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From: General Secretariat of the Council
To: Permanent Representatives Committee/Council

Subject: Draft Decision of the European Parliament and of the Council concerning the establishment and operation of a market stability reserve for the Union greenhouse gas emission trading scheme and amending Directive 2003/87/EC (**first reading**)
- Adoption of the legislative act (**LA + S**)

Statement by Finland

"Finland supports the establishment of Market Stability Reserve which has the potential to strengthen the effectiveness of the Emission Trading System and increase its ability to adapt to external shocks.

Emission Trading System should create predictability for the markets and the threshold for interventions and renewal of the trading terms should remain high. Predictability is of crucial importance to energy investments and therefore it is essential that the agreed MSR rules are clear, lasting and unambiguous.

Finland highlights the need to guarantee the global competitiveness of European energy-intensive industries. In this regard it is important that the upcoming ETS review will look into the impact of the MSR on growth, jobs, the European Union's industrial competitiveness and on the risk of carbon leakage.

It is also important to consider the establishment of an EU-level system to compensate for the indirect costs of EU ETS for energy-intensive industries. In addition Finland emphasizes that the promotion of low-carbon investments in all Member States should be considered in future EU innovation funding."

Statements by the Commission

"In line with European Council Conclusions of October 2014 the ETS review will inter alia consider whether unallocated allowances should be used for addressing the risk of carbon leakage."

"The temporary exemption foreseen in Art 1.3, 2nd subparagraph does not constitute a precedent for the ETS review."
