



Euro Chlor Energy Issues

EU ETS review

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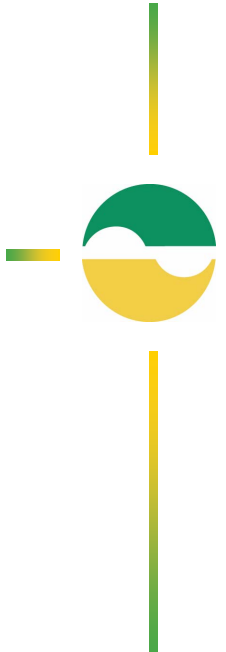
Monday, 21st May 2007



Electricity is a high proportion,
>50%, of full cost –
irreducible because of the
electro chemical process
involved.

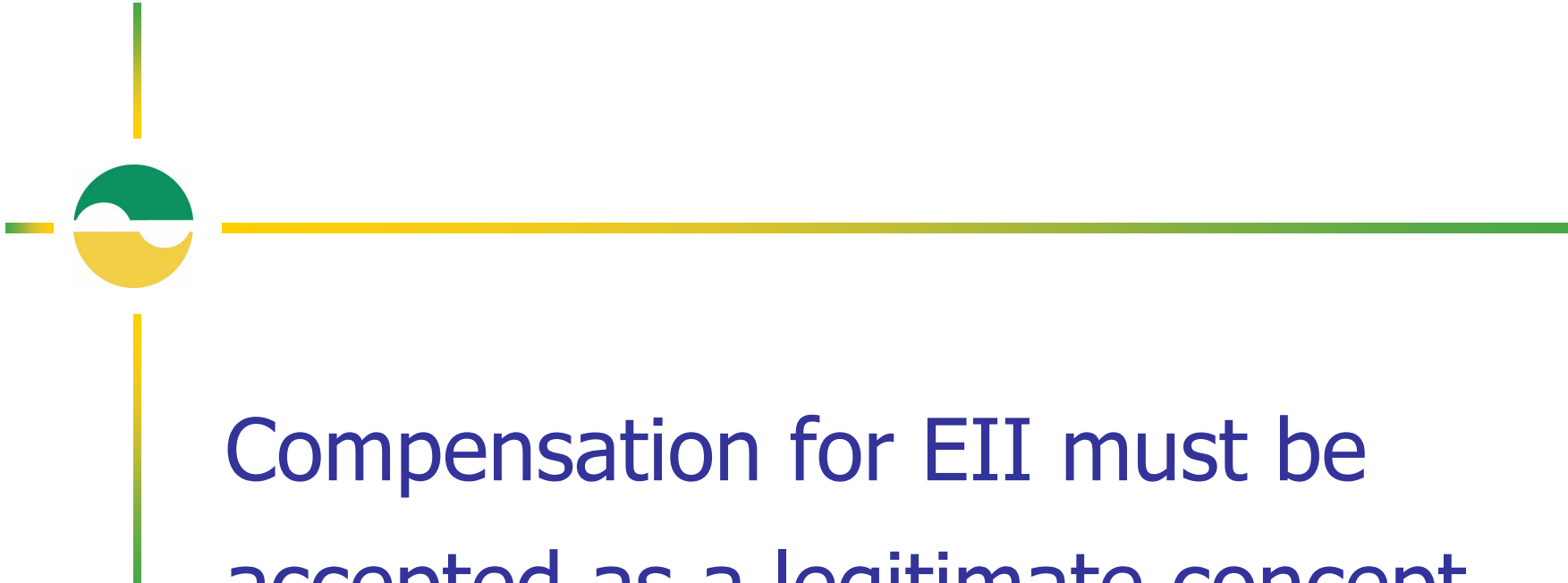


Europe has very high
electricity prices compared
to the rest of the world.



ETS will further increase the
electricity price – estimated
carbon cost €50-100+ MT.

→ Aggravation of problem



Compensation for EII must be accepted as a legitimate concept to offset the cost of ETS.

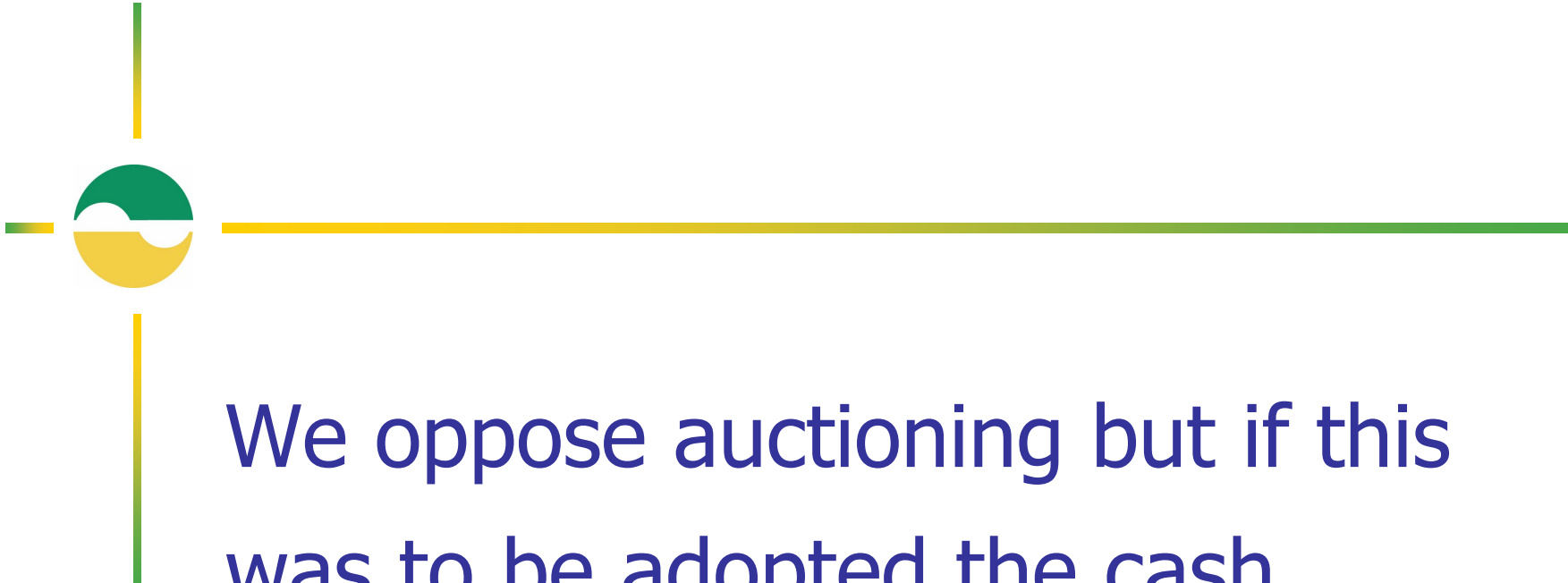


Euro Chlor view is that this compensation should be in the form of free-of-charge permits – taken from electricity generators.



Bench marking is acceptable to us and should be encouraged.

Should be fuel specific.



We oppose auctioning but if this was to be adopted the cash arising should be 'recycled'.