

PRESS RELEASE – Wednesday 28th November 2018

Global companies call for a minimum carbon price

To complement the EU Emissions Trading System (EU ETS), a group of companies [propose](#) the introduction of a European or regional carbon price floor in the power sector and minimum carbon pricing for transport and buildings. Predictable and consistent carbon price signals are widely considered the most cost-effective way to stimulate climate friendly decision-making by businesses and consumers.

A carbon price floor in the power sector and minimum carbon pricing for transport and buildings, can deliver significant additional CO₂ emission reductions which would put Europe on track to meet the objectives of the Paris agreement.

An in-depth report demonstrates that a more robust path towards decarbonisation of the power sector is possible if more countries join forces (FTI-CL report available [here](#)).

The report includes the following findings:

- **With a carbon price floor, CO₂ emissions from the power sector could be reduced by additional 29% by 2030** in the carbon price floor area, while total EU power sector emissions are reduced by 17%.
- **A carbon price floor reduces the costs of investments:** reduced volatility in power prices leads to reduced financing costs.
- **A carbon price floor boosts the energy transition:** it allows more renewable energy projects to be realized with less financial support and drives an acceleration of coal phase out.
- **With a carbon price floor, average electricity prices will not increase in the long run**, which safeguards the competitiveness of the electro-intensive industry.
- **In the short term, possible impacts on power-intensive industries can be mitigated** using government revenues raised with the carbon price floor.

The study will be presented at a public event in Brussels at the Dutch Permanent Representation on 19th December in the afternoon.

Markus Tacke, CEO of Siemens Gamesa said: *“As an industry leader, we encourage European member states to embrace this initiative. We believe that a carbon price floor will make an important contribution toward the cost-effective decarbonization of the European economy, and will help us to achieve the targets of the Paris Agreement. The transition to a cleaner world is a mission we support and embrace.”*

Frank Mastiaux, CEO of EnBW said: *“A carbon price floor supports and accelerates decarbonisation by reducing coal-based production more rapidly, thus inducing a much faster switch from coal to gas. It also accelerates the expansion of renewable energy by making it more secure and easier to finance new projects.”*

Johannes Teysen, CEO of E.ON said: *“Carbon pricing will only have the required impact on climate protection if its coverage does not remain constrained. Emissions are increasingly coming from sectors not covered by the ETS. It is vital that Europe moves towards a carbon price in all energy consuming sectors. This will create a real incentive to burn less carbon across the economy, and level the playing field between electricity and other fuels.”*

Martin Neubert, CEO of Ørsted Offshore said: *“Europe has a huge untapped potential for generating wind energy in the North Seas. A carbon price floor would reduce volatility and uncertainty for any investor, which makes offshore wind projects without revenue stabilising mechanisms more viable and thus increases the speed of the urgently needed transformation to low-carbon energy systems.”*

The joint declaration is available [here](#).



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