

---

## EU EMISSION TRADING SCHEME

### *This week's allocation*

This week the Netherlands started the allocation for 2009 to the installations included in the EU ETS; government officials confirmed that the allocation should be completed by February 28, the original deadline set by the European Commission.

Official figures show that as of this week Spain has allocated 15.64 million of the 31.39 million EU allowances that were set aside for companies joining the bloc's emissions trading scheme from 2008 through 2012. Among the 57 installations that received these permits, 11 were new entrants, while the remaining ones went to expended plants.

### *Temporary committee details climate change diplomacy*

The temporary Committee on climate change, set up by the European Parliament on April 25, 2008, released its final report on February, 4. The report stresses that climate change must become a factor in all policy areas, in sector already included in the energy and climate package adopted in December such as energy, biofuels, energy efficiency, carbon capture and storage and transport, but also in new ones like agriculture, livestock rearing, tourism, health and education. The committee also called for the establishment of a "foreign policy on climate change" and establish an external energy strategy, creating solar energy partnerships with Mediterranean countries. EU lawmakers also called for increased funding to help developing countries combat climate change and proposed to make emission reduction requirements and adaptation measures an integral part of development aid programmes. At domestic level, the report calls for a target to have all new residential buildings energy-neutral by 2015 and new commercial and public buildings by 2020, while at the same time working to establish a European Climate Fund to finance climate policies in the future. The committee report includes the need to support research and development in green transport technologies such as hydrogen, electric, fuel cells, hybrids and advanced biofuels, and puts forward the request to devise emissions targets for the agricultural sector. A further call to engage the broader public in fighting climate change using "simple efficiency standards for all areas of everyday life" as well as fiscal incentives concluded the report.

---

## NEWS FROM THE WORLD

### *Turkish Parliament ratifies Kyoto Protocol*

On February 5, the Turkish Parliament ratified the agreement with an overwhelming majority, but according to observers it does not mean Turkey will undertake any reduction commitment before 2012. This move should grant more credibility to the Turkish negotiators during post-2012 discussion on a Kyoto successors, with Turkey likely to take on binding commitment in 2013.

### *Boxer's six principles to create consensus*

During a press conference in Washington on Wednesday, senator Barbara Boxer laid out her six principles to guide climate change negotiations. Observers noticed that, although the principles contained few surprises, Boxer is trying to reach out towards the concerns raised during the debate about the Lieberman-Warner bill, in order to start creating a broader consensus on climate action. Boxer's principles call for 1) reducing emissions to avoid dangerous global warming, 2) setting long- and shortterm emission target, enforceable and subject to periodic review, 3) supporting local governments' action, 4) establishing a market-based system, 5) using carbon market revenues to assist consumers, local institutions and developing countries in the transition towards clean energy and in adapting to climate change, besides developing new technologies and 6) providing incentives to create a level playing field for all countries.

---

## THE CARBON MARKET

Carbon went through a very bad week, characterised by a new record low almost every day. The EUA2009 hit its first intra-day lowest level seen that far in phase two on Tuesday, reaching €10.55 but managing to close up at €10.70. Wednesday saw prices lose €0.25, closing at €10.45, which became €10.25 on Thursday and €10.02 at the end of the week. Weak energy markets, but especially the grim prediction about industrial production in Europe for this year, that affect negatively future demand for allowances, were mostly to blame for the bearish trend that characterised the carbon market, even if traders were fairly active especially in the spot compartment.

---

## SOURCES TO THIS ISSUE

Pointcarbon, Reuters interactive, Climate Ark, Euractiv, Carbon Finance website  
News and updates selected and edited by Caterina Cruciani, Fondazione Eni Enrico Mattei.  
For questions and comments please contact [caterina.cruciani@feem.it](mailto:caterina.cruciani@feem.it)