

Overview on the measures for the reduction of greenhouse gas emissions

What are the current measures to reduce the greenhouse gas emissions? ATIBT provides an update.



The carbon tax

The carbon tax was introduced as part of a "climate contribution". Its objective is to establish the cost of energy-related CO₂ emissions, under the "polluter pays" principle. Nearly 20 countries, mainly European, have applied a carbon tax. This contribution is based on the quantity of fossil fuels that are consumed, whether they are hydrocarbons, natural gases or coal. Sweden was the first to introduce the carbon tax in 1991. It was set at €27/tCO₂ and is now set at around €120/tCO₂. Finland and Denmark took up this commitment in 1997, although they modulated the implementation rules. In April 2001, The United Kingdom introduced a tax on the industrial or commercial use of energy using the word "fund", rather than tax.

The French Climate Energy Contribution (CCE)

In France, the CCE (Climate Energy Contribution) was created by the 2014 Finance Act, with the support of the Energy Transition for Green Growth Act. The CCE is progressive and proportionate to the amount of carbon dioxide emitted during the burning of fossil fuels. It rose from €7/tCO₂ in 2014 to €30.50/tCO₂ in 2017, with the expected levels for 2020 and 2030 set at €56 and €100/tCO₂, respectively. For the record, a €100/tCO₂ tax on natural gas represents a price increase of approximately 30% (source: *Comité Interprofessionnel du Bois-Energie* - Inter-branch Timber-Energy Organisation). This economic approach indirectly encourages consumers to adopt timber as a source of renewable energy. This provision differs from the European Union Emission Trading Scheme (EU ETS), which aims to control companies' CO₂ emissions.

The European Union Emission Trading Scheme (EU ETS)

The principle is based on the attribution of CO₂ emission quotas to each polluting company within the European Union in order to contain the total amount of pollutant discharges and then gradually reduce them. An emission reduction carbon market has therefore been created in order to encourage cleaner companies by allowing them to resell their excess allowances to companies that have exceeded their quotas. A company that emits an equivalent ton of CO₂ greater than the quotas allocated to it can also purchase (in a limited capacity) compensation credits, notably through forestry projects ([REDD project](#), fight against deforestation, reforestation, etc.). Unfortunately, under the pressure of industrial players who threatened to relocate their production sites, the quotas allocated to the 11,000 energy-consuming installations and airlines were set too generously. As supply far exceeded demand, the price per ton of CO₂ collapsed, rendering the system uninteresting, economically speaking. The revision of the project planned for 2020 seems difficult when considering the competitive international market where the benefits of production outside Europe are already numerous.