EDITORIAL

ETS: ECOFYS recommends clinker benchmark in cement industry

September 2009 - On 10 September 2009 ECOFYS, the consultant appointed by the European Commission to study benchmarks for the purpose of allocating free allowances, recommended the adoption, in the cement industry, of the EU-wide clinker benchmark supported by CEMBUREAU. Looking at the possibility to benchmark clinker or cement, ECOFYS opted for the first solution mainly on the ground of workability.

This solution is supported broadly by the European cement industry, but it is not unanimous. To a substantial majority of CEMBUREAU Members and cement companies operating in Europe, it is evident that Annex I to the revised Directive on Emission Trading, just like its predecessor, applies only to installations producing clinker. The National Allocation Plans in the first - trial - and the 2nd period, up to end 2012, have only applied to clinker producing installations. The clinker benchmark must thus be seen as one more step along a continued and well established approach.

Could it be argued that this solution would remove the incentive to diminish CO2 intensity through the reduction of the clinker factor? CEMBUREAU does not think it would be the case. The reduction of the clinker factor, through replacing clinker by additions such as slag and fly ash, had started before the urge to reduce CO2 emissions had appeared and it has since progressed at a constant pace even in those years, since 2005, when free allowances were allocated to cover clinker production. A producer receiving free allowances to cover its clinker production will always have an interest to reduce its CO2 emissions per tonne of cement and either use the allowances to increase its production in order to respond to increased demand or sell them.

With the clinker benchmark the cement industry will also have its future in its own hands. The benchmark will be defined for a relatively long time - at least 2020 - during which the economy may fluctuate and the availability of substitutes as well. With the present economic crisis and fall in steel production, for example, there is less slag to go around and, in the future, dependency on a scarce resource could obviously become a serious threat.

Finally, the proposed solution makes sense as it creates a level playing field in which all cement producers can compete in the market place with no regional disadvantage to producers located in parts of Europe where clinker substitutes or additions are not available.

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