

# Report - EHPA Workshop on ETS

03/02/2022 - 10:00 to 14:00

The workshop organised by the EHPA on the 3<sup>rd</sup> of February explained the ETS to the EHPA members and resulted in a fruitful discussion. During the event, Mr. Geres and Mr. Kohn, from FutureCamp, and Mr. Nowak and Ms. Vanbecelaere, from EHPA, presented the topic and moderated the discussion, derived from short breakout rooms' discussions. **The impact of the ETS revision on the heat pump sector and its potential benefits were analysed during the event**, the presentations are available [here](#) and [here](#) (only accessible for EHPA members).

## Introduction

Mr. Geres introduced the workshop. **The goal of this workshop was to provide EHPA members with a discussion on potential ETS2 obstacles** and how they could be overcome, and with an **explanation of basic concepts from existing ETS, comparing it with the proposals for ETS2**. This workshop is divided in **two parts**: in the **first part, the ETS was explained** and a "spontaneous mood" discussion took place. The **second part**, focused on a **small group discussion** and a **Q&A session**.

## First Part

The first part of the presentation focused on the **explanation of the European Emission Trading Scheme** and on **outlining the results that derived from this scheme, in terms of revenues and reduction of the emissions**. Also, the **prices** and the **progressive evolution of this schemes' relevance over the years was explained**.

Afterwards, there a **comparison between the actual scheme and the proposed changes for the ETS** was made. These proposed changes concern **different aspects**, such as the **2030 target**, the **MSR (Market Stability Reserve)**, the **increase of the Innovation Fund**, and the **concept of free allocation**.

After an explanation of the proposed changes for the ETS, **the European Commission and the ENVI Committee (European Parliament) proposals for ETS2** were presented. The **comparison between the two** focused on the **start year, the scope, the concept of free allocation and the use of revenues**. Together with and excursus on the National Emission

Trading Scheme in Germany, the **timeline of the development process** – negotiation and implementation - for the **ETS2 has also been illustrated**.

This first part of the presentation also highlighted some important issues derived from the **“Spontaneous mood” session**. The **most important questions for the heat pump sector** were **related to the CBAM and its application**, to the **trigger value for EUA**, and to **the use of the money that will derive from this scheme**. Other questions concerned the carbon pricing scheme and the possible reaction of Member States, and also the differences with regards to free allowances between ETS and ETS2. The **“Spontaneous mood” session** analysed the different opinions on the ETS scope, its starting date, and the use of revenues. Thoughts on the legislative framework in which it is set up and on the possible compensation system were also analysed.

## Second part

The second part of the workshop was organised as follows:

- **Participants were divided into three groups**, moderated by Ms. Vanbecelaere, Mr. Nowak and Mr. Geres
- **Each of these groups had three identical areas of discussion and related questions**
- At the end of the discussion, the outputs for each group were presented

Each group discussed whether they preferred **the proposal of the ENVI committee or of the European Commission**, concerning the **following topics**:

- ETS scope
- Starting date
- Revenues
- Legislative framework
- Compensation

The **discussions** in each group **and the resulting views** have been of **relevant interest to the heat pump sector**. The group discussions led to numerous insights and interesting opinions to better analyse and identify the benefits of the ETS2 for the sector.

## Conclusion

The workshop showed, thanks to an active participation, an interesting discussion, and an excellent exchange of views in order to better assess the potential of an extension of the ETS to heating and its effect on the heat pump sector.

Next steps:

- The insights of the workshop will be used to further develop EHPA's position.
- EHPA advocacy work will continue in the coming weeks with the monitoring of the EU institutions activities.
- EHPA's aim is to organise the same kind of activity to keeping the debate on this topic up to date.