



The Energy & Climate Package – with Regard to Climate Change

Energia Klub welcomes the proposal of the Energy and Climate Package that was published by the European Commission in late January. **We strongly believe that the European Community should keep its global leading role in GHG emission reduction efforts**, although this also means more responsibility in domestic actions. The commitments of the EU should serve as a good example for the rest of the world and stand for a real step forward on an ambitious emission reduction pathway.

Unfortunately the proposal of effort sharing as a part of Energy and Climate Package set only a 20% emission reduction target for European Community without mentioning the **30% target**. This extent of emission reduction – as it was underlined by the IPCC 4AR – **would be necessary to have the chance to keep the climatic system below the dangerous 2 °C increase**, and would also be consistent with the decision of Spring Council of 2007.

We would like to also emphasise the importance of **establishing a compliance system** and enforcement tool **for the non-EU ETS sector** in order to ensure the balance with the EU ETS sector. The traditional infringement procedure is expected to be inefficient and too slow to have a real effect. This compliance system should use transparent methods with measurable, reportable and verifiable dataflows and procedures.

The usage of **external credits should be considered with due foresight** because of the danger of carbon leakage. Using external credits should only be eligible if they fulfill strict criteria of climate benefits and an environmental and social integrity of relating regulations should be guaranteed.

Regarding **EU-ETS**, Energia Klub suggests **full auctioning** from 2013 because any delay will increase the costs of CO₂ reduction on longer term. The revenues from the auctioning could cover the costs of adaptation efforts and could support the development and market introduction of GHG reduction instruments and technologies. Hungary is one of the few countries which used auctioning in the first period of EU-ETS and thus disposes of good experience in this field.

The possible **effects of effort sharing on new member states should be also considered**. The hot-air reserve of these countries is being assimilated through the new effort sharing system. In the meantime these countries have already suffered the disadvantages of changing their economic systems. Since an increase of emissions should not be accepted in any member state, an inspiring system should be developed beyond – for instance through the EU cohesion policy – to reach real emission cuts in the non EU-ETS sector of these countries.