

# Euro MPs back plans to freeze pollution credits

February 19 2013

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Cooling towers of the coal-fired power plant of Scholven in Gelsenkirchen, western Germany on January 16, 2012. The European Parliament's environment committee backed efforts to make investment in clean technology financially more attractive by freezing about 900 million tonnes of pollution credits available to companies in 2013-2015.

The European Parliament's environment committee on Tuesday backed efforts to make investment in clean technology financially more attractive by freezing about 900 million tonnes of pollution credits

available to companies in 2013-2015.

The EU's Emissions Trading System (ETS)—carbon credits that can be bought or sold—are providing little incentive so far for firms to change their ways because their prices are too low.

The parliamentary committee agreed by 38 votes to 25 to allow the European Commission to delay the timing of carbon emission auctions in hopes the price will rise and so encourage cleaner technologies, a statement said.

"The environment committee has sent a clear signal in favour of a strong and healthy emissions trading system. A stronger carbon price will help catalyse Europe's transition towards a low-carbon economy," committee chairman Matthias Groote said in a statement.

"Creating the EU ETS was a landmark achievement but there is also a learning process. Delaying auctions is only a temporary fix but it is a positive step," said Groote.

The committee will decide next week whether to negotiate an accord on the proposed freeze with member states before going for a full vote in parliament.

The [European Commission](#) called for the auction freeze on the grounds that the economic slump resulted in less demand for [carbon credits](#) and lower prices.

The ETS is meant to fight [climate change](#) by gradually tightening the amount of [greenhouse gases](#), blamed for global warming, that can be emitted by companies.

Companies receive annual [carbon emissions](#) targets. To help them meet

those targets, they are allotted carbon emission credits and can purchase others at auction or from other companies.

Ultimately, the hope is that companies will opt to invest in new technology to cut their emissions and so avoid the cost of having to buy pollution credits on the ETS.

Recent prices for such credits are around five euros but experts believe that needs to be 24-30 euros to make investment in clean technologies a realistic proposition.

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Citation: Euro MPs back plans to freeze pollution credits (2013, February 19) retrieved 25 April 2024 from <https://phys.org/news/2013-02-euro-mps-pollution-credits.html>

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