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Feedback from: Bioenergia ry - the Bioenergy Association of Finland

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The Bioenergy Association of Finland

User type

Business association

Organisation

Bioenergia ry - the Bioenergy Association of Finland

Organisation size

Micro (1 to 9 employees)

Transparency register number174042620514-51 (<http://ec.europa.eu/transparencyregister/public/consultation/displaylobbyist.do?id=174042620514-51&locale=en>).**Country of origin**

Finland

Initiative[National emissions reduction targets \(Effort Sharing Regulation\) – review based on 2030 climate target plan \(/info/law/better-regulation/have-your-say/initiatives/12656-National-emissions-reduction-targets-Effort-Sharing-Regulation-review-based-on-2030-climate-target-plan_en\)](#).

The Bioenergy Association of Finland welcomes the Commission proposal to revise the Effort Sharing Decision (ESR) as part of the Fit-for-55 package. While the EU ETS is the most important single instrument the European Climate Law, the ESR has an important role in reducing greenhouse gas emissions in Europe, too. In the big picture, the emphasis of the Fit-for-55 package must be on reducing emissions and the use of fossil fuels.

We believe the ambition level of the EU ETS could be even higher, while the ambition level for the ESR sectors could be respectively lower. Now the target (-61 % vs. 2005) for the EU ETS is increased with 10 percentage points compared to the BAU level, while the target for ESR is increased with almost as much: with 8 percentage points compared to the BAU level. The EU ETS sector has an efficient and liquid market system, where the market participants are typically companies, and emission reductions can be easily monetised. The ESR sector is under Member States' responsibility and tends to have higher marginal emission reduction costs. Typically, there is no efficient market-based system to identify emission reductions in the ESR sector. Operators in the ESR sectors are e.g. municipalities, small companies, agricultural producers and private citizens. All in all, the situation already (with the current 30 % target) may lead to emission reduction costs of even 10,000 EUR/tCO₂ in some specific policies in the ESR sector, while the price in the EU ETS is around 60 €/tCO₂.

We believe all Member states should participate in enhanced emissions reductions in the ESR sector. GDP/capita is used – as before – as the main method to allocate national targets. However, several adjustments to GDP / capita are also made. Some of these adjustments have a questionable basis, like limiting the highest targets to 50 % at maximum. For this reason, the burden sharing proposed is eventually far from treating equally prosperous Member States equally.

All existing flexibility mechanisms should be available for Member States. In addition, flexibility mechanisms could be expanded as targets become more ambitious and thereby also challenging. Flexibility mechanisms could also be broader for Member States, which have the most ambitious targets.

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