Forum Odbiorców
Energii Elektrycznej i Gazu

Forum CO_2

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Izba Gospodarcza Ciepłownictwo Polskie

HIPH
Hutnicza Izba Przemysłowo-Handlowa
Polish Steel Association

KBN

SPPDwP

Stowarzyszenie Przemysłu Wapienniczego

ZWIĄZEK PRACODAWCÓW POLSKIE SZKŁO

European Commission
Directorate-General Climate Action
Unit B1 – Implementation of ETS
Avenue de Beaulieu, 5
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Belgium

The position of Forum of Electricity and Gas Receivers in relation to the draft Regulation (EU) No 1031/2010 in particular to determine the volumes of greenhouse gas emission allowances to be auctioned in 2013-2020

The EU Commission presented a draft future Commission regulation amending Regulation (EU) No. 1031/2010 in particular to determine the volume of greenhouse gas emission allowances to be auctioned in 2013-2020. According to the document auctioning of a particular volume of carbon allowances shall be shifted from the beginning of the 3rd trading period to its end ("back-loading").

Enterprises and sector organizations gathered in the Forum of Electricity and Gas Receivers and Forum CO_2 strongly oppose administrative manipulations of the system, which in its foundations should function on free market rules.

The interference with the emission allowances market planned nu the Commission aims at an increase of their price by creating an artificial deficit of CO_2 emission allowances at the beginning of the third accounting period. Such activity bring additional costs for the energy intensive industry, which is already heavily burdened by EU's climate policy. What's more, the proposed changes are in contradiction with the principle of free trade of goods and services, which were created by the European Union itself. This is deviation from established rules weakens the credibility of the EU aspiring for global leadership in exploiting the free-market mechanisms to stimulate pro-environment activities.

Proposition of the EC does not include neither comprehensive and reliable calculations nor an analysis of the impact of those regulations in the upcoming years. This situation is leading to a fall of the level of confidence among the investors towards the activities undertaken by the European Community as a whole.

We express our belief that the basic rules of EU ETS functioning must be predictable and remain unchanged in long-term perspective. They cannot be broken in order to achieve short-term objectives such as generating additional income for some of the member states. This is particularly important in times of a financial crisis, when the economic activity should be considered as the principal tool to fight the crisis.

Changes in the EU ETS cannot be proceeded in an unpredictable manner but only after conducting detailed analyses, debates and accordingly with the existing decision-making mechanisms in the EU.

It is important to underline that Polish energy consuming industry, which obtains energy mostly from coal, have carried out great modernisation efforts and significantly reduced greenhouse gas emissions in the past years. Therefore review of the auction time profile for the ETS is extremely dangerous for Polish industry which hardly survive present EU climate policies. Instead of implementing artificial changes, the EU should conduct a thorough revision of the whole system to prove that its climate policy can be both beneficial for the environment and safe for the competitiveness of the industry.

In addition, the presented Commission's policy will increase the carbon leakage occurrence in the European countries outside the ETS and not within the EU jurisdiction. That will lead to an uncontrolled growth of greenhouse gas emissions and will greatly endanger many branches of EU economy.

With a view to the above mentioned arguments, we hereby ask to refuse to allow changes, which will lead to loss of competitiveness and in consequence also bankruptcy of Polish energy intensive sectors and disturbances in the functioning of the entire EU's industry.

Sincerely yours,

Henryk Kaliś

Henryk Kaliś
Chairman FOEEiG & FORUM^{CO2}