



IFIEC Europe welcomes you

To the Ecofys EU-ETS
presentation



The inconvenient truth

The impact of the Commission's ETS proposal, and IFIEC's response

Hans Grünfeld – president IFIEC Europe
Brussels, 17 April 2008



IFIEC Europe

- Federation of national industrial energy consumer associations in the EU
- Representing a.o. chemicals, steel, non ferrous metals, pulp & paper, glass, ceramics, cement and industrial gases
- Covering 15 EU countries with others waiting to join when they conform
- Member of IFIEC World - a UN-recognised international NGO

Internationally accredited federation with exclusive focus on industrial energy consumer interests



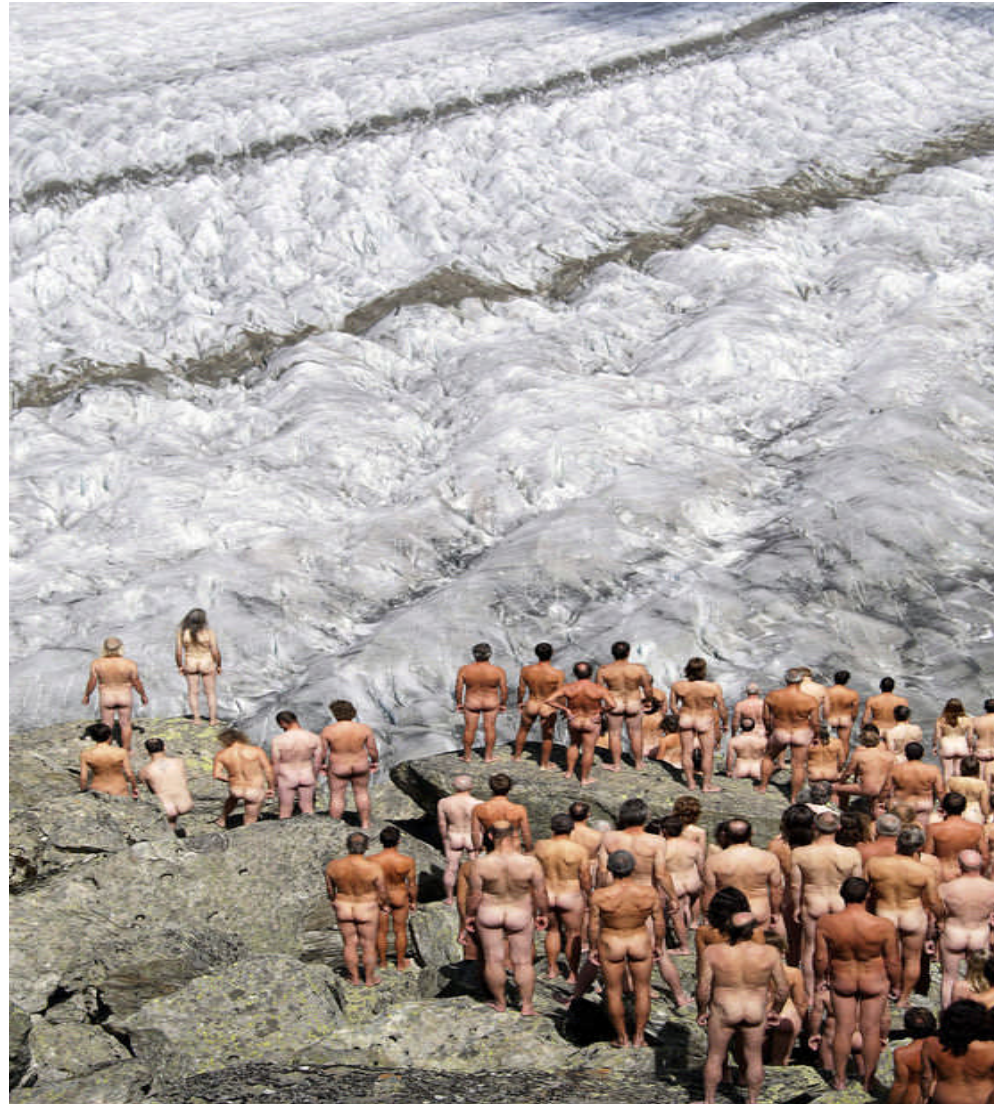
Mission

Actively engage in dialogue with EU-decision makers, with the aims of:

- contributing to the creation of an integrated competitive EU energy market
- ensuring access to secure and fairly priced electricity and natural gas infrastructures
- promoting cost-effective energy efficiency improvement and CO₂-emission reduction
- securing an effective position for IFIEC in the EU decision-making process

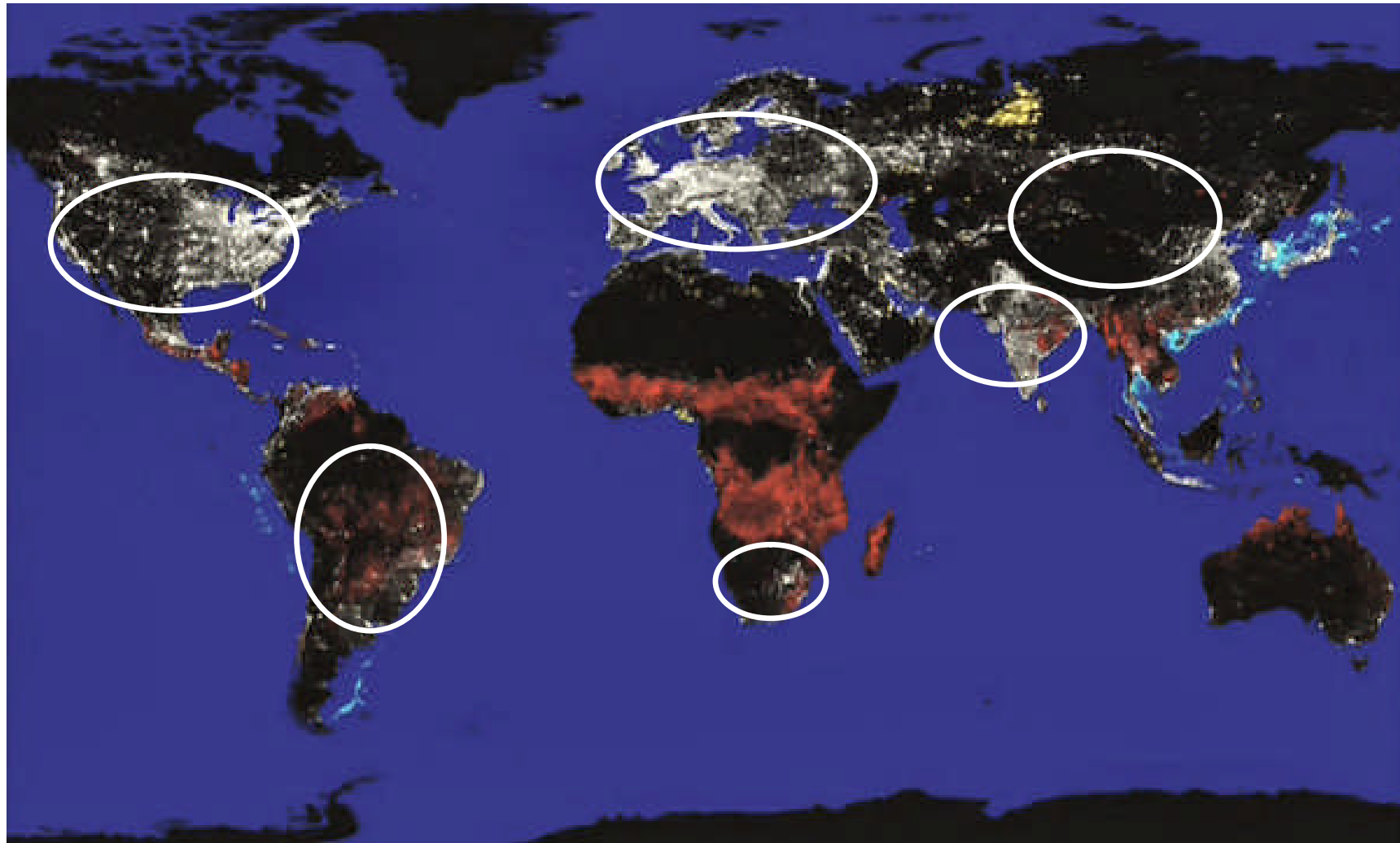


Climate change concern



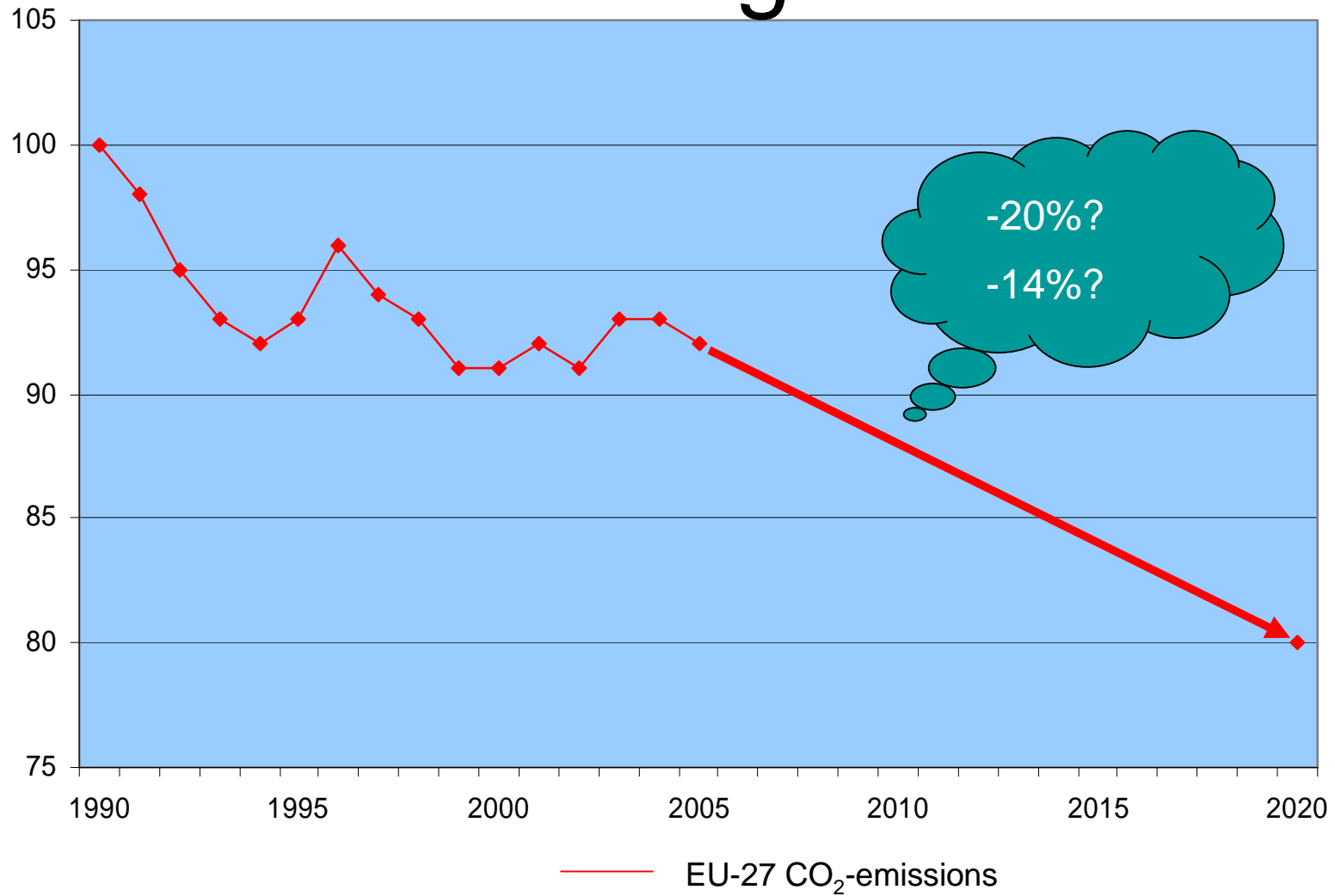


Global CO₂-emissions





EU target





Prime target ETS



(Energy-intensive) industry

Power sector





Major CO₂- sectors outside ETS



Transport

Buildings





The carbon paradox (1)



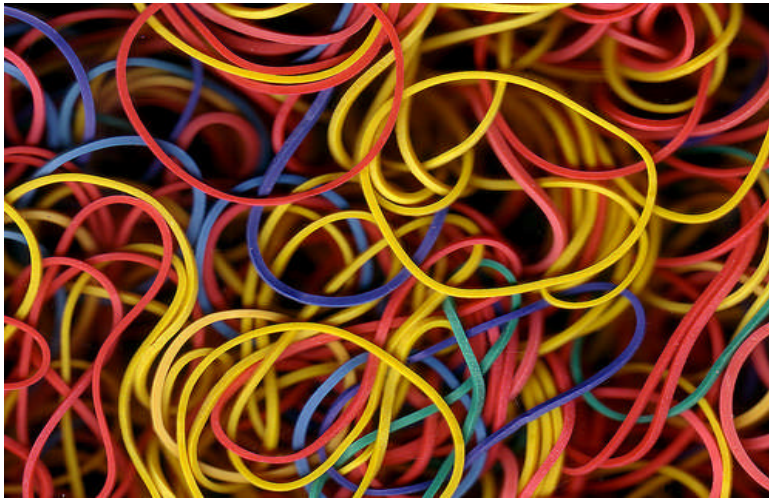
Emission reductions from
carbon efficient leaders
inside EU...

...accelerates growth of
less carbon efficient
industry outside EU





The carbon paradox (2)



Low price elasticity
household electricity use
does not automatically...

...translate price increase
into electricity efficient
behaviour





Risks



High electricity prices



Carbon leakage



Energy poverty



Windfall profits



IFIEC Europe's proposition: effective and efficient ETS design

- **With** CO₂ emission reduction cap
- **With** strong incentives for efficiency growth and innovation
- **Without** windfall profits
- **Without** major carbon leakage
- **Without** charging consumers and industry tens of billions of Euro's



Agenda

- 10.30 am **Registration and coffee**
- 11.00 am **Welcome and introduction**
IFIEC Europe
- The IFIEC method for the allocation of CO₂-allowances in the EU Emissions Trading Scheme. A review applied to the electricity sector**
Ecofys
- The way forward to a more efficient and effective EU-ETS, IFIEC Europe's views**
IFIEC Europe
- 12.00 am **Discussion**
- 13.00 am **Buffet lunch**
- 14.00 am **End meeting**



Ecofys study

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