

A carbon riddle that is in need of political answers

The EU needs to assert member states' right to set tough standards on power plants, writes **James Thornton**

The EU's well broadcast ambition is to decarbonise its energy sector. But at the same time as it is pursuing this goal, the EU's member states are continuing to build a large number of coal-fired power stations: 60 are on the drawing board or are being constructed.

In theory, the EU may eventually have the technology needed to use all this dirty energy and yet meet its emissions-reduction goals, as carbon emissions can be captured and stored.

But the probability of that happening under current conditions is not high. Only some of those 60 power plants will be 'carbon capture-ready', and there is no

guarantee that those that will be 'ready' will ever be fitted with carbon capture and storage (CCS) technology.

Indeed, there is doubt whether any coal plants will be retrofitted. The EU's member states may have boosted the prospects for CCS technology by deciding this month to set aside roughly €4 billion for large-scale demonstration projects, but the roll-out of CCS will depend on the price set on carbon in the EU's emissions-trading scheme (ETS). Projections suggest that the price it sets for carbon will remain too low to convince companies to go to the effort of fitting CCS technology.

This is bad enough for CCS hopes, but it also complicates the political challenge of meeting climate-change objectives: the addition of a large number of coal-fired power stations into the emissions-trading scheme may make it more difficult for politicians to tighten the emissions cap in this lax scheme.

It is clear that additional measures are needed to supplement the ETS, the EU's main means of controlling industry's

emissions of carbon. That is why a number of countries are actively assessing options that include setting emissions performance standards for individual power stations.

This might seem uncontroversial since, under the electricity directive, it is the prerogative of member states to stipulate standards that new power stations must meet to secure permission for construction (so governments can, for example, demand CCS technology).

But countries that want to set emissions standards for power plants are running into difficulties. The source of the problem is an amendment made to the integrated pollution prevention and control (IPPC) directive when the ETS directive was introduced in 2003. This, the European Commission argues, bars member states from setting national emissions performance standards (or caps or other emissions limits).

This is incorrect. The emissions-trading scheme directive falls under the environment chapter of the treaty, and the Treaty on the Functioning of the EU

entitles member states to introduce national measures more stringent than those set at the EU level.

A number of member states share that interpretation of existing EU law. But the Council of Ministers and the European Parliament will have a chance to remove anyone else's doubts this month when they debate the second reading of the industrial emissions directive, which includes a version of the IPPC directive.

This is an opportunity to make it clear that member states can set more stringent rules if they choose. Progressive member states should not be kept in lock-step with other member states.

Since the EU emerged from the UN's climate change talks in Copenhagen without the substantive result it sought and has not set itself a tougher emissions target, the case for progressive member states to exercise their autonomy has only increased.

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