Contribution ID: fa777321-5929-4ccb-9814-136d5e3bb17c
Date: 05/02/2021 17:11:25

Reviewing Member State emissions reduction targets (Effort Sharing Regulation) in line with the 2030 climate target plan

Fields marked with * are mandatory.

Introduction

The European Green Deal, adopted by the Commission in December 2019, has tackling climate change and reaching the objectives of the Paris agreement and other environmental issues at its core. One of its central elements is the 2050 climate neutrality objective, which the Commission proposed in 2018 and the European Council and Parliament endorsed (see European Council conclusions of 12 December 2019; European Parliament resolution of 14 March 2019; European Parliament resolution of 28 November 2019). The Commission has proposed to enshrine climate neutrality into EU law. In order to set the EU on a sustainable path to achieve climate neutrality by 2050, in September 2020 the Commission has proposed an EU-wide, economy-wide net greenhouse gas emissions (GHG) reduction target by 2030 compared to 1990 of at least 55% in its Communication on stepping up Europe's 2030 climate ambition.

Building on the 'Communication on stepping up the EU's 2030 climate ambition' and on the existing 2030 legislation, the Commission will review and propose to revise, where necessary, the key relevant legislation by June 2021. This will include a coherent set of changes to the existing 2030 climate, energy and transport framework, notably related to the EU Emissions Trading System (ETS) Directive, the Effort Sharing Regulation (ESR), the Land Use, Land Use Change and Forestry (LULUCF), Regulation, CO2 Emissions Performance Standards for Cars and Vans and the Renewable Energy Directive and the Energy Efficiency Directive. Other relevant initiatives include the revision of the Energy Taxation Directive.

This consultation focuses on the Effort Sharing Regulation whose scope covered 59 % of total greenhouse gas emissions in the EU-27 (excluding LULUCF) in 2019, that is, emissions from the sectors not covered by the EU ETS or LULUCF. Therefore, the Regulation includes CO2 emissions from road transport, heating of buildings, small-scale industry and other greenhouse gas emissions (CH4, N2O, F-gases), mainly from agriculture, energy and waste.

The Effort Sharing Regulation sets binding annual reduction targets for Member States, with an overall aim to reduce EU emissions in the sectors covered by 30% compared to 2005 by 2030. These national targets are set taking into account both national wealth and cost-effectiveness. The Effort Sharing Regulation allows for flexibilities such as transfers between Member States. It also includes some degree of flexibility to use credits generated under the LULUCF Regulation, and some flexibility with the EU ETS that can be used to meet the overall reduction targets.

This public consultation invites public administrations, citizens and organisations to contribute to

the preparation for future legislative action in the Effort Sharing Regulation. The results of the consultation (which will be summarised and published) will inform the Impact Assessment, accompanying the Commission proposal for revising the ESR.

There are additional parallel public consultations on the review of the LULUCF Regulation, the EU ETS Directive, and the CO_2 standards for cars and vans Regulation.

Guidance on the questionnaire

This public consultation consists of some introductory questions related to your profile, followed by a questionnaire. **Please note that you are not obliged to respond to all questions in the questionnaire.**

The Commission already held an open public consultation on increasing the 2030 climate ambition, which was open for 12 weeks from 31 March to 23 June 2020. Many high-level questions related to the increased climate ambition were asked in the context of that consultation. The present questionnaire therefore focuses on more specialised and detailed questions on the design of the ESR.

At the end of the questionnaire, you are invited to provide any additional comments and to upload additional information, position papers or policy briefs that express the position or views of yourself or your organisation.

The results of the questionnaire as well as the uploaded position papers and policy briefs will be published online. Please read the specific privacy statement attached to this consultation informing on how personal data and contributions will be dealt with.

In the interest of transparency, if you are replying on behalf of an organisation, please register with the register of interest representatives if you have not already done so. Registering commits you to complying with a Code of Conduct. If you do not wish to register, your contribution will be treated and published together with those received from individuals.

