EUROPEAN COMMISSION

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Dear Chairman,

The Commission would like to thank the Senat for its Opinion on the proposal for a Regulation of the European Parliament and of the Council on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 for a resilient Energy Union and to meet commitments under the Paris Agreement and amending Regulation No 525/2013 on a mechanism for monitoring and reporting greenhouse gas emissions and other information relevant to climate change {COM(2016) 482 final}.

This proposal forms part of a package of three legislative proposals under the Energy Union which together would ensure that the EU is on track to reduce greenhouse gas emissions domestically by at least 40% by 2030 and to fulfil its commitments under the Paris Agreement. The package would help Europe prepare for the transition to a low-carbon economy, which is necessary in order to provide jobs, growth and investment opportunities while mitigating dangerous climate change. A wide range of policies are envisaged to support citizens and businesses to achieve this transition, including on climate and energy, agriculture and transport, innovation and investment.

The proposal follows the guidance provided by the European Council in October 2014 as reconfirmed in March 2016. EU leaders agreed that the sectors outside the EU Emission Trading System, including buildings, transport, agriculture and waste management, need to reduce emissions by 30% compared to 2005 as part of their contribution to the overall EU target of at least 40% reduction by 2030 compared to 1990. The proposal ensures a fair distribution of efforts in the EU that can be achieved in a cost effective manner while ensuring environmental integrity.

The Commission takes seriously the concerns expressed by the Senat as regards the key demands submitted by Poland on a number of elements.

The Commission would like to stress that the proposed 2030 target for Poland at -7% is set solely on the basis of fairness, using the gross domestic product per capita criterion and a range from 0% to -40% compared to 2005 as suggested by the European Council. This is well below the -33.5% a Member State with EU average income would receive to ensure compliance with the EU overall 30% emission reduction target with the given range. No lower income Member State has received a target beyond -33%.

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The methodology used for defining the starting point in 2021 follows the approach used in the period up to 2020, and sets the starting point of the trajectory based on recent emissions available by then, e.g. the average 2016-18. Using 2020 targets would generate large surpluses due to the EU's expected overachievement of its 2020 target. This would make it very unlikely that the EU could reach its internationally committed greenhouse gas target for 2030. Furthermore, the fact that Poland is allowed to increase emissions up to 2020 is fully recognised. The Polish allocation for 2021-30 is proposed to be increased by the amount that Polish emissions can increase up to 2020 compared to the average allocation 2016-2018.

The proposal foresees a new flexibility on the use of a limited number of emission reductions credits from the land use sector to comply with the national targets. This amounts to 21.7 million tonnes for Poland. A full use means that the Polish non-ETS sector target of -7% would effectively be reduced to -5.8% for the effort sharing sectors. At the same time, while providing for cost-efficiency, the new flexibility remains limited in order to maintain environmental integrity and upholds incentives for additional action and investments in the buildings, transport, agriculture, and waste sectors. It covers credits from afforested land and agricultural land. While acknowledging the important role sustainable forest management plays in mitigating climate change, the Commission considered that it would be premature today to also include credits from managed forest land for use under the Regulation.

The experience under the current Kyoto period is not yet conclusive, and it will take more time to establish the new reference levels which determine the accounting balance post-2020 for managed forest land. After the reference levels for the period post-2020 have been set under a more comparable and transparent EU governance approach, the question of including such credits can be revisited, and this is fully recognised in the proposal.

The points made above are based on the initial proposal presented by the Commission which is currently in the legislative process involving both the European Parliament and the Council.

The Commission hopes that the clarifications provided in this reply address the issues raised by the Senat and looks forward to continuing the political dialogue in the future.

Yours faithfully,

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First Vice-President

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Member of the Commission