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Emissions trading: Take-off position for aviation

Federal Environment Agency allocates free certificates to aircraft operators

The aircraft operators for which Germany is responsible will soon be receiving first-time notification of how many CO₂ certificates will be available to them for emissions trading in Europe until 2020. Background: starting January 2012, aircraft operators – both airlines and business jet operators – will have to render one certificate for every tonne of carbon dioxide emissions they produce. The airlines will receive most of the certificates free of charge until 2020. "The airlines are ensured planning security up until 2020 with the allocation of free certificates. Aircraft operators must acquire a share of those certificates on the market or reduce their emissions by initiating their own climate protection measures. In so doing, they will finally be doing their long overdue bit to help protect the climate," said UBA's President Jochen Flasbarth. Aviation emissions in the EU have nearly doubled since 1990.

Initially, 85 per cent of all available certificates will be allocated free of charge to airline companies, dropping to 82 per cent in 2013. These free certificates - calculated on the basis of average aviation sector emissions from 2004-2006 - are allocated to the concerned airline companies from the EU and other countries according to rules which have been harmonised throughout Europe. The German Emissions Trading Authority (DEHSt) at the Federal Environment Agency (UBA) is in charge of allocation in Germany. The remainder of the certificates needed to fully account for emissions produced must be purchased on the market by the operator. Total volumes of certificates allocated by DEHSt for 2012 will be 42.8 million, then 40.5 million every year from 2013-2020. The current market value of these certificates is some three billion euros.

The first allocation period of largely free certificate allotment up until 2020 is expected to keep the financial burden on passengers resulting from emissions trading relatively low. As an example: the added cost of a one-way ticket from Berlin to Mallorca will presumably be no more than 1.50 euros. Taking into consideration the allocation of free certificates, those added costs are actually even lower. What will weigh in more are fluctuations in kerosene and the airlines' ticket prices.

Emissions from the aviation sector have nearly doubled throughout the EU since 1990. "Emissions trading is an effective instrument to gain control of this problem," says Jochen Flasbarth. "The system limits CO_2 emissions of flights to, in and from Europe, thus accounting for roughly one third of global air traffic emissions. Non-EU airlines are also being held accountable. Emissions trading thus guarantees reaching the climate protection goal and creates fair competition as well." The largest share of emissions traded, over 65 per cent, are produced by European aircraft operators.

Next steps

Allowances will be issued to aircraft operator accounts by 28 February 2012. In Spring 2013 aircraft operators must submit verified reports of actual 2012 emissions and then surrender the corresponding number of certificates.

Further information and links

DEHSt will publish a list of airline operators and their allotment of certificates by 23 December 2011. A comprehensive report on the first allocation period for aviation will follow in Spring 2012. There is also an updated fact sheet with key information on aviation sector emissions trading, available for download from the DEHSt website. For an overview of airline operators participating in emissions trading see here:

http://www.dehst.de/DE/Teilnehmer/Luftfahrzeugbetreiber/Teilnehmer/teilnehmer_node.html

The German Emissions Trading Authority (DEHSt)

The German Emissions Trading Authority at the Federal Environment Agency is the national authority entrusted with the implementation of emissions trading for stationary installations and for the aviation industry. Its mandate includes management of the allocation and issuance of emission allowances, revision of emissions reports and operation of the emissions trading registry. It is also in charge of the administration of the project-based mechanisms Joint Implementation and Clean Development Mechanism.

http://www.dehst.de

Dessau-Roßlau, 8 December 2011