



Founded in 2017 by:

ACIE: Asociación de Comercializadores Independientes de Energía / Association of Independent Retailers – SPAIN

AFIEG: Association Française Indépendante de l'Electricité et du Gaz / French independent association for electricity and gas – FRANCE

AIGET: Associazione Italiana di Grossisti di Energia e Trader / Italian Association of Energy Traders & Suppliers – ITALY

BNE: Bundesverband Neue Energiewirtschaft e.V. / Association of Energy Market Innovators – GERMANY

Oberoende Elhandlare / Independent Electricity Retailers – SWEDEN

EER position on EU ETS and carbon pricing

- An **EU wide market based carbon pricing system** to meet the emission reduction targets provides:
 - o A correct **internalization of environmental externalities** of economic activities and consumptions.
 - o A competitive advantage for non-carbon emitting sources, so possibly **avoiding use of specific subsidies for RES**.

- The ETS system should be complemented with a **carbon floor price** in order to favor the less carbonized technologies and prevent prices of European Emission Allowances being too low, as seen in the past, which might prevent a technology switch.
 - o Any floor needs to be implemented at EU level in order to avoid distortions between Member States and in order to provide a **long term price signal**.

- In **non-ETS** sectors a carbon price at a reasonable level should be introduced to avoid distortions between ETS and non-ETS sectors.
 - o Essential for any future model will be to **resolve** the many existing **distortions** which currently appear in various forms in some EU Member States (e.g.: tax reductions for fossil fuels).

- An EU carbon pricing system should be **resilient to global carbon leakage** in terms of imports, possibly by developing an EU border carbon policy.