About you

* Language of my contribution

- ○ Bulgarian
- ○ Croatian
- ○ Czech
- ○ Danish
- ○ Dutch
- ● English
- ○ Estonian
- ○ Finnish
- ○ French
- ○ German

- Greek
- Hungarian
- Irish
- Italian
- Latvian
- Lithuanian
- Maltese
- Polish
- Portuguese
- Romanian
- Slovak
- Slovenian
- Spanish
- Swedish

*I am giving my contribution as

- Academic/research institution
- Business association
- Company/business organisation
- Consumer organisation
- EU citizen
- Environmental organisation
- Non-EU citizen
- Non-governmental organisation (NGO)
- Public authority
- Trade union
- Other

*First name

The Bioenergy Association

*Surname

of Finland

*Email (this won't be published)

info@bioenergia.fi

* Organisation name

255 character(s) maximum

The Bioenergy Association of Finland

* Organisation size

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

Transparency register number

255 character(s) maximum

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

174042620514-51

* Country of origin

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

Afghanistan	Djibouti	Libya	Saint Martin
Åland Islands	Dominica	Liechtenstein	Saint Pierre and Miquelon
Albania	Dominican Republic	Lithuania	Saint Vincent and the Grenadines
Algeria	Ecuador	Luxembourg	Samoa
American Samoa	Egypt	Macau	San Marino
Andorra	El Salvador	Madagascar	São Tomé and Príncipe
Angola	Equatorial Guinea	Malawi	Saudi Arabia
Anguilla	Eritrea	Malaysia	Senegal
Antarctica	Estonia	Maldives	Serbia

- Antigua and Barbuda
- Argentina
- Armenia
- Aruba
- Australia
- Austria
- Azerbaijan
- Bahamas
- Bahrain
- Bangladesh
- Barbados
- Belarus
- Belgium
- Belize
- Benin
- Bermuda
- Bhutan
- Bolivia
- Bonaire Saint Eustatius and Saba
- Bosnia and Herzegovina
- Botswana
- Bouvet Island
- Brazil
- Eswatini
- Ethiopia
- Falkland Islands
- Faroe Islands
- Fiji
- Finland
- France
- French Guiana
- French Polynesia
- French Southern and Antarctic Lands
- Gabon
- Georgia
- Germany
- Ghana
- Gibraltar
- Greece
- Greenland
- Grenada
- Guadeloupe
- Guam
- Guatemala
- Guernsey
- Guinea
- Mali
- Malta
- Marshall Islands
- Martinique
- Mauritania
- Mauritius
- Mayotte
- Mexico
- Micronesia
- Moldova
- Monaco
- Mongolia
- Montenegro
- Montserrat
- Morocco
- Mozambique
- Myanmar /Burma
- Namibia
- Nauru
- Nepal
- Netherlands
- New Caledonia
- New Zealand
- 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
- Sweden
- Switzerland
- Syria
- Taiwan
- Tajikistan
- Tanzania

British Indian Ocean Territory	Guinea-Bissau	Nicaragua	Thailand
British Virgin Islands	Guyana	Niger	The Gambia
Brunei	Haiti	Nigeria	Timor-Leste
Bulgaria	Heard Island and McDonald Islands	Niue	Togo
Burkina Faso	Honduras	Norfolk Island	Tokelau
Burundi	Hong Kong	Northern Mariana Islands	Tonga
Cambodia	Hungary	North Korea	Trinidad and Tobago
Cameroon	Iceland	North Macedonia	Tunisia
Canada	India	Norway	Turkey
Cape Verde	Indonesia	Oman	Turkmenistan
Cayman Islands	Iran	Pakistan	Turks and Caicos Islands
Central African Republic	Iraq	Palau	Tuvalu
Chad	Ireland	Palestine	Uganda
Chile	Isle of Man	Panama	Ukraine
China	Israel	Papua New Guinea	United Arab Emirates
Christmas Island	Italy	Paraguay	United Kingdom
Clipperton	Jamaica	Peru	United States
Cocos (Keeling) Islands	Japan	Philippines	United States Minor Outlying Islands
Colombia	Jersey	Pitcairn Islands	Uruguay
Comoros	Jordan	Poland	US Virgin Islands
Congo	Kazakhstan	Portugal	Uzbekistan

- Cook Islands
- Costa Rica
- Côte d'Ivoire
- Croatia
- Cuba
- Curaçao
- Cyprus
- Czechia
- Democratic Republic of the Congo
- Denmark
- Kenya
- Kiribati
- Kosovo
- Kuwait
- Kyrgyzstan
- Laos
- Latvia
- Lebanon
- Lesotho
- Liberia
- Puerto Rico
- Qatar
- Réunion
- Romania
- Russia
- Rwanda
- Saint Barthélemy
- Saint Helena Ascension and Tristan da Cunha
- Saint Kitts and Nevis
- Saint Lucia
- Vanuatu
- Vatican City
- Venezuela
- Vietnam
- Wallis and Futuna
- Western Sahara
- Yemen
- Zambia
- Zimbabwe

* Publication privacy settings

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 contribution, country of origin and the respondent type profile that you selected will be published. All other personal details (name, organisation name and size, transparency register number) will not be published.
- (x) **Public**
  Your personal details (name, organisation name and size, transparency register number, country of origin) will be published with your contribution.

