

About the Public consultation in preparation of an analytical report on the impact of the international climate negotiations on the situation of energy intensive sectors

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4. About free allocations, It is a good measure to avoid the risk of carbon leakage but it is not enough. It is necessary to differentiate very clearly the type of the emissions:

- Emissions (Tn CO₂/Tn product), that it's possible to reduce in some amount. For example, Combustion emissions
- Emissions (Tn CO₂/Tn product), that it's impossible to do nothing. For example: Decarbonation emissions.

For the first emissions it is possible to make economical efforts but for the second type of emissions, it is better to not consider them inside the ETS.

Other important question, it is to guarantee the enough free allocations in the case of increases of production. So it is not a good reference the historical emissions, because the industrial installations have always the possibility to invest in efficiency and capacity adjustments, to produce more tonnes of final product.

Europe can not allow to limit its industrial capacity in order to import from outside countries.

P.D. Other important issue it is the intention of Europe for harmonize the fuel consumption references in the benchmarks. This position it is not coherent, if there is not an harmonization in the fuel prices of each Member State, and when each Member State has different levels of facilities.