

Market Stability Reserve (MSR) in the EU Emission Trading Scheme

The EPP rapporteurs for the MSR in ENVI (Ivo BELET) and ITRE (Antonio TAJANI) are suggesting the following Group line both for the vote in ENVI (24 February 2015) and potentially in plenary (March I) :

1. MSR starting date

EPP Group (Belet/Tajani)	COM proposal	S&D/ALDE/GUE/Greens
The MSR shall operate from 2019	The MSR shall operate from 2021	The MSR shall operate from 2017 (supported by ECR(UK) & EFDD(IT))

2. Thresholds as of when the MSR kicks in

EPP Group (Belet/Tajani)	COM proposal	S&D/ALDE/GUE/Greens
12% of allowances in circulation should be placed in the MSR each year Allowances should be <i>released</i> from MSR, if less than 400mio allowances in circulation (as COM)	12% of allowances in circulation should be placed in the MSR each year Allowances should be <i>released</i> from MSR, if less than 400mio allowances in circulation	20% of allowances in circulation should be placed in the MSR each year Allowances should be <i>released</i> from MSR, if less than 300mio allowances in circulation

3. 900mio back-loaded allowances

EPP Group (Belet/Tajani)	COM proposal	S&D/ALDE/GUE/Greens
300mio allowances should go to an industrial innovation fund 600mio allowances to be placed in the MSR	Back-loading decision unchanged	900mio allowances either directly to the MSR or deleted

4. Carbon leakage provisions (as part of the review clause)

EPP Group (Belet/Tajani): continuation of free allocations, better reflecting changing production levels and incentivising the most efficient performance; consider replacing the current state aid mechanism to compensate for indirect costs by a EU mechanism ensuring a level playing field for carbon leakage sectors;
(text supported by S&D and ECR in ITRE)

5. Procedure

Should the result of the ENVI vote significantly deviate from the proposed EPP line in one or more of the above-mentioned points, the rapporteur will suggest a trilogue mandate to be issued in plenary