[x] I agree with the personal data protection provisions

General questions

1.- In your opinion, when it comes to revising the Effort Sharing Regulation in view of the Commission's proposal for an increased 2030 climate ambition, should sectors regulated by this Regulation deliver additional reductions; i.e. should the EU-wide target for the effort sharing sectors be increased?

- (x) Yes
- ( ) No
- ( ) Don't have an answer

Please elaborate on your reply (if possible)

1000 character(s) maximum

The EU ETS is the key sector to contribute to the additional reductions, but we need additional reductions also from the ESR sector. We do not support extending the EU ETS to road transport sector before 2030. The potential extensions of the EU ETS should not weaken the incentives currently in place for low carbon energy in Member States.

2.- In your opinion, when it comes to revising the Effort Sharing Regulation in view of the Commission's proposal for an increased 2030 climate ambition, should all Member States step-up their efforts and consequently pursue more ambitious targets?

- (x) Yes
- ( ) No
- ( ) Don't have an answer

Please elaborate on your reply (if possible)

1000 character(s) maximum

Reduction challenge is huge on ESR sector and none of the member states has achieved well the potential for reductions. Member States should have choice for best policy tools to facilitate emission reductions. Cost-effectiveness and fairness must be key considerations in allocation of new targets to Member States. Marginal costs in some of the Member States are extremely high already with the current 2030 targets in particular in the transport sector. We can't have a situation in which some MS cut transport emissions 50 % or more while others do modest measures and do not even have speed limits.

3.- In your opinion, when it comes to revising the Effort Sharing Regulation in view of the Commission's proposal for an increased 2030 climate ambition and an extended Emission Trading System, what is your opinion on the treatment of these sectors under the Effort Sharing Regulation?

Please indicate to what extent you agree with the following statements (scale from -2 (strongly disagree) to 0 (indifferent/no view) and to +2 (strongly agree)).

	-2	-1	0	+1	+2

Sectors covered in the future by the extended EU ETS should also remain under the Effort Sharing Regulation.	○	◉	○	○	○
Sectors covered in the future by an extended EU ETS should not remain under the scope of the Effort Sharing Regulation.	○	○	○	◉	○
My view depends on the sector(s) under consideration (please explain in the text box).	○	○	◉	○	○

Please elaborate on your reply (if possible)

1000 character(s) maximum

We do not support extending the EU ETS to road transport sector before 2030. The potential extensions of the EU ETS should not weaken the incentives
currently in place for low carbon energy in Member States.

4.- In your opinion, when it comes to revising the Effort Sharing Regulation, do you see merit in excluding agricultural non-CO_2 emissions from the scope of the Effort Sharing Regulation provided these emissions are regulated elsewhere, for instance by combining agriculture non-CO_2 emissions and LULUCF emissions under one regulatory instrument?

- ◉ Yes, from 2026 onwards
- ○ Yes, after 2030
- ○ No
- ○ Don’t have an answer

Please elaborate on your reply (if possible)

1000 character(s) maximum

A requirement for all Member States to create a net carbon sink amounting to X % of their emissions by 2030. Member States could voluntarily set higher targets. If Member States cannot reach the target domestically, they could finance activities in other MS or purchase and cancel AEAs or EUAs. Mandatory measures would focus on emissions from ETS and ESR sectors.

Expert questions

Scope

As indicated in the Impact Assessment accompanying the Communication for Stepping up Europe’s 2030 climate ambition, one of the key issues is whether the current scope of the EU Emissions Trading System and the Effort Sharing Regulation should be retained, or the scope of one or both regulatory instruments should be changed.

5.- Do you see a need to reduce the sectorial coverage of the Effort Sharing Regulation in parallel to an extension of the EU Emissions Trading System (ETS)?

- ◉ Yes
- ○ No
- ○ Don’t have an answer

6.- If yes, which sectors would you change, when and how?

