



2030

FRAMEWORKfor**CLIMATE&ENERGY**
#EU2030

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Climate and energy: where do we stand?

Impact of the financial crisis
Fall in private investment, tight financing conditions

Renewable energy saw rapid cost decreases
Technologies are gradually becoming competitive

Reduce Greenhouse Gas Emissions levels by 20%

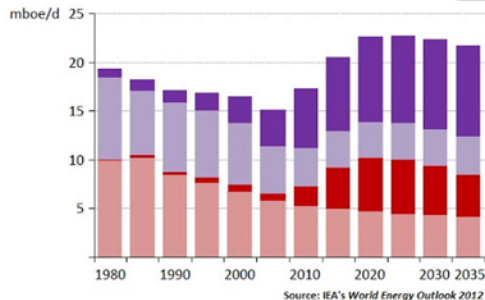
Increase share of Renewables to 20%

Reduce energy consumption by 20%

Shale gas

US oil and gas production

Reductions in 2012: -18%



Unconventional gas
Unconventional oil
Conventional gas
Conventional oil

2020 Projection

Share in 2012: 14%

~ 17-20 %

Review of nuclear policies
at national level

2020 Projection

Rising demand
-> rising prices

By 2030, world economy set to double and energy demand to rise by 1/3

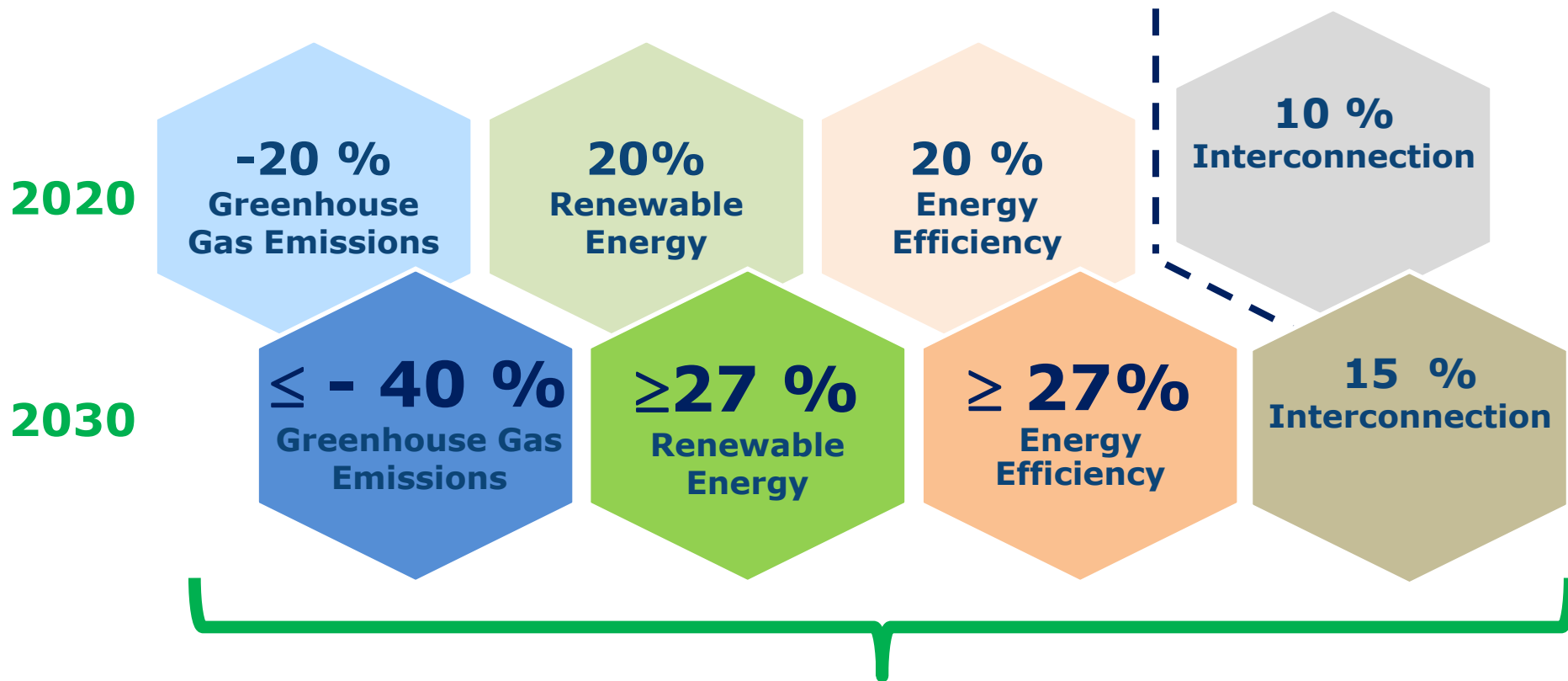
Preparation and decision-making process



On-going consultations among EU institutions, Member States and stakeholders

Agreed headline targets by the European Council

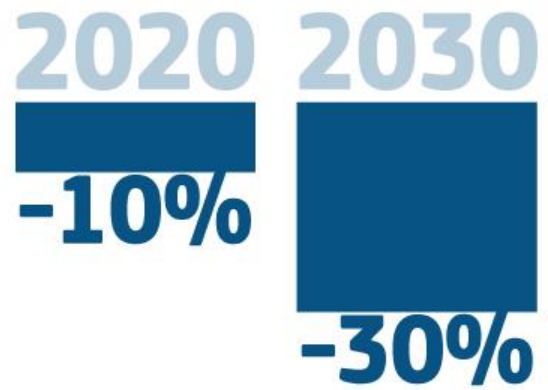
2030 Climate and Energy Framework



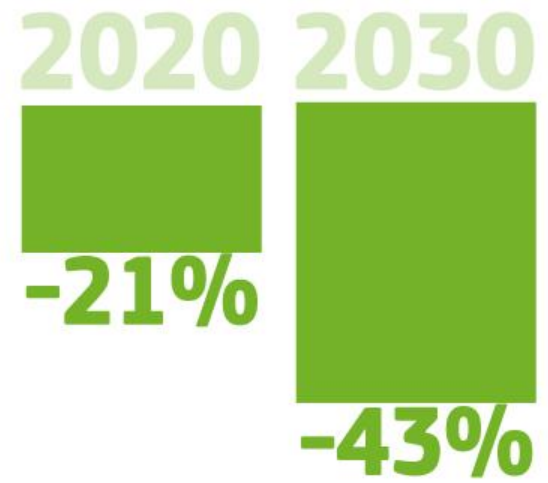
New governance system + indicators

Emission reductions in ETS and non-ETS

EMISSION REDUCTIONS IN ETS AND NON-ETS COMPARED TO 2005



NON-ETS
TRANSPORT, HOUSING, AGRICULTURE etc.



ETS
POWER/ENERGY SECTOR & INDUSTRY

The European carbon market after 2020

Well-functioning reformed EU ETS as the main instrument

Cap to decline with 2.2 % from 2021 onwards

Free allocation to prevent carbon leakage continued

Redistribution: 90 % among all 28 Member States / 10 % among lower income Member States

Innovation fund created ("NER400")

Modernization fund set up

Guidance for determining non-ETS targets

Member State targets between **0%** and **-40%**

Maintain current methodology, update GDP data

Member States with GDP/capita above EU average: targets adjusted with **cost effectiveness**

Enhanced **flexibility to ensure cost efficiency**, incl. new **flexibility subject to several constraints**

Possibility to **convert** limited number of allowances for auctioning in **EU ETS into non-ETS** emission budgets



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