Emissions trading: German installations cut emissions by 3.4 percent in 2017
Reduction in contrast to the EU-wide increase in greenhouse gas emissions

In 2017, the 1,830 stationary installations in Germany that take part in the emissions trading system (ETS) emitted around 438 million tonnes of carbon dioxide equivalents, 3.4 percent less than in 2016. This means that the reduction in emissions in the emissions trading sector will be greater than the reduction in total German greenhouse gas emissions, which also include other sectors (e.g. transport, households). The recently published initial estimate of the German Environment Agency (UBA) had determined a reduction of 0.5 percent for this. German ETS emissions thus developed in the opposite direction to the EU-wide average. Independent market analysts estimate the increase in emissions of the entire EU ETS at 0.6 to 1.0 percent on the basis of the preliminary data released by the EU Commission. This increase is mainly driven by economic growth. The German economy is also growing, but the 2.1 percent increase in industrial emissions is more than offset by the 5.4 percent reduction in emissions from energy installations.

The price for the European Emission Allowances (EUA) averaging EUR 5.88 in 2017 was too low to provide incentives for emission-reducing investments in industry. Since the beginning of the year, however, the price has more than doubled and is now at the same level as in 2011.

"Industry must also play its part in reducing German greenhouse gas emissions. Achieving this requires a strong emissions trading system with high reduction targets and a visible price signal. The remarkable current price development should make clear that the times of negligible CO2 costs for many in the industry sector can be over faster than some might have expected," says Maria Krautzberger, President of the German Environment Agency (UBA).

Emissions from industry: Emissions from energy-intensive industry in Germany rose by 2.1 percent year-on-year to 126 million metric tons of
carbon dioxide equivalents. For the first time since 2013, the beginning of the current trading period, there has been an increase in emissions for all industrial installations. The increase in emissions from industrial installations is mainly attributable to installations in the iron and steel industry and cement clinker production, which recorded strong emission increases of 4.0 and 5.8 percent compared with 2016. Emissions from installations in the paper and non-ferrous metals industries also increased, although the increase there was more moderate at 1.0 and 0.6 percent. Slight reductions in emissions were recorded by installations in the chemical industry and refineries at minus 1.0 and minus 0.5 percent respectively.

**Emissions from energy supply:** Emissions from energy supply industry fell by 5.4 percent to 312 million metric tons of carbon dioxide equivalents. This relatively sharp decline is due to declining coal and lignite emissions. Hard coal emissions fell by 17 percent, lignite emissions by a moderate 0.7 percent. While natural gas emission rose by 2.4 percent, this increase is negligible in absolute terms.

**Submission deadline:** Installation operators have until 30 April 2018 to submit the number of emission allowances required to offset their actual emissions for 2017. The German Emissions Trading Authority (DEHSt) at the German Environment Agency (UBA) is currently reviewing the 2017 emissions reports and is expected to publish the detailed evaluation of the results by 30 May 2018.

**Emissions trading and total emissions:** Emissions trading accounts for about 50 percent of Germany's estimated greenhouse gas emissions for 2017. Germany's official total emissions in 2017 will be published in the National Inventory Report on 15 January 2019.

**German Emissions Trading Authority (DEHSt):** The German Emissions Trading Authority at the German Environment Agency is the national authority for the implementation of Europe-wide emissions trading for stationary installations and for aviation. Its tasks include allocating and issuing emission allowances, reviewing emission reports and monitoring plans, and managing accounts in the EU Emissions Trading Registry. It controls the auctioning and informs the public and market participants about the auction results. DEHSt is also responsible for administrative aspects when using the project-based mechanisms, Joint Implementation and Clean Development Mechanism. DEHSt is also the national licensing authority for electricity price compensation and the competent authority...
for the payment of subsidies for electricity-intensive companies to compensate for indirect CO2 costs.

**Links:**
More information:  
[https://www.dehst.de/EN/understanding-emissions-trading/auctioning/reports/reports-node.html](https://www.dehst.de/EN/understanding-emissions-trading/auctioning/reports/reports-node.html)

Press release ‘Green house gas emissions 2017 on the decline, slightly’:  