 ETS guidelines refers to electricity consumption efficiency benchmark in order to establish the level of aid that can be granted to compensate indirect emission costs. These benchmarks represent the product-specific electricity consumption per tonne of output achieved by the most electricity-efficient methods of production for the product considered.

21. How in your view should the efficiency benchmarks be updated in order to incentivise energy efficiency investments by beneficiaries?

Please substantiate your answer:

1000 character(s) maximum

22. How often should the efficiency benchmarks be revised?

- Never, they would be defined only once in the beginning of the trading period
- Every year
- One mid-term review in 2025
- I do not know
- Other option: please specify

Please substantiate your answer:

1000 character(s) maximum

The additional administrative burden for businesses must be kept at a minimum. At the same time, companies need planning security.

CO₂ emission factor

The CO₂ emission factor corresponds to the CO₂ emissions per MWh of electricity generated. The question is what CO₂ factor to use as a basis for calculating the compensation.

23. Which type of CO₂ emission factor should be used for the next trading period?

- An EU-wide CO₂ emission factor
- A regional CO₂ emission factor
- A national CO₂ emission factor
- I do not know

Please substantiate your answer:

1000 character(s) maximum

The CO₂ factor used should reflect the electricity price increases caused by the ETS as realistically as possible. This is why a regional approach is necessary, taking into account the CO₂-intensity of power plants setting the wholesale electricity prices at regionally coupled electricity markets.

24. In case of a regional CO₂ emission factor, how should the relevant regions be established?

- Based on market coupling
- Based on bidding zones
- On another basis
- I do not know

Please substantiate your answer:

1000 character(s) maximum

25. Do you consider appropriate and feasible to improve the current simplified marginal cost approach and determine the CO₂ factor not by referring to the general electricity mix of a given area but by analysing who has been the actual marginal power plant in the relevant electricity market as observed over the entire year t-1? If so, which data sources should be taken into account?

- Yes, it would be appropriate and feasible
- No, it would not be appropriate nor feasible
- I do not know

Please substantiate your answer:

1000 character(s) maximum

26. Are national energy regulators always able to identify the marginal power plant in the relevant price setting area for all relevant timeframes?

- Yes
- No
- I do not know

Please substantiate your answer:

1000 character(s) maximum

CO₂ price

27. Currently, the maximum amount of compensation is calculated inter alia on the basis of the forward price of the European Union Allowances (EUA) in the year t-1. Do you consider this an appropriate proxy or should alternatives be considered?

- Yes, this is an appropriate proxy
- No, this is not an appropriate proxy and alternatives should be considered

I do not know

Please justify your answer:

1000 character(s) maximum

Baseline output

28. What type of data should be used to determine the baseline output in the calculation formula?

- Historical output determined *ex ante* over a sufficiently long and representative reference period
- Actual output determined *ex post*
- Historical output corrected by the average of the actual output of the last 2 years, as established by Article 10a) of the ETS Directive for the allocation of free allowances
- Other
- I do not know

Please justify your answer and specify which reference period should be considered:

1000 character(s) maximum

Final comments and document upload

29. If there anything else you would like to say which may be relevant for the evaluation and impact assessment of the ETS Guidelines, feel free to do so.

1000 character(s) maximum

The Commission should consider a scheme that allows member states to limit the amount of indirect costs to 0,5 % of the gross value added for particularly electricity-intensive companies eligible for compensation. Such a scheme exists under the Guidelines on State aid for environmental protection and energy 2014-2020 [3.7.2 (188)-(190)]

If you wish to attach relevant supporting documents for any of your replies to the questions above, please feel free to do so:

The maximum file size is 1 MB

Only files of the type pdf,txt,doc,docx,odt,rtf are allowed

Please indicate whether the Commission services may contact you for further details on the information submitted, if required.

- Yes
- No

THANK YOU FOR RESPONDING TO THIS QUESTIONNAIRE.

Footnotes

[1] Directive 2009/29/EC of the European Parliament and of the Council of 23 April 2009 amending Directive 2003/87/EC so as to improve and extend the greenhouse gas emission allowance trading scheme of the Community, OJ L 140, 5.6.2009, p.63.

[2] Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC, OJ L 275, 25.10.2003, p. 32.

[3] Directive (EU) 2018/410 of the European Parliament and of the Council of 14 March 2018 amending Directive 2003/87/EC to enhance cost-effective emission reductions and low-carbon investments, and Decision (EU) 2015/1814, OJ L 76, 19.3.2018, p. 3.

[4] Recital 13 of Directive 2018/410.

[5] According to NACE rev.1.1: http://ec.europa.eu/eurostat/ramon/nomenclatures/index.cfm?TargetUrl=LST_CLS_DLD&StrNom=NACE_1_1&StrLanguageCode=EN&StrLayoutCode=HIERARCHIC

[6] Production Communautaire list, available at: https://ec.europa.eu/eurostat/statistics-explained/index.php/Industrial_production_statistics_introduced_-_PRODCOM

[7] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.C_.2012.158.01.0004.01.ENG&toc=OJ:C:2012:158:TOC

[8] According to NACE rev.1.1: http://ec.europa.eu/eurostat/ramon/nomenclatures/index.cfm?TargetUrl=LST_CLS_DLD&StrNom=NACE_1_1&StrLanguageCode=EN&StrLayoutCode=HIERARCHIC

[9] Production Communautaire list, available at: https://ec.europa.eu/eurostat/statistics-explained/index.php/Industrial_production_statistics_introduced_-_PRODCOM

[10] [https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:52012XC0605\(01\)](https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:52012XC0605(01))

[11] See in particular point 27 of the 2012 ETS guidelines: [https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:52012XC0605\(01\)](https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:52012XC0605(01))

[12] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.C_.2014.200.01.0001.01.ENG&toc=OJ:C:2014:200:TOC

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