



**COMMITTEE OF MEMBERS OF PARLIAMENT OF THE EFTA STATES
(MPS)**

**Resolution of the MPS
on**

The Green Paper on Climate and Energy 2030

*Co-rapporteurs: Irene Johansen (Labour Party, Norway) and Nikolai Astrup
(Conservative Party, Norway)*

The Committee of Members of Parliament of the EFTA States (MPS),

- A. Having regard to the European Commission's Green Paper "A 2030 framework for climate and energy policies" and the public consultation therein;
- B. Recalling that the EEA Joint Parliamentary Committee (European Parliament and national parliaments of the EFTA States together) had a thorough discussion on the Green Paper at its meeting on 28 October 2013 and wishes to keep climate and energy 2030 as a permanent point on its agenda throughout the entire policy process in the EU and the EEA;
- C. Recognising the on-going debate both within the EU and the EEA EFTA Member States on respective goals, objectives and targets for the post-2030 period and looking forward to more specific proposals both from the EU and the EEA EFTA Member State governments on this;
- D. Recalling that the EEA EFTA States are not covered by the EU common energy and climate policy - they set their own national climate policies, objectives and targets - but that specific legislative proposals to implement the overall EU policy might be deemed EEA relevant;
- E. Recalling, thus, the importance of close dialogue at the earliest stage possible between the EU and the EEA EFTA States on energy and climate;
- F. Acknowledging that it is still early in the policy process to have firm views on what the EU is planning to do beyond 2020, however, underlining the importance for the EEA EFTA States, also at the parliamentary level, to already engage with the EU, and to do so throughout the entire policy process, focusing on aspects and elements that might be deemed EEA relevant or will be especially important for one or more of the EEA EFTA States;

- G. Referring in its decision to do so to the close relationship between the EEA EFTA States and the EU in the energy field, not only through the internal energy market and the EEA Agreement, but also bilaterally (e.g. Norway as a key exporter of gas to the EU, Switzerland as essential transit country, Iceland's and Norway's considerable experience with renewable energy, the cooperation between the EU and Norway on carbon capture and storage, and Iceland potentially as a future energy exporter via cable) and internationally (as partners in the global climate negotiations)
- H. Asking for this short resolution to be seen as a positive and early contribution to the on-going debate in the EU and a signal of the interest of the members of parliaments of the EFTA States in the Commission's proposals, already highlighting some key issues for the EEA EFTA parliamentarians without prejudice of positions the members of the Committee might hold on more specific EU proposals in the future;
1. welcomes the Commission's Green Paper and the broad and timely debate this has initiated;
 2. looks forward to more specific proposals from the European Commission on the 2030 framework;
 3. hopes to have the possibility to discuss these proposals with relevant Commissioners at EFTA and/or EEA joint parliamentary committee meetings in 2014;
 4. urges the EU to develop a close dialogue with the EEA EFTA States on its 2030 climate and energy framework, with specific focus on proposals that are deemed EEA relevant;
 5. encourages the EU and the EEA EFTA States to work together towards an ambitious international climate agreement in 2015;
 6. intends to follow closely the entire policy process of the 2030 framework - from Green Paper to adoption of new legislative proposals - and to continue to provide input and comments on new Commission proposals;
 7. wishes in this initial resolution to focus on the following issues:
 - a. **ETS:** The emission trading scheme must be strengthened and should be the primary tool in the fight against climate change. After 2020 the emissions allowances under ETS must be decreased gradually and in accordance with EU climate goals by 2050. At present, emission allowances under EU ETS are reduced by 1,74 pst every year. This is not sufficient to meet EU emission targets in 2050. It will be important to set emission targets for 2030 and 2040 that are in line with the 2050 targets that have already been set, and adjust ETS to fit with the goals.

- b. **Innovation, R&D:** The EEA EFTA States support more investments in energy and climate related research, with focus on economically sustainable renewable energy, energy efficiency, manufacturing emissions and environmentally friendly transportation. The EEA EFTA States have participated actively in the EU research programmes for many periods and intend to do so also in the new 2013-2020 period (Horizont 2020, Cosme). This opens up for new important European research networks. Fulfilling the European Research Area will also be important in this regard.
- c. **CCS.** Oil and gas will continue to be part of the energy mix for many years. Ensuring that carbon is captured and stored safely will thus be pivotal in meeting our climate policy goals. Norway has worked closely with the EU on developing new technology, but much more needs to be done Europe-wide. Today, the technology is not cost-efficient enough. A common legal framework, e.g. for storage and transportation, should be a first priority.
- d. **Capacity markets.** The EEA/EFTA States are sceptical of proposals to establish national capacity markets for electricity production, whereby utility companies are paid more to keep excess power capacity available due to fluctuations in unregulated power production such as wind and solar. Capacity markets could undermine cross-border trade in electricity and could be in breach with internal energy market rules. The EEA/EFTA States believe increasing the interconnectedness of the European power market is the best way of reducing the negative impacts of increased fluctuation in power production. If capacity markets are implemented, interconnections should be able to participate in the market.
- e. **International developments.** We support the emphasis the Commission puts on international developments in the Green Paper. For the EU it will be essential to look at these when agreeing on the 2030 framework. These developments include the shale gas "revolution" in the US and its impact on the energy mix in Europe (increased import/use of coal, possibly decreasing the use of cleaner gas) and also new regional carbon markets in Asia (several in China, South Korea), North/Central America (California, Quebec, Mexico...) and the likely results of the 2015 international agreement in Paris.