Citizens' summary

EU climate and energy package

WHAT’S THE ISSUE?

- Climate change could reach catastrophic levels this century unless we quickly and sharply reduce emissions of greenhouse gases.
- The EU needs more secure energy sources i.e. less dependence on imports of foreign oil and gas.

WHAT IS EUROPE DOING TO ADDRESS THESE ISSUES?

The EU's climate and energy policy sets following targets for 2020:

- cutting greenhouse gases by at least 20% of 1990 levels (30% if other developed countries commit to comparable cuts).
- cutting energy consumption by 20% of projected 2020 levels - by improving energy efficiency.
- increasing use of renewables (wind, solar, biomass, etc) to 20% of total energy production (currently ± 8.5%).

WHAT EXACTLY WILL CHANGE?

- For power plants and energy-intensive industries (responsible for some 40% of total EU emissions) - emissions to be cut to 21% below 2005 levels. How? By granting fewer emission allowances under the EU Emissions Trading System (ETS).
- For sectors not covered by the ETS (e.g. transport (except aviation, which will join ETS in 2012), farming, waste and households) - emissions to be cut to 10% below 2005 levels. How? Through binding national targets (with higher reductions for richer countries and limited increases for the poorest ones).
- Renewables will produce 20% of all the EU's energy. How? Through binding national targets (from 10% for Malta to 49% for Sweden).
- At least 10% of transport fuel in each country must be renewable (biofuels, hydrogen, 'green' electricity, etc.). Biofuels must meet agreed sustainability criteria.
- Laws to promote carbon capture and geological storage (CCS) to remove most carbon emissions from fossil fuels used in power generation and industry.

WHAT ARE THE BENEFITS OF THE PROPOSALS?

- major contribution to combating climate change.
- example to rest of the world that can help to shape a new global climate agreement.
- more secure energy supplies.
- €50bn a year less on oil and gas imports by 2020.
- ± 1m jobs in European renewables industry by 2020 (300 000 today).
• competitive advantage through significant innovation in the European energy sector
• more jobs in environment-related industries
• less air pollution - significant health benefits and less money spent on control measures.

WHY DOES ACTION HAVE TO BE TAKEN BY THE EU?

• Individual countries have a responsibility to limit emissions as far as possible, but joint EU or international action is more effective.
• Joint action can:
  - maximise the effectiveness of measures taken
  - create economies of scale so measures cost less and don’t disrupt trade in Europe’s single market.
• Together the 27 EU countries can influence the global fight against climate change much more than they could individually.

WHEN IS THE PACKAGE LIKELY TO COME INTO EFFECT?

By 2011 at the latest.

The Emissions Trading System will change on 1 January 2013.