



CLIMATE CHANGE ADVISORY COUNCIL PRESS RELEASE

EMBARGO 00:01 on TUESDAY, 21 JUNE, 2016

Climate Change Advisory Council recommends minimum price for EU Emissions Trading Scheme

The Climate Change Advisory Council has advised the Minister for Communications, Climate Action and Environment, Mr. Denis Naughten TD, that Ireland should support proposals to establish a minimum price for carbon under the EU Emissions Trading Scheme (EU ETS).

The Council, which was established in January of this year, has provided its first advice to Government in a letter to the Minister. It recommended that during current EU discussions Ireland should support the establishment of a minimum EU-wide ETS price for carbon emissions.

Prof. John FitzGerald, Chair of the Council said: “The EU ETS is not working as well as it should. The current price for emissions is too low. Introducing a minimum price for the EU ETS would drive us towards a low carbon economy with greater certainty.”

“The issue is being discussed at EU level, therefore the Council considered it urgent to provide advice to the Minister on this matter.”

The European Emissions Trading Scheme creates a market for greenhouse gas emission allowances for businesses such as electricity generators and heavy industry. A well-functioning scheme would create a strong market price for the emissions that are putting the climate system in danger. A minimum price should accelerate the shift away from fossil fuel use.

“Since the economic downturn, we have seen a reduction in demand for EU emissions allowance. Consequently, the market price has been too low to incentivise adequate decarbonisation. A minimum price would be an important step in correcting this.” Prof. FitzGerald said.

He continued: “A well-functioning Scheme is the most effective way to decarbonise electricity generation across all EU Member States. This is crucial in achieving Ireland’s climate change ambitions and the goals set out in last December’s Paris Agreement.”

Ends



Editor Notes

The Climate Change Advisory Council is an independent, statutory body established under the Climate Action and Low Carbon Development Act 2015. Its role includes the provision of advice to Government on national policy relating to climate change. It was formally established in January 2016. The Council's letter to the Minister is its first formal communication of advice to government on climate change policy. It is expected that the Council will produce a first Report later in 2016.

Council Membership

Professor John FitzGerald, Chair of the Climate Change Advisory Council

Laura Burke (Director General, Environmental Protection Agency (EPA); ex-officio)

Professor Alan Barrett (Director, Economic and Social Research Institute (ESRI); ex-officio)

Jim Gannon, (CEO Sustainable Energy Authority of Ireland (SEAI); ex-officio)

Professor Gerry Boyle, (Director of Teagasc; ex-officio)

Professor Ottmar Edenhofer, (Deputy Director and Chief Economist at the Potsdam Institute for Climate Impact Research (PIK))

Professor Frank Convery (Chief Economist, Environmental Defence Fund, New York)

Professor Peter Clinch (Jean Monnet Chair of European Economic Integration and Professor of Public Policy at University College Dublin)

Professor Anna Davies (Professor of Geography at Trinity College Dublin)

Professor Alan Matthews (Professor Emeritus of European Agricultural Policy at Trinity College Dublin)

Joseph Curtin (Senior Research Fellow, at the Institute of International and European Affairs (IIEA)).

What is the EU ETS?

The European Union Emissions Trading Scheme (EU ETS) is an EU-wide cap-and-trade scheme designed to reduce greenhouse gas emissions from large scale facilities such as those used in electricity generation and industry.

For further information please contact:

Climate Change Advisory Council Secretariat

Ph: +353 (0)87 172 9303

Email: c.camilleri@epa.ie

For further comment:

Professor John FitzGerald

Chair, Climate Change Advisory Council

Ph: +353 877 978 588 Email: JOFITZGE@tcd.ie

Professor Ottmar Edenhofer

Climate Change Advisory Council Member & Deputy Director and Chief Economist at the Potsdam Institute for Climate Impact Research (PIK))

Phone No: +49 331 288 2565 Email: Ottmar.Edenhofer@pik-potsdam.de