



Environment, planning and regulatory news

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GHG emissions fall in 2008: EU ETS latest

The European Commission recently confirmed that greenhouse gas (GHG) emissions from installations subject to the EU emissions trading scheme (ETS) fell by 3.06 per cent in 2008 compared with 2007 figures. Approximately 1 per cent of installations subject to the EU ETS failed to submit allowances covering their 2008 emissions by the 1 May deadline.

The 2008 results indicate that the UK's emissions rose by more than 3 per cent and those for Germany and for Spain fell by 3 and 13 per cent respectively.

A recent report by the Commission suggests that over half of the 258 industrial sectors being assessed for exposure to carbon leakage under the EU ETS will qualify for free emission allowances when the scheme is revised in 2013. Some 143 of the 231 sectors assessed so far have met the necessary criteria for receiving 100 per cent of their emissions allowances free of charge. The range of sectors qualifying includes oil and gas, paper and pulp, chemicals, and wine and sugar manufacturers. The Commission's final proposal on sectors subject to carbon leakage will be published at the end of this month.

FRANCE

French economic recovery plan published

Further details have emerged of the French economic recovery plan announced by President Sarkozy last December. The French government is to bring

forward investment in public projects in the transport infrastructure, higher education and research, state-owned properties, housing, urban renewal and health sectors. The plan has led to the adoption of numerous legislative and regulatory measures, some of which are intended to facilitate the conclusion of public contracts or the establishment of industrial sites.

Public procurement

Several decrees were adopted in December 2008 to speed up the current public procurement procedures. The threshold triggering the requirement to follow the public procurement route has been raised from €4,000 to €20,000 and the threshold above which public work contracts require compulsory procurement procedures to be followed has been raised to the European level of €5.15m. Other measures adopted aim to reduce the time limits for payment and to increase the first instalment paid to suppliers and operators.

Public private partnerships (PPPs)

Since PPPs, which are used to finance a large number of public infrastructure projects, are encountering difficulties in raising the funds they need as a result of the current financial crisis, the French government has been allowed to guarantee loans on priority projects implemented through PPPs entered into before 31 December 2010, up to a global ceiling of €10bn. Projects that are likely to benefit include the South East Atlantic High-Speed Line, the Seine-Nord canal and Plan Campus (university buildings project).

The new law for the acceleration of public and private construction and investment programmes (Law No. 2009-179 of 17 February 2009) contains various measures regarding town planning, environmental permits (see below) and public contracts designed to speed up the delivery of such contracts. The law contains provisions allowing the private sector to finance PPP projects partially only and, during 2009 and 2010 only, for public authorities to allow the preferred bidder to make its final offer with 'adjustable' (provisional) financial conditions.

Simplified environmental permit

The new law enables the government to create a new 'simplified' environmental permit that will be of benefit to those sites that can be subjected to standardised permitting procedures and permit conditions. The aim of the new permitting regime is to ensure better allocation of public authorities' resources (to favour the control of the most dangerous sites) and to remove disproportionate administrative procedures hindering the establishment of industrial sites – some 54,000 industrial sites are subject to environmental permitting in France, a disproportionately high number compared with the situation in other member states.

GERMANY

Draft CCS act adopted

The Federal Cabinet recently adopted a draft act to implement a legal framework to deliver investment in carbon capture and storage (CCS) with the aim of implementing the EU CCS Directive adopted recently. The act is being expedited through the German legislative procedure with a view to its adoption in the summer; it may, however, be modified during parliamentary debate.

The draft provides that carbon dioxide storage sites will be subject to an approval procedure, with the responsibilities of operators of such sites including a requirement to provide financial security to ensure that all the obligations contained in the storage permit can be met. It envisages the transfer of responsibility for the storage site to the government 30 years after its closure; this differs from the EU CCS Directive, which allows for the transfer of responsibility after 20 years.

UK

Budget 2009

The chancellor of the exchequer's Budget announcement this year contained a number of measures aimed at delivering a lower carbon economy and a green fiscal stimulus to the current recession. The main environmental announcements are as follows:

- setting the first three carbon budgets, as required by the Climate Change Act. These set a legally binding 34 per cent reduction in UK GHG emissions by 2020;
- an additional £375m to support energy and resource efficiency in businesses, public buildings and households over the next two years;
- £405m to support low-carbon industries and advanced green manufacturing, to be delivered through existing schemes such as the Environmental Transformation Fund and as part of the Strategic Investment Fund. The government's aim in providing this funding is to establish the UK as a worldwide leader in renewables technology and advanced green manufacturing;
- an uplift in support for offshore wind investments that reach financial close between now and 2011 through the renewables obligation (RO). The Department of Energy and Climate Change (DECC) is consulting on its proposed changes to the RO; and
- a new funding mechanism to support up to four CCS demonstration projects by 2020 and £90m to fund detailed preparatory studies. The Budget announcement was coupled with one from the DECC indicating that electricity generators will have to demonstrate CCS on a substantial proportion of any new coal-fired power station and a ban on new coal plants without CCS if the technology is technically and commercially proven, including a requirement for retrofitting the technology on new coal plants within five years of it being proven.

For further information please contact

Jonathan Isted
T +44 20 7832 7320
E jonathan.isted@freshfields.com

Sharon Long
T +44 20 7427 3019
E sharon.long@freshfields.com

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