

### **MSR start end 2018: too little too late**

**Brussels, 24 February 2015. Today, the Committee on Environment, Public Health and Food Safety of the European Parliament voted on the draft report of MEP Ivo Belet on the Commission proposal for the establishment and operation of a market stability reserve (MSR) for the Union greenhouse gas emission trading scheme.**

With this vote, the ENVI Committee has adopted a report that improves the European Commission's proposal to an extent but stays below aspirations. While having preferred a permanent retirement of the 900 million backloaded certificates, CEDEC welcomes the decision to directly transfer them into the reserve mechanism, as well as any unallocated certificates. This is an important step to reduce the current oversupply of ca. two billion certificates in the carbon market, leading to a very low carbon price.

However, having been advocating for an earlier start of the MSR in 2017, CEDEC considers the agreement for 31 December 2018 an insufficient compromise, even if it does improve on the initial date of 2021, proposed by the European Commission.

“Despite some progress, we see the December 2018 start date as a missed opportunity to strengthen the effectiveness of the Emissions Trading System (ETS) as soon as possible. Both adaptations – the advanced introduction of the MSR and the retirement of 900 million allowances – are needed for the MSR to be corrective to the surplus of the carbon market and preventive to restore the demand-supply balance in the ETS. With this vote the MEPs today have stopped halfway there,” said **Gert de Block, Secretary General of CEDEC.**

### **CEDEC Background information**

CEDEC represents the interests of 1500 local and regional energy companies with a total turnover of €120 billion, serving 85 million electricity and gas customers and connections, with more than 350.000 employees.

These predominantly medium-sized local and regional energy companies have developed activities as electricity and heat generators, electricity and gas distribution grid and metering operators and energy (services) suppliers.

The wide range of services provided by local utility companies is reliable, sustainable and close to the customer. Through their investments and local jobs, they make a significant contribution to local and regional economic development.