

## EU Emissions Trading System (EU ETS)

### Emissions covered by the ETS

ETS Size

0.40

### GHG covered

ETS Size

CO<sub>2</sub>, N<sub>2</sub>O, PFCs

### Sectors covered and thresholds

ETS Size

**PHASE 1 (2005-2007):** Power stations and other combustion installations with >20MW thermal rated input (except hazardous or municipal waste installations), industry (various thresholds) including oil refineries, coke ovens, iron and steel plants, as well as production of cement, glass, lime, bricks, ceramics, pulp, paper, and board.

**PHASE 2 (2008-2012):** Aviation was introduced in 2012 (>10,000 tCO<sub>2</sub>/year for commercial aviation; >1,000 tCO<sub>2</sub>/year for non-commercial aviation since 2013) (see below). Nitrous oxide emissions from the production of nitric acid were included by a number of countries. The EU ETS also expanded to include Iceland, Liechtenstein, and Norway.

**PHASE 3 (2013-2020):** Carbon Capture and Storage installations, production of petrochemicals, ammonia, nonferrous and ferrous metals, gypsum, aluminum, as well as nitric, adipic, and glyoxylic acid (various thresholds) were introduced.

**PHASE 4 (2021-2030):** No changes to the scope are envisaged for phase 4.

**International Aviation:** Emissions from international aviation were included in the EU ETS in 2012. In November 2012, the EU temporarily suspended enforcement of the EU ETS requirements for flights operating from or to non-EEA countries ("stop the clock") while continuing to apply the legislation to flights within and between countries in the EEA. Exemptions for operators with low emissions have also been introduced.

In light of the progress made under the International Civil Aviation Organization towards a global measure to reduce emissions from the aviation sector (the Carbon Offsetting and Reduction Scheme [CORSIA]), the EU will maintain the intra-EEA scope for the ETS Aviation until 31 December 2023. A further review and assessment will be carried out once there is clarity surrounding the content and nature of CORSIA, as well as the extent of participation by Europe's international partners.

### Point of regulation

ETS Size

Downstream

### Number of liable entities

ETS Size

More than 11,000 power plants and manufacturing installations. Aircraft operators are covered for all flights. However, a temporary exemption applies to flights between the EEA and a third country.

No information available yet.

### Institutions involved

Other Information

The European Commission and the relevant authorities of the 28 Member States, Iceland, Liechtenstein, and Norway.

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