WEEK IN BRUSSELS

Week ending Friday 28 April

Commission issues consultation on new EU ETS guidelines

The European Commission has issued a consultation on proposes changes to the monitoring and reporting guidelines for the EU's Emissions Trading Scheme (EU ETS). The Commission will publish two new regulations by the end of 2011, which will replace the current guidelines as stated in the EU ETS directive from 2009. One regulation will cover monitoring and reporting and the second will cover accreditation and verification of emissions data. The proposals do not look to change the existing regime, exploring whether IT systems could be harmonised and whether sectors at risk of carbon leakage should provide data on their productivity. (Source: ENDS)
www.endseurope.com/index.cfm?go=26091&referrer=bulletin&DCMP=EMC-ENDS-EUROPE-DAILY

European car registrations fall 2.3% over first quarter of 2011 – ACEA

ACEA, the European Automobile Manufacturers' Association has released EU new car registration data for the first quarter of 2011. Statistics show that across the EU new car registrations fell 2.3% in the first quarter of the year, with total year-to-date registrations of 3,583,185 units. In March, a total of 1,558,915 new cars were registered in the EU, which marks a 5.0% fall year-on-year. Looking at the major markets, France (+6.1%) and Germany (+11.4%) posted growth in March while the UK (-7.9%), Italy (-27.6%) and Spain (-29.1%) faced a downturn. In absolute figures, the UK recorded the most vehicles in March (366,101), followed by Germany (327,921) and France (257,533). From January to March, although most markets expanded, prominent ones such as the British (-8.7%), the Italian (-23.1%) and the Spanish (-27.3%) markets recorded losses. The steepest fall was noted in Greece (-57.4%) and the largest growth recorded in Latvia (+131.7%). The Latvian market remained however the smallest (1,902 units) while Germany registered the most vehicles (763,403) over the first quarter. (Source: ACEA)
www.acea.be/index.php/news/news_detail/passenger_cars_registrations_down_23_in_first_quarter_2011/

Ireland launches €5 million low carbon vehicle incentive scheme

The Irish government has launched a €5 million low carbon vehicle grant scheme. The incentive will comprise of a subsidy of up to €5,000 for all vehicles (including vans under 2.5 tonnes) that have CO_2 emissions of below 75g/km, with qualifying vehicles including those sold after 1 January 2011. Continuation of the scheme into 2012 will be subject to review in the context of the Irish Budget. Energy Minister Pat Rabbitte said that "this scheme puts in place the foundation for greener transport. Electric

vehicles will reduce Ireland's reliance on imported fossil fuels in the transport area and will also in future play an important role in reducing our transport sector emissions." Delivery of the scheme will be through the Sustainable Energy Authority of Ireland, which has also produced a buyer's guide and a cost of ownership calculator for electric vehicles. (Source: Irish Department of Communications, Energy and Natural Resources)
www.dcenr.gov.ie/Press+Releases/Minister+Rabbitte+launches+Electric+Vehicles+grant+scheme.htm

Commission adopts decision on how free allowances should be allocated from 2013

The European Commission has adopted a decision on how free emission allowances should be allocated from 2013 to industrial installations covered by the EU Emissions Trading System (EU ETS). Although auctioning will become the main principle for allocating allowances as of 2013, a proportion of free allowances will still be given to industry until 2020, principally to reduce costs for installations in sectors deemed to be exposed to significant competition from outside the EU. The decision sets out the rules, including the benchmarks of greenhouse gas emissions performance, to be used by the member states in calculating the number of allowances to be allocated for free annually in these sectors. Connie Hedegaard, European Commissioner for Climate Action, said: "Benchmarks give industry clear indications of what is possible in the respective sectors in terms of low carbon production, and provide an advantage to the most carbon-efficient installations." Member states will now collect the necessary activity data for each relevant installation in their territory. Based on this data, preliminary free allocation per installation will be calculated for each year until 2020. (Source: European Commission)
ec.europa.eu/clima/policies/ets/benchmarking_en.htm

Industry study foresees further transport fuel efficiency gains

There is still potential for fuel efficiency improvements in the transport sector in coming years, according to a report published last week by petroleum industry association Europia in response to March's EU white paper on transport policy. The study says that fuel efficiency will continue to reduce total fuel consumption in most transport sectors, making up for an increase in vehicles. For example, an increase in the number of light duty vehicles such as vans will be offset by fuel efficiency gains and a reduction in the distance travelled per vehicle, according to the report. Regarding lorries, manufacturers anticipate a fuel efficiency improvement of up to 20% over the next decade. Vehicle design would play an important role. A 22% reduction in aerodynamic drag would result in an 8.7% improvement in fuel consumption. In aviation, fleet renewal could result in a 25-35% carbon emission reduction per seat or tonne kilometre by 2020. New aircraft design after 2020 would lead to a 25-50% reduction. Regarding maritime transport, the report foresees reductions of 25-75% through technology and operational measures. Europia recommends six key parameters for EU transport policy. These include avoiding technology dictates and making cost-efficient energy efficiency improvements a top priority. It also calls for the consistent application of energy taxation levels to all energy products based on the energy content and CO_2 emitted. (Source: Europia)
www.endseurope.com/docs/110427b.pdf

THE SOCIETY OF MANUFACTURERS AND TRADERS LIMITED
SMMT, Forbes House, Halkin Street, London SW1X 7DS
T +44 (0)20 7235 7000 F +44 (0)20 7235 7112