The European Union (EU) is expected to temporarily remove 900 million EU carbon allowances from the EU’s emissions trading scheme («back-loading»). But under current rules these stored allowances and other surplus allowances accumulating before 2020 will re-enter the market after 2020. The total allowance surplus accumulating by 2020 is expected to reach up to 2.3 billion tonnes by 2020. Consultancy Ecofys estimated that the total surplus represents 7 percentage points in emission reductions by 2030 (*). Assuming the whole ETS surplus is used for compliance before 2030, this means that a 40 percent domestic climate target for 2030 results in real domestic emission cuts of merely 33 percent compared to 1990 levels.

*Ecofys (2013), The next step in Europe’s climate action: setting targets for 2030, commissioned by Greenpeace