



CEBRE - Czech Business Representation to the EU

- Protects the interests of Czech business community vis-à-vis the EU institutions
- Informs Czech businesses about EU legislation affecting them
- Trains Czech entrepreneurs and managers in Brussels
- Represents Czech business associations at European business federations

PRESS RELEASE

Brussels, 3rd December 2008

FULL AUCTIONING OF EMISSION ALLOWANCES WILL DESTROY INDUSTRY AND ENERGY SECTOR IN NUMBER OF MEMBER STATES AND INCREASE PRICE OF 1 MWh BY € 2.50. DO WE WANT THAT?

Number of MEPs discussed during CEBRE Policy Cafe titled “Full auctioning of emission allowances for energy sector – end of fossil fuel power plants - EU ETS after 2012” with representatives of Czech and European business the impacts of proposed full auctioning of emission allowances for energy sector. None of the participants did question the targets set, vivid discussion took place regarding the method of how to achieve the ambitious targets. Participants agreed the most effective would be to make companies responsible for positive change in CO₂ production through investments in R&D, instead of imposing huge external costs on them.



During the key statements Jan BŘEZINA MEP (EPP-ED), Member of the EP Committee on Industry, Research and Energy, said: “Withdrawing money from businesses through full auctioning of allowances can be very dangerous - it could lead to reduced investments in new modern power plants, less money for R&D and higher electricity prices.” Referring to the question if EP should or should not take vote during the December plenary session, Mr Březina stressed it is more important to make good decisions than to make swift decisions. In his opinion, the climate-energy package is not ready for a vote yet. Paul RÜBIG MEP (EPP-ED), Member of the EP Committee on Industry, Research and Energy, President of SME Global, questioned not the aim and the targets set by the climate-energy package, but the method (EU ETS) of achieving the targets. “Keep money in the companies so they can invest it in R&D and innovation”, he suggested.

Business side was represented by two key speakers during the Policy Cafe. Zuzana KREJČÍŘIKOVÁ, Director European Agenda of ČEZ Group, stressed the fact utilities in new Member States receive 60-90% of allowances for free until 2012. “Full auctioning of allowances means an overnight switch - external costs of 97 billions euro in the period of 2013-2020 in comparison to 62 billions euro the companies from new Member States intended to invest into new power plants during the same time period,” Krejčířiková said. Matthias DUERR, Director of Brussels office of RWE AG confirmed saying that: “Full auctioning of CO₂ allowances will drive up costs of new power plants and cause delays and reduced investments – it will directly increase the price of 1 MWh by 2.50 euro!”

In the following discussion, representative of German BDI Bernd Dittmann questioned the position of European Parliament, shall the Council be unable to find a broadly supported compromise The MEPs present stressed the discussions should not lead to a swift and premature early vote. Nicolas REGA of EURELECTRIC mentioned the very special