



Press release – December 8, 2015

The Magritte initiative: a strong industrial commitment for a carbon market

For a global deal in Paris - Supporting the momentum generated at COP 21, today, CEOs from major European energy companies show their commitment towards a global deal on the fight against climate change. It is time for action as global warming could lead to catastrophe and inflict permanent damage on the balance of life on Earth. Keeping global warming below 2°C is an absolute necessity, widely supported. Therefore the Magritte Group is calling for a far reaching and ambitious international climate agreement at COP 21 to provide the general framework for the long term as well as visibility and coherence to climate policies. The role of a carbon price signal, should also be acknowledged as a tool to ensure a level playing field worldwide.

From a damaged European carbon market to a swift recovery - In the past two years, CEOs have raised their concern about the losing credibility of the European carbon market. They have played an active role in its reform and strongly welcome the agreements reached on back-loading¹ and on the Market Stability Reserve². These agreements constituted important first steps towards the deeply needed restructuring of the European carbon market. Further pursuing this mobilization, the Magritte Group stresses the need for a strengthened European CO2 market signal with the aim of providing industry with a visible scenario for its present and future long-term investments. This is a prerequisite to restore confidence in the system and activate its full benefit to climate policy.

Concrete commitment of the energy industry to combating climate change - CEOs are committed to shaping a low carbon energy future and investing in low carbon and efficient technologies to reach the climate goals. Research, technological development and innovation have a key role to play in the process of a competitive low carbon path which is becoming possible through the development of concrete projects and products such as smart technologies, renewables, energy storage, demand-side response, power to gas, distribution grid modernization, alternative fuels infrastructure for transport, etc. COP21 represents the opportunity to showcase and share best practices in this regard.

The Magritte Group: a unique initiative in Europe

Since its launch in May 2013, the Magritte Group has offered its assessment of the energy market situation in Europe. The CEOs of the companies that make up the group aim to contribute to the debate by offering constructive proposals. Hitherto, there have been some promising results, particularly with regard to renewable support schemes and the carbon market.



#MagritteGroup

¹ What is backloading ? : withhold 900 million allowances from auction in bid (400 Mt in 2014, 300 Mt in 2015, 200 Mt in 2016 to be reintroduced in 2019 : 300 Mt, and in 2020: 600 Mt).

² What is the MSR ? : This amendment to the ETS Directive is a fully automatic and transparent mechanism that operates entirely according to pre-defined rules to adapt CO₂ allowances supply to economic growth in Europe and to the impact of other policies and would improve overall functioning beyond trading periods. It should leave no discretion to the Commission or Member States in its implementation.