

To: Members of the ENVI Committee, European Parliament  
Cc: Frans Timmermans, Executive Vice-President, European Commission

Brussels, 23 March 2022

**Re: ETS Directive review: Amendment 1636 is a game-changer for climate action and to reduce fossil fuels dependency.**

Dear Members of the European Parliament,

The current review of the ETS Directive in the context of the Fit for 55 Package comes at a crucial point in time for the European Union. While the climate crisis continues to hit hard, with the last IPCC report<sup>1</sup> confirming that *“current unsustainable development patterns are increasing exposure of ecosystems and people to climate hazards”* and that *“near-term actions that limit global warming to close to 1.5°C would substantially reduce projected losses and damages related to climate change in human systems and ecosystems”*, Russia’s war against Ukraine is a tragic wake-up call for the EU to act fast to reduce economic dependency upon a government which is causing death and destruction and puts at risk the EU mission of peace, stability and prosperity.

While the EU is confronted with other challenges brought by the war, the European Commission has proposed the REPowerEU plan<sup>2</sup> to address in a timely way the energy crisis and make a strong case for a rapid clean energy transition to reduce dependency on all fossil fuels imported from Russia, reduce GHG emissions and protect against price hikes. Beyond addressing the present crisis, the Commission invites the co-legislators *“to boost the Fit for 55 proposals with higher or earlier targets for renewable energy and energy efficiency”*.

In the process of amending the ETS Directive, which is a crucial instrument to eliminate Europe’s addiction to fossil fuels, Amendment 1636 (see Annex II) tabled by the Shadow Rapporteur MEP Michael Bloss (DE) perfectly fits the calls for action by the IPCC and notably answers to the wake-up call to accelerate the energy transition:

- It will lead to effective curtailing of coal plants, with associated GHG savings estimated at 319 million tonnes, corresponding to 20% of the overall annual EU ETS cap<sup>3</sup>.

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<sup>1</sup> [IPCC Sixth Assessment Report: Impacts, Adaptation and Vulnerability](#)

<sup>2</sup> COM (2022) 108. Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of Regions - REPowerEU: Joint European Action for more affordable, secure and sustainable energy

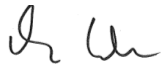
<sup>3</sup> Data source: own calculations based on [EEB’s Industrial Plant Data Viewer database](#)

- It will ensure that only the most efficient Combined Cycle Gas Turbine plants will remain operative as from 2030, which will lead to a further GHG reduction of 370 million tonnes annually and requiring further GHG abatement by 2035.
- It will steadily displace imports of hard coal and fossil gas and reduce them to zero by 2035. The EU continues to import €600 million worth of coal, oil and fossil gas from Russia per day, spending more than €17.5 billion and counting since it invaded Ukraine<sup>4</sup>.
- It will deliver a healthier environment for EU communities: annual health and environmental damage costs due to coal/lignite combustion will be reduced by €23.3 billion, with a further €7.6 billion annual damage cost saving from fossil gas combustion<sup>5</sup>.
- It will ensure that the 2027 mercury phase out obligation set in the Water Framework Directive is in reach.
- It will also ensure that synergies between the Industrial Emissions Directive and the EU ETS are leveraged in the reduction of greenhouse gas emissions (see Annex I).

**If approved, Amendment 1636 would be a game-changer for climate and a facilitator for peace.**

For this reason, the following organisations representing more than 80 million people in more than 30 European countries call MEPs in the ENVI committee of the European Parliament to support Amendment 1636. The EU must break free from its fossil fuel addiction. We cannot afford to waste further time.

Yours sincerely,



Jeremy Wates

Secretary General, European Environmental Bureau

on behalf of:

Mahi Sideridou, Managing Director, Europe Beyond Coal

Klaus Röhrig, EU Climate and Energy Policy Coordinator, Climate Action Network Europe

Sam Van den Plas, Policy Director, Carbon Market Watch

Marcin Stoczkiewicz, Head of European Fossil Fuel Infrastructure, ClientEarth

Sarah Brown, Senior Electricity Transition Analyst, Ember

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<sup>4</sup> <http://beyond-coal.eu/russian-fossil-fuel-tracker/>

<sup>5</sup> Coal/lignite figure from <https://beyond-coal.eu/database/> open plants, excluding those with phase out plans before 2027. Gas combustion from <https://eipie.eu/projects/ipdv/> based on 2017 emissions (relates to NOx and GHG emissions to air only, damage cost of 44€/tCO2 is assumed)

## **ANNEX I: ETS and IED Directives should work together to deliver quicker and more significant decarbonisation**

Article 26 of the ETS Directive prevents permit writers to address GHG emissions and energy efficiency by setting mandatory emission standards in the permits foreseen by the Industrial Emissions Directive (2010/75/EU). This has slowed down the EU's climate action because the "invisible hand of the market" proved ineffective to deliver significant GHG emissions reduction, particularly in industry sectors, due to the low price of CO<sub>2</sub> and the extensive handout of free allowances. An approach combining market-based and regulatory instruments to drive down CO<sub>2</sub> emissions will allow a quicker and more significant decarbonisation of the installations covered by the ETS.

## **ANNEX II: text of amendment 1636 (Procedure file 2021/0211 (COD))**

*Article 3a*

*Amendments to Directive 2010/75/EU*

*In Directive 2010/75/EU, Article 9 is replaced by the following:*

*Article 9*

*Emissions of greenhouse gases*

*1. As of 1 January 2030, any combustion of fuels in installations listed in Annex I shall not result in greenhouse gas emissions exceeding 250gCO<sub>2</sub>e/kWh. This threshold shall be set at 100gCO<sub>2</sub>e/kWh as of 1 January 2035, and at 0gCO<sub>2</sub>e/kWh at the latest by 2040.*

*2. The net electrical efficiencies of any combustion plant firing coal or lignite (alone or with other fuels) shall be at least 46% by 1st January 2027."*

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*International non-profit association • Association internationale sans but lucratif (AISBL) • EC register for interest representatives:*

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