

*****Press Release*****

*****For immediate release*****

London, 15 July 2015 - Sandbag has prepared the following statement in reaction to the Commission's revision of the EU ETS Directive published earlier today.

Damien Morris, Head of Policy at Sandbag says:

"This proposal is a step backwards in curbing the oversupply of allowances on the market. The nasty surprise for environmentalists is that we were cheated out of some of the 'unallocated' allowances we thought had been placed in the market stability reserve. Worse, the Commission is looking to raid the reserve for a further 300 million allowances. We should be carving allowances for innovation and new entrants out of the new carbon budget, not pillaging the MSR for these."

*****ENDS*****

Sandbag is a UK-based not-for-profit think tank conducting research and campaigning for environmentally effective climate policies. Our research focus includes the phase-out of old coal in Europe; deep decarbonisation of industry through technologies including Carbon Capture Utilisation & Storage; reform of the EU Emissions Trading Scheme; and increasing ambition in the EU 2020 and 2030 climate & energy packages.

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Note to Editors

[1] Article 1 para 5e of the draft directive states that 250 million allowances from the MSR and another category of unassigned free allowances from Phase 3 will be put towards the New Entrants Reserve in Phase 4 instead of assigning a new share of the cap for this purpose.

See: http://ec.europa.eu/clima/policies/ets/revision/docs/com_2015_337_en.pdf

[2] Sandbag has issued a detailed set of recommendations on carbon leakage, industrial competitiveness and innovation in its report published earlier this week 'Discharging the Political Storm': https://sandbag.org.uk/site_media/pdfs/reports/Discharging_a_political_storm.pdf