Proposals on energy and climate change

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MEPs broadly supported the wide-ranging and ambitious proposals launched by the Commission to tackle climate saying they represented an economic opportunity for the EU at a special EP plenary session in Brussels. However, some MEPs raised concerns on the initial Commission target for biofuels and expressed fears that jobs may be exported to parts of the world with no binding targets for carbon emissions. The EP and Council, in co-decision, have the power to amend, adopt or reject the proposals.

Commission President Barroso: **"20 / 20 / 20 by 2020"**

The President of the European Commission, José Manuel BARROSO, unveiled to the European Parliament on Wednesday the Commission's plans to tackle climate change and to ensure Europe has more secure energy supplies in future. At the heart of the proposed legislation is the principle of "20 / 20 / 20 by 2020" (a 20% increase in energy efficiency, a 20% cut in greenhouse gases and a 20% share of renewables in total EU energy consumption, all by the year 2020). The package is a set of legislative proposals on emission cuts, renewable sources, carbon capture and revision of the emission trading scheme.

According to Mr Barroso, "The struggle against climate change and the quest for secure, sustainable and competitive energy touches on every European, every day". Indeed, he added, "Europeans want a vision, and a plan of action" on this issue. He welcomed the EP's backing so far, saying "The clear commitment of this Parliament to this cause has been essential. Your work over the past year has been critical in building the political momentum in favour of action."

The Commission President then outlined the package, which aims "to bring about a 20% cut in our greenhouse gas emissions by 2020, and be ready to step up to 30% with an international agreement".

The five main points of the package are:

- an updated Emissions Trading System;
- specific, binding national targets;
- a new approach to promote renewable targets, again including binding national targets;
- new rules to stimulate carbon capture and storage;
- new state aid rules.

In view of growing concern over biofuels (which will have to account for 10% of vehicle fuel), Mr Barroso stressed that environmental sustainability would also be taken into account.

He then explained that the package was prepared with five key principles in mind:

- respecting the targets;
- recognition of Member States' different investment capacities and starting points;
- competitiveness, by minimising the costs to the European economy;
- the need for an international agreement to cut greenhouse emissions;
- the need to start work now to halve global emissions by 2050.

On climate change, action would be cheaper than inaction, said Mr Barroso: the cost of the proposals would be "less than 0.5% of GDP by 2020", which "amounts to about €3 a week for everyone". He added, "Even on the most optimistic assumptions of the Stern Report, the cost of inaction is more than ten times that". Moreover, "every day the price of oil and gas goes up, the real cost of the package falls. Instead of costs, we really should be talking about gains for the EU".

As to the concerns expressed by business, Mr Barroso acknowledged, "there is no point in Europe being tough if it just means production shifting to countries allowing a free-for-all on emissions". Thus, under the package, "energy intensive industries would have ETS allowances free of charge" and "if our expectations about an international agreement are not met, we will look at other options such as requiring importers to obtain allowances alongside European competitors", provided this was compatible with WTO rules.

The Commission President added "we must not forget the huge economic opportunity represented by Europe's transition into a low-emissions economy", adding that "There are real opportunities there: the renewables sector alone will bring one million jobs by 2020".

In conclusion, he saw the package as "an opportunity for Europe to show itself at its best. Tackling an issue of fundamental long-term importance. Using the EU's continental scale to best effect." Indeed, "if some have doubts about the European Union, this kind of policy shows why we need a strong EU more than ever", since "even bigger Member States do not have the leverage to push this forward".