



# Factsheet

Datume

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## Exempt companies involved in emissions trading

### CO<sub>2</sub> tax exemption

Since 1 January 2008 a CO<sub>2</sub> tax has been levied on fossil fuels (e.g. oil and natural gas). In 2008 and 2009 the charge levied was CHF 12 per tonne of CO<sub>2</sub>, which was raised to CHF 36 per tonne from 1 January 2010. Energy-intensive companies are able to gain exemption from this levy by entering into a commitment with the federal authorities to reduce their CO<sub>2</sub> emissions.

About 950 companies have made this commitment since the CO<sub>2</sub> tax was introduced and are thus exempt from paying the tax. About 430 of these 950 companies have received emissions allowances according to their carbon emission targets (carbon cap) and take part in the Emissions Trading System (companies committed in the Energy Model). These emission allowances permit companies to cover their actual emissions. If a company reduces its carbon emissions by more than its carbon cap, it can sell on its surplus allowances. If its carbon emissions exceed its carbon cap, the company must purchase the necessary emission credits to make up the shortfall. This trade in emissions gives the energy-intensive companies a certain flexibility, allowing them to buy emission credits elsewhere in addition to their own efforts to reduce carbon emissions.

Small and medium-sized enterprises which have committed to achieving a specific carbon emission target do not receive any emissions allowances but can buy emission credits if they do not achieve their target.

### Companies committed in the Energy Model

The number of emission allowances allocated is based on the maximum amount of carbon that a company is permitted to emit. The emission allowances for each company are allocated in the National Emissions Trading Registry by the Federal Office for the Environment FOEN. Each exempted company must therefore open an operator account in the National Emissions Trading Registry.

### Carbon cap and allocation of emission allowances

In the period during which they sign up to the scheme (the so-called commitment period usually runs from 2008 to 2012), exempt companies in the Energy Model are allocated emission allowances at the beginning of the second quarter of each year. The federal

authorities calculate the volume of emission allowances from the average CO<sub>2</sub> emissions permitted for the commitment period. This corresponds to the carbon cap set for 2010.

### Adjustments in carbon cap

Each year the FOEN adjusts the carbon cap to production increases, taking into account the company's efforts to reduce carbon emissions.<sup>1</sup> The most recent adjustment will be carried out for 2010. The FOEN informs the companies each year of the adjusted carbon cap.

However, the emission allowances in the National Emissions Trading Registry will most likely be adjusted just once; this will be done retrospectively when emission allowances are allocated for the last time in 2012 (see Overview of Allocation and Surrendering of Emission Credits). This means that information on carbon cap adjustments in the National Allocation Plan will not be available until the second quarter of 2012 (these can be accessed on the homepage of the National Emissions Trading Registry at [www.national-registry.ch](http://www.national-registry.ch)).

### Meeting commitments

Each year in June, companies must surrender emission credits according to their effective carbon emissions in the previous year. Companies surrender these emission credits themselves by transferring them from their account in the National Emissions Trading Registry to the FOEN. Based on the emission credits surrendered, the FOEN ascertains whether or not a company has met its commitment.

A company has met its commitment when it surrenders sufficient emission credits during the commitment period, i.e., at least enough to cover the effective amount of CO<sub>2</sub> emitted. If the effective carbon emissions amount to more than the allocated emission allowances, additional emission credits can be purchased both in Switzerland or abroad, although no more than eight per cent of the carbon cap amount may be offset with foreign certificates.

If a business does not meet its commitment, it must pay the CO<sub>2</sub> tax plus interest.

Overview of emission targets (allocated emission allowances) and effective CO<sub>2</sub> emissions of exempted companies for the years 2008 -2010

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	2008	2009	2010
Emission target (allocated emission allowances)	3.3 m t CO <sub>2</sub>	3.1 m t CO <sub>2</sub>	3.42 m t CO <sub>2</sub>
CO <sub>2</sub> emissions (effective)	2.9 m t CO <sub>2</sub>	2.6 m t CO <sub>2</sub>	2.85 m t CO <sub>2</sub>
Outperformance (surplus emission allowances)	0.4 m t CO <sub>2</sub>	0.5 m t CO <sub>2</sub>	0.57 m t CO <sub>2</sub>

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### Information

- National Emissions Trading Registry: [national-registry@bafu.admin.ch](mailto:national-registry@bafu.admin.ch)
- CO<sub>2</sub> tax: [CO2-Abgabe@bafu.admin.ch](mailto:CO2-Abgabe@bafu.admin.ch)

### Internet

- <http://www.bafu.admin.ch/emissionshandel>
- <http://www.bafu.admin.ch/co2-Abgabe>

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<sup>1</sup> The maximum amount of carbon that a company would have been permitted to emit when adhering to the CO<sub>2</sub> intensity target (cap) is calculated based on the CO<sub>2</sub> intensity in the year under review. The CO<sub>2</sub> cap is adjusted based on the the difference between that value and the cap set.



### Overview of Allocation and Surrendering of Emission Allowances (Companies exempt from CO<sub>2</sub> tax as of 2008)

	2008	2009	2010	2011	2012	2013
<b>Number of emission allowances allocated:</b> (allocation at beginning of second quarter of each year)	According to carbon emission targets 2010 under exemption decision	According to carbon emission targets 2010 under exemption decision	According to carbon emission targets 2010 under exemption decision	According to carbon emission targets 2010 under exemption decision	According to carbon emission targets 2010 under exemption decision <b>and</b> considering target adjustments (2008 – 2012)	
<b>Target adjustments:</b>	Adjusted cap 2008	Adjusted cap 2009	Adjusted cap 2010	Adjusted cap 2010	Adjusted cap 2010	
Surrendering of emission credits:		1 June: Surrendering according to effective CO <sub>2</sub> emissions in 2008 reported in the monitoring system	1 June: Surrendering according to effective CO <sub>2</sub> emissions in 2009 reported in the monitoring system	1 June: Surrendering according to effective CO <sub>2</sub> emissions in 2010 reported in the monitoring system	1 June: Surrendering according to effective CO <sub>2</sub> emissions in 2011 reported in the monitoring system	1 June: Surrendering according to effective CO <sub>2</sub> emissions in 2012 reported in the monitoring system
Commitment met:						The total volume of emissions allowances surrendered at least equal to effective CO <sub>2</sub> emissions 2008 - 2012