

Dear Madam, dear Sir,

Cogen Nederland, the Dutch association of cogeneration owners and operators herewith gives its views and comments on the proposals to reform the EU ETS (ref. 'The state of the European carbon market in 2012, COM(2012) 652).

Cogen Nederland endorses the reaction on the 6 proposals given by Cogen Europe, the European association for the promotion of cogeneration.

In our view proposal c, an early revision of the annual linear reduction factor is the most preferred structural measure to reform the EU ETS, provided the revised LRF is derived from clear targets for the ETS cap in 2030.

We disagree with the proposals a) and b) as they are not recognised as structural measure, and the time frame seems far from realistic.

The EU ETS must remain a market based mechanism, therefor we are not in favour of policy option f.

For an economic operation of cogeneration, it is of utmost importance that EU ETS becomes a market mechanism that reflects the real costs of carbon. Up to now the system has completely failed in this respect. Therefor reforms are needed very urgently.

With kind regards,

Hans Davidse

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