

Katowice, 25.06.2013

Directorate-General Climate Action
European Commission

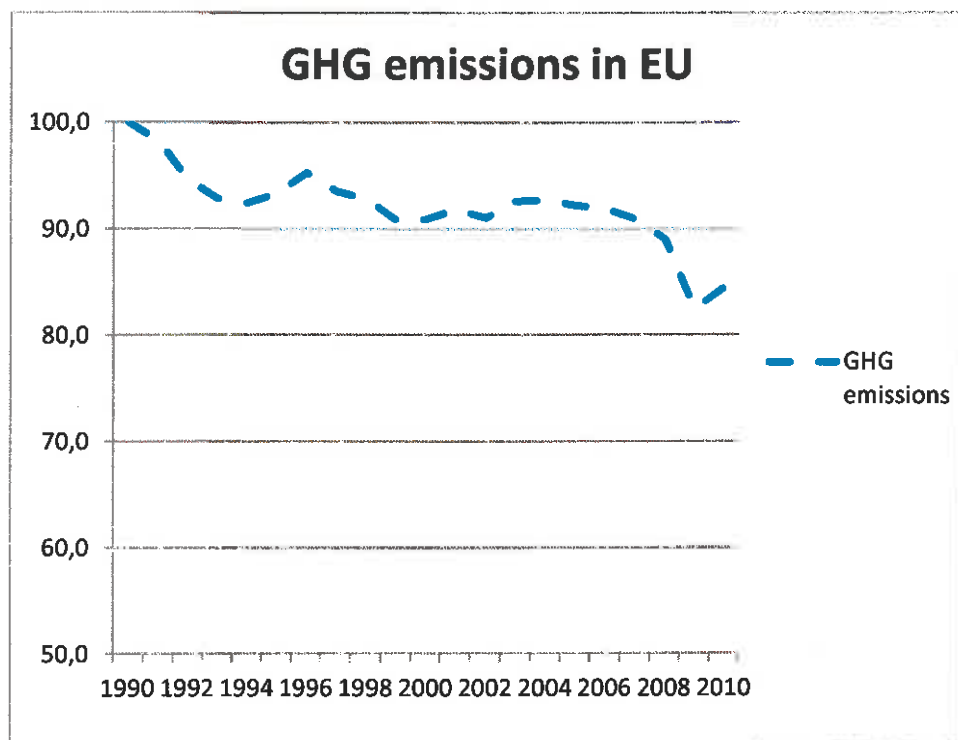
ZRF/KF/140/2013

RE: Consultation on the 2015 International Climate Change Agreement "Shaping international climate policy beyond 2020"

Dear Sirs,

TAURON Polska Energia SA approves all European Commission's activities leading to reaching the International Climate Change Agreement in 2015. Consultation on the Communication "Shaping international climate policy beyond 2020" is a next important step forward and a very good possibility to express our views on this crucial issue that are as follows:

- **The European Union is responsible for emitting 11% of global emissions and has already made a huge economic effort to reduce them on its territory (Picture 1, source: European Commission).**



Therefore, reaching a global climate change agreement by the non-EU countries should be a precondition for any further EU commitments in the field of the Climate Policy. At the same time, it would also be an **expression of solidarity and co-responsibility** for the current and future state of the environment and air quality.

- Due to the fact that voluntary measures do not give satisfactory results, **introduction of the binding emission targets for the non-EU countries**, in particular for the biggest emitters (USA, China, India, Japan, Russia, Brazil), is of the utmost importance. However, **the goal for each country has to be realistic (in other words – achievable) meaning that it would take into account its level of economic development, specific factors (inter alia: geographical location, weather conditions, resources, social situation etc.), it would not distort the competitiveness of its economy and it would ensure the security of supply and energy independence.**
- The above-mentioned economic and social situations differ from country to country. Even in case of the countries located in the same region these gaps may be significant. Moreover, we cannot forget that there are the **end-users (societies) who pay for any ideas undertaken on the political level that will affect the electricity prices** (what in the context of the binding emission targets is unquestionable), thus defining any energy strategy should be done with due care. We have to keep in mind the EU example, where the Climate Policy has caused the electricity prices rise. Therefore, the text concerning GHG emissions reductions that are made *“at affordable costs and cause energy bills drop”* (page 2, par. 3) is not justified. For this reason, creation of the **fair effort sharing mechanism that will protect less developed countries and theirs societies** is of utmost importance. There should be set an objective indicator (for example, GDP/capita) that would help to differentiate these countries while taking into consideration their characteristics. Effort sharing mechanism – if properly created – **may become a key argument in the negotiations**, especially with the countries that would be obliged to make the biggest effort to reduce their emissions (a guarantee of support from the richer countries' side can be a decisive argument in making their decision).
- One of the key concerns is **preserving the competitiveness of the domestic industries both on the EU and global levels**. This aspect is extremely important especially in the time of current economic recession. While discussing this subject,

we also have to keep in mind the possibility of a potential **carbon leakage**. This phenomenon will appear if not all the countries sign the global climate change agreement. Therefore, **ensuring that all non-EU nations are willing to reduce the emissions should be a top priority. Otherwise, the production from countries that would commit to fulfill the emission objectives would move to the regions not covered by the agreement.** We observe such trend now in Europe where investors close their factories in the European Union and open the new ones in the third countries. We have to prevent from spreading this phenomenon on a larger scale.

- **Last but not least, the European Union must not make any further commitments as long as such political binding global agreement – fulfilling the aforementioned conditions – is reached. Signing a global agreements should be thereby a prerequisite for any climate post-2020 goals. Otherwise setting another stricter targets in EU would put at risk the competitiveness of its economy, as well as welfare of Member States' societies. We already have made a good example for others and became leaders in emissions cut. Now it is time for the biggest global economies to make a move on the climate issues that would be comparable with this already made by the European Union.**

Yours faithfully,


TAURON Polska Energia S.A.
Wiceprezes Zarządu
Joanna Schmid