- ○ If a sector is covered by emissions trading, it should be immediately removed from the scope of the Effort Sharing Regulation.
- ◉ If a sector is covered by emissions trading, it should be removed from the scope of the Effort Sharing Regulation, once emissions trading for this sector has proven successful.

Specify

- ○ All fossil fuel combustion
- ○ Buildings and transport
- ◉ Buildings only
- ○ Transport only

Please elaborate on your reply (if possible)

1000 character(s) maximum

> The potential extensions of the EU ETS should not weaken the incentives currently in place for low carbon energy in Member States.

7.- In your view, which considerations should be taken into account in deciding whether some emissions should feature in the scope of both the Effort Sharing Regulation and the EU Emissions Trading System (ETS)?

Please indicate to what extent you agree with the following statements (scale from -2 (strongly disagree) to 0 (indifferent/no view) and to +2 (strongly agree)).
Not all statements have to be rated.

	-2	-1	0	+1	+2
Double coverage should only be considered, if the environmental integrity of the EU emissions reduction target is ensured.	◉	○	○	○	○
Double coverage should only be considered, if cost-effectiveness is not impaired.	◉	○	○	○	○
Double coverage should only be considered, if no undue emission monitoring challenges arise.	◉	○	○	○	○
Double coverage would need to maintain/strengthen incentives for national reduction policies in those sectors.	◉	○	○	○	○
Double coverage may have implications for the design and use of existing flexibilities.	○	○	◉	○	○

Others (please explain in the open text below)	○	○	○	○	●

Please elaborate on your reply (if possible)

1000 character(s) maximum

We do not support double coverage.

The impact assessment for the Effort Sharing Regulation will examine as one option the phasing out of this policy instrument. This would be a consequence of the combination of the extension of the ETS to all fossil fuel combustion emissions and the grouping of agricultural emissions with LULUCF (these being both options that will be examined in the two relevant impact assessments), considerably reducing the scope of the Regulation.

8.- If this policy option were to be pursued what course of action should be chosen for phasing out the Effort Sharing Regulation?

- ○ The Effort Sharing Regulation should be phased-out with immediate effect once the new frameworks regarding emissions trading and agricultural emissions enter into force.
- ○ The Effort Sharing Regulation should be phased-out with immediate effect once the new frameworks as well as EU legislation for remaining methane emissions to reduce their climate footprint and a strengthened F-gases regulation enter into force.
- ○ The Effort Sharing Regulation should be phased-out once regulating of the concerned emissions by other tools has proven successful.
- ○ Don’t have an answer

Please elaborate on your reply (if possible)

1000 character(s) maximum

Total phase-out of the ESR sector could take place in 2031. This would allow time for all Member States and stakeholders to adapt.

Ambition

If the Effort Sharing Regulation is maintained, another key question is the overall ambition level of the Effort Sharing Regulation in the relevant scope and how this ambition level is shared out among Member States.

9.- In your view, in case the current scope of the Effort Sharing Regulation is kept do you consider it possible for EU-wide and national targets under the existing Effort Sharing Regulation to remain at current levels and if so under what circumstances?

- ●

No, an increase in the EU-wide ESR target and reconsidering existing national targets is needed.

- The ETS target would need to cover all additional reductions needed and the Effort Sharing target should remain as it is under the current Regulation.
- A combination of increased ETS target and an increase in the LULUCF objectives would need to cover all additional reductions and the Effort Sharing target should remain as it is under the current Regulation.
- Don’t have an answer

Please explain why.

1000 character(s) maximum

The overall emissions reduction target of the ESR should be enhanced. All Member States need to do more, but the allocation basis of the additional efforts needs to be reassessed. More emphasis needs to be put on cost-effectiveness. Marginal costs in the ESR sector are already in the current situation far too high in some sectors and Member States, which leads to inefficiency at the EU level. It is also essential to consider how excessively high marginal costs in the ESR sector could be avoided through e.g. AEA trading platforms or improving access to and usage of EU allowances in the EU ETS.

10.- The ‘Communication on stepping up the EU’s 2030 climate ambition’ and the accompanying impact assessment presented in September 2020 looked at the contributions of the sectors potentially covered by the Effort Sharing Regulation to achieve an increased 2030 climate ambition. In your opinion, should the EU-wide Effort Sharing Regulation ambition level be increased in view of the increased 2030 target?

- Yes, proportionally to the contributions of the effort sharing sectors to the at least 55% reduction target in line with the scenarios depicted in the impact assessment of the 2030 target plan.
- (selected) Yes, but less than proportional to the cost effective reduction potential per sector. Sectors covered by emissions trading should provide a more than proportional contribution to emission reductions.
- Yes, but more than proportional to the cost effective reduction potential of the ESR sectors.
- No need to increase the ambition level in the Effort Sharing Regulation itself.

11.- Currently Member States’ targets under the Effort Sharing Regulation are mainly determined based on wealth, with some adjustments to reflect cost-effectiveness. Do you see a need for changing the distribution criteria?

- (selected) Yes (please explain your reasoning in the textbox)
-

No

Don’t have an answer

Please elaborate on your reply (if possible)

1000 character(s) maximum

Countries that are ahead of EU average should have more flexibilities in delivering the target. Cost-effectiveness and fairness must be key considerations in allocation of new targets to Member States. Marginal costs in some of the Member States are extremely high already with the current 2030 targets in particular in the transport sector.

12.- In your view, if the EU-wide effort sharing target for 2030 was increased, what would be the most relevant criteria for distributing the additional efforts between Member States?

Please indicate to what extent you agree with the following statements (scale from -2 (strongly disagree) to 0 (indifferent/no view) and to +2 (strongly agree)).
Not all statements have to be rated.

	-2	-1	0	+1	+2
Those Member States that are best equipped economically to reduce greenhouse gas emissions should do relatively more.				X	
The contribution of Member States should be linked to cost effective emission reduction potentials.					X
The distribution of additional efforts should also take into account Member States’ ambitions in their national energy and climate plans.	X				
The distribution of additional efforts should also take into account long-term convergence in effort sharing sectors in view of climate neutrality by 2050.			X		
Other criteria should be taken into account (please explain in the open text below).					X

Please elaborate on your reply (if possible)

1000 character(s) maximum

Member States that have under-achieved in the past (2020 targets) with real reductions rather than buying credits should have bigger share of the efforts.

Interaction between the Effort Sharing Regulation and the Land Use, Land Use Change and Forestry (LULUCF) Regulation

EU climate policy covers emissions from agricultural activities under both the Effort Sharing Regulation and the LULUCF Regulation. There is some flexibility between these two Regulations: if a Member State generates LULUCF credits, it may use them to achieve its Effort Sharing target more easily. The possibility to use this flexibility is larger for Member States, with larger agricultural emissions, in recognition that for these Member States it may be more difficult to achieve their national climate targets. There is a parallel public consultation ongoing on the revision of the LULUCF regulation and stakeholders are invited to share their views under the LULUCF consultation as well.

13.- The EU will need to remove a substantial amount of GHG from the atmosphere to achieve its objective of climate neutrality by 2050. Reaching this level of carbon removals needs a strengthening of the EU natural sink beyond its current level (about 264 million tonnes CO_2 equivalent in 2018). A current incentive is the possibility for Member States to generate LULUCF credits, through stringent accounting rules, that can be used to achieve their Effort Sharing target. At the same time, there is an obligation to compensate any net LULUCF debits by increased reductions in sectors covered by the Effort Sharing Regulation. What is your view on how LULUCF should interact under the Effort Sharing Regulation?

Please indicate to what extent you agree with the following statements (scale from -2 (strongly disagree) to 0 (indifferent/no view) and to +2 (strongly agree)).
Not all statements have to be rated.

	-2	-1	0	+1	+2
The current regulatory framework includes a LULUCF flexibility for compliance of an EU-wide maximum of approximately 26,2 million tonnes per year over 10 years based on LULUCF credits at Member State level. Alternatively, Member States must also compensate any LULUCF debits with additional reductions in sectors covered by the Effort Sharing Regulation. This level of flexibility is appropriate and should be kept as such.	○	○	○	●	○
If targets under the Effort Sharing are increased, also the maximum allowed amount of credits under the LULUCF flexibility at Member State level should be increased to strengthen incentives for carbon removals.	●	○	○	○	○

14.- How should the ESR contribute to the design of the architecture of EU climate policy when it comes to agriculture?

- ○ Continue to include agricultural non-CO_2 emissions under the Effort Sharing Regulation; continue to allow for the use of LULUCF credits in the Effort Sharing Regulation up to the current limit and to compensate LULUCF debits with additional reductions in sectors covered by the Effort Sharing Regulation.
- ○ Continue to include agricultural non-CO_2 emissions under the Effort Sharing Regulation and to compensate LULUCF debits with additional reductions in sectors covered by the Effort Sharing Regulation; increase the possibility to effectively use LULUCF credits in the Effort Sharing Regulation independent of a change to Effort Sharing Regulation target levels.

- ○ Continue to include non-CO_2 agricultural emissions under the Effort Sharing Regulation and to compensate LULUCF debits with additional reductions in sectors covered by the Effort Sharing Regulation; increase the possibility to use LULUCF credits in the Effort Sharing Regulation, in case Effort Sharing Regulation targets are increased.
- ◉ Exclude emissions from agriculture from the ESR and regulate them elsewhere.
- ○ Other

Flexibility mechanisms

As indicated in the impact assessment accompanying Europe's 2030 climate ambition step-up, the achievement of the national targets under the Effort Sharing Regulation will require continued strengthening of policies or the use of flexibility mechanisms in a number of Member States. There is a parallel public consultation ongoing on the revision of the EU ETS Directive and stakeholders are invited to share their views under the EU ETS consultation as well.

15.- If you consider that flexibility mechanisms should be enhanced to achieve the increased 2030 climate ambition, which flexibility instrument(s) would you select?

Multiple answers allowed

- [x] Flexibility with the EU ETS.
- [ ] Flexibility with the land use sector.
- [ ] Flexibility over time (banking), depicted in article 5 of the Effort Sharing Regulation.
- [ ] Flexibility over time (borrowing), depicted in article 5 of the Effort Sharing Regulation.
- [x] Flexibility between countries (transfer of annual emission allocations).
- [ ] Don't have an answer.

Please elaborate on your reply (if possible)

1000 character(s) maximum

16.- As regards the flexibility to use a limited number of ETS allowances for compliance with the national target under the Effort Sharing Regulation, what would be the statement that best reflects your opinion?

Please indicate to what extent you agree with the following statements (scale from -2 (strongly disagree) to 0 (indifferent/no view) and to +2 (strongly agree)).

Not all statements have to be rated.

	-2	-1	0	+1	+2

The current limited ETS flexibility for some Member States remains appropriate even with increased targets.	◯	◯	◯	◯	◉
With an extended ETS, the ETS flexibility should be abolished or reduced, in particular if the scope of the ESR is reduced.	◉	◯	◯	◯	◯
In case of increased Effort Sharing Regulation targets, the ETS flexibility should be made accessible to all Member States.	◯	◯	◯	◯	◉
The ETS flexibility should only be applicable for ETS allowances originating from the EU ETS, not for allowances from sectors in transitional ETS arrangements.	◯	◯	◉	◯	◯

Monitoring, reporting and compliance
The Effort Sharing emissions are determined by the following calculation: Effort Sharing emissions = total GHG emissions - according to EU scope for UNFCCC- (excluding LULUCF and international aviation) minus domestic aviation CO_2 emissions minus stationary ETS emissions.

A strong monitoring and compliance system has been put in place to monitor Member States' action and help them take corrective measures if they fail to meet their targets under the Effort Sharing legislation. Under the Governance Regulation, Member States have to report on their GHG annual emissions and projected progress towards meeting their 2030 target and annual emission limits in 2021-2030, as well as information on planned additional national policies and measures to meet their commitments. The Commission evaluates and reports annually on Member States’ progress towards achieving the targets and also performs a comprehensive review of Member States' annual emissions reports and a compliance check every 5 years, aligning the ESR with the 5-year review cycle set out in the Paris Agreement.

On the other hand, the annual procedure of monitoring, reporting and verification (MRV), together with all the associated processes, is known as the ETS compliance cycle. Every year, operators must submit an emissions report. An accredited verifier must verify the data for a given year by 31 March of the following year. Once verified, operators must surrender the equivalent number of allowances by 30 April of that year. In light of the phase 4 (2021-2030) revision of the EU ETS, the regulation on monitoring and reporting and the regulation on verification and accreditation are currently under review.

17.- In your view, in case of some emissions being included in both the Effort Sharing Regulation and the Emission Trading System scope, what implications would that have for monitoring and compliance, and how could they best be addressed?

1000 character(s) maximum

We do not support double coverage of emissions.

18.- In your view, are there sufficient incentives for Member States to comply with increased Effort Sharing Regulation targets in order to ensure that the increased 2030 climate ambition is realised?

- ◯ Yes
- ◯ No

- [x] Don’t have an answer

Final remarks

19.- Finally, are any additional important elements to be further reflected in view of the contemplated changes to the Effort Sharing Regulation and the overall climate policy architecture to deliver the increased 2030 climate ambition?

- [x] Yes
- [ ] No

If yes, please provide your additional remarks.

1000 character(s) maximum

> Negative emission technologies (NETs) is one instrument of choice that must be better incentivised within the climate policy architecture. The commission should by minimum include NETs on the planned carbon removal certificate scheme planned by 2023.

Should you wish to provide additional information (for example a position paper) or raise specific points not covered by the questionnaire, you can upload your additional document here.

Please note that the uploaded document will be published alongside your response to the questionnaire which is the essential input to this public consultation. The document is an optional complement and serves as additional background reading to better understand your position.

Please upload your file

The maximum file size is 1 MB

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

79864cc2-355d-406b-afb5-898747820e88/Bioenergia_ESR_05_02_21.pdf

Contact

CLIMA-ESR-REVIEW@ec.europa.eu

BIOENERGIA

5 February 2021

Position on the Revision of the Effort Sharing Regulation

The Bioenergy Association of Finland represents the interests of its over 240 member organizations ranging from land ownership to forest and energy companies, as well as technology and research in the field.

General views on Implementation of the EU 2030 Climate Target

With a view to investments in the bioenergy sector in 2020s', the year 2030 is close. Therefore, the Bioenergy Association of Finland believes, **it is unnecessary to reopen all the EU energy and climate legislation on the table in order to achieve the new climate target set in December 2020**. The revisions of the legislations were only recently agreed, and implementation is still work in progress. The more legislations are reopened, the more uncertain the operating environment of the industry becomes. An uncertain operating environment has a negative impact on investment, which is indispensable for the achievement of the required transition. We note that the scenarios explored in the impact assessment have not even considered options, where e.g. the Renewable Energy Directive or the Energy Efficiency Directive are left untouched.

We strongly support that the new EU climate target is mainly targeted by reducing emissions from fossil fuels. The EU ETS needs to be the main vehicle in delivering additional emission reductions, supported by the Effort Sharing Regulation (ESR). Carbon sinks are negative emissions and from the climate perspective desirable. The LULUCF sector already compensates emissions from other sectors and the enhanced 2030 ambition does not automatically imply that LULUCF ambition would need to be changed. The new EU target now accounts for removals in full (unlike the current 40 % target). A large carbon sink in the LULUCF sector thereby implies a large contribution to the common EU target. Similarly, an emission in the LULUCF sector implies a withdrawal from the common EU target. As a consequence**, it is of utmost importance that the Member States are allowed to utilise their own carbon sinks in the respective accounting of emissions to achieve their own climate neutrality targets**.

Specific positions on Effort Sharing

The overall emissions reduction target of the ESR should be enhanced. All Member States need to more, but the allocation basis of the additional efforts needs to be reassessed. More emphasis needs to be put on cost-effectiveness. Marginal costs in the ESR sector are already in the current situation far too high in some sectors and Member States, which leads to inefficiency at the EU level. It is also essential to consider

Bioenergia ry
Transparency register ID 174042620514-51
Eteläranta 10, 00130 Helsinki
www.bioenergia.fi

how excessively high marginal costs in the ESR sector could be avoided through e.g. AEA trading platforms or improving access to and usage of EU allowances in the EU ETS.

We do not support extension of the EU ETS to road transport in 2020s'. Finland has several policy instruments in place for the transport sector already and there is an implicit CO2 tax of 77 EUR/tCO2, which is significantly higher than the current price level of the EU ETS. We do not see the road transport sector and the buildings sector as being automatically packed together in the possible extension of the EU ETS.

We support exploring the integration of the agriculture sector into the LULUCF sector from 2026 onwards.

If some subsectors are moved away from the ESR sector, they should not be duplicated. Such a duplication would only make the EU system cumbersome, intransparent and difficult to communicate. Each subsector should have only one place under the umbrellas of either EU ETS, ESR or LULUCF.

I**f it seems there are both opportunities and willingness to move all subsectors of the ESR to EU ETS or LULUCF and fully end the ESR, we believe the best timing might be 2031** in order to leave some time for Member States and all stakeholders to adapt.

Bioenergia ry
Transparency register ID 174042620514-51
Eteläranta 10, 00130 Helsinki
www.bioenergia.fi