

Status of the EU ETS and Review

Dr Stefan Alteschmidt, LL M
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Emissions trading in Europe – the legal dimension

- The ETS is widely accepted, legal challenges will not be successful
- Crucial for businesses: investment planning certainty
 - Long-term allocation security
 - Execution of ETS Directive and NAPs in line with the law
- Current situation:
 - Commission overstretches its powers in regard to cap-setting and allocation rules and guarantees
 - Member States sometimes (e.g. Germany) do not observe the limits set by their national constitutions and the rules of their NAPs
- ETS review:
 - Clear definition of Commission's role - Member States are better in meeting the special needs of their specific economic structures
 - Extended periods for allocation – incentives for investments needed

