



THE PRINCE OF WALES'S  
CORPORATE LEADERS GROUP

**For immediate release, Tuesday 24 February 2015**

## **MEPs show lukewarm ambition over EU-ETS reform**

Members of the European Parliament voted today (Tuesday, 24 February) to reform the European Union Emissions Trading Scheme (EU-ETS) and introduce a market stability reserve (MSR) by the end of 2018 – leaving too many carbon allowances (EUAs) available in the market in the meantime and delaying green investment across the continent.

MEPs agreed to introduce the MSR by 31 December 2018, which will put ‘backloaded’ and unused allowances in reserve but make 300 million available for break-through industrial innovation projects.

This outcome will aid the transition to a low-carbon European economy, but more slowly than the alternative put forward in a letter by 70 leading European business voices and utility firms earlier this month, coordinated by The Prince of Wales’s Corporate Leaders Group and Eurelectric.

The letter called for the MSR to be introduced by 2017 at the latest, delaying the sale of all 900 million back loaded EUAs, in direct response to the current low price of carbon which is doing little to drive forward green growth.

Sandrine Dixson Declève, Director of The Prince of Wales’s Corporate Leaders Group said:

“We knew a political compromise was necessary. This is therefore a step in the right direction but it still falls short of the strides Europe should be taking to incentivise low-carbon investment decisions by business sooner rather than later.

“Our members call upon the Council of the European Union to listen to the overwhelming business consensus and introduce the MSR earlier than December 2018 to balance out the carbon market as soon as possible.”

**ENDS**

### **Notes to editors**

1. For a copy of the letter to MEPs signed by 70 leading European business voices and utility firms see: [http://www.cisl.cam.ac.uk/business-action/low-carbon-transformation/clg/about/pdfs/Competitive\\_low\\_carbon\\_growth.pdf](http://www.cisl.cam.ac.uk/business-action/low-carbon-transformation/clg/about/pdfs/Competitive_low_carbon_growth.pdf).

2. The UK and eight other Member State governments agree that the MSR should be introduced by 2017 at the latest:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/406234/JOINT\\_MINISTERIAL\\_STATEMENT\\_ON\\_THE\\_MSR.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/406234/JOINT_MINISTERIAL_STATEMENT_ON_THE_MSR.pdf).

3. The European Commission is due to publish a communication on the EU Energy Union tomorrow, Wednesday 25 February. The EU-ETS will play an important role in this Union.

4. The Prince of Wales's Corporate Leaders Group (CLG) is a group of European business leaders working together with the University of Cambridge Institute for Sustainability Leadership (CISL) on climate change solutions with global policy makers and business. See <http://www.cisl.cam.ac.uk/clg>.

5. The University of Cambridge Institute for Sustainability Leadership (CISL) brings together business, government and academia to find solutions to critical sustainability challenges, deepening leaders' insight and creating opportunities for collaborative action through business platforms such as the CLG. See [www.cisl.cam.ac.uk/](http://www.cisl.cam.ac.uk/).