
EU EMISSION TRADING SCHEME

Verified emission data soon released

According to the European law, all installations participating in the EU ETS are to submit a verified emission report by March 31, each year. The EU has to publish this information by May, 15, but according to officials, is likely to start publishing it as soon as the collected data from Member states will reach 80 percent of the total, which could be as soon as April, 1. Emissions in the EU in 2007 were 2.71 billions, and experts forecast lower values for 2008.

Spring European Council: CCS funds confirmed but financing issue is postponed again

On Friday, European leaders meeting at the Spring Summit in Brussels finalised how €3.98bn of €5bn of unspent EU agricultural funds will have to be spent in the next two years to increase energy security and help European countries out of the crisis. The proposal of the Czech presidency to spend €1.05 billions for CCS projects has been approved, with Germany, the Netherlands, Poland, Spain and the UK each receiving €180 million, Italy receiving €100 million and France €50 million. These figures are not yet confirmed, as a wider economic recovery package, which the proposed list of energy projects is part of, must also be agreed by the European parliament. For what concerns specific figures for funding the international climate change agenda, the Summit concluded simply that Europe should take on its "fair share" in helping developing countries combat climate change, postponing the financing issue to the June Summit. Despite the absence of official figures, some structured suggestions have been reported by the commission, according to which the EU could provide €30bn to developing countries by 2020, while Polish prime minister Donald Tusk on Thursday evening told reporters that leaders were discussing sums of €20bn to €40bn by 2020.

NEWS FROM THE WORLD

World Forum calls for acknowledging water-energy link

During the Fifth World Water Forum held in Istanbul this week, a call to acknowledge the "inextricable link" between water and energy was launched to the international community.

In a report presented on March 19, the World Business Council for Sustainable Development (WBCSD) stresses that reliable water, energy and climate change data, models and analytical tools are needed to assess the impacts of climate change on water and to put in place better early-warning systems. These measurement tools should be able to account for the trade-off between water and energy efficiency, as they do not always work the same direction, the report adds. The WBCSD was not alone in stressing the need to get the water issue up in Copenhagen agenda, sided by the International Union for Conservation of Nature and the European Parliament delegation. Despite their views, the chances to see water included in a Post- Kyoto agreement seem "slim" according to Maude Barlow, special advisor on water issues to the president of the UN General Assembly.

THE CARBON MARKET

Carbon prices started off on a bearish trend this week, with increasing Brent crude oil and German power prices supporting carbon. The EUA2009 hit €12.85 on Tuesday, a two-month high immediately neutralised on Wednesday, when carbon shed about 3 percent following gas and oil prices. Despite a very bullish energy complex carbon fell more than 8 percent on Thursday, with the EUA2009 closing at €11.45. On Friday the EUA2009 lost €0.15, while market players were getting nervous for the upcoming UK auctions and the release of verified emissions, expected in a couple of weeks. On the secondary CER market, prices moved along the EUA curve, with CER2009 peaking on Tuesday at €11.70 and getting down to €10.25 on Friday's close. This week's traded volumes went down compared to the previous weeks, with 88 million allowances exchanged over all platforms.

On Monday, Austria auctioned 200,000 EUA for the second phase at €11.65; 94,950 allowances remain to be sold at a later date. This week, Japan finalised its first purchase of emissions rights, buying 30 million AAUs from Ukraine, at an undisclosed price. A second Japanese AAU purchase is expected for March 30; this time the seller is the Czech Republic. According to sources within several eastern European governments, at least 100 million AAUs are expected to change hands this year despite the economic slowdown and lower-than-expected emissions.

SOURCES TO THIS ISSUE

Pointcarbon, Reuters interactive, Climate Ark, Euractiv, Carbon Finance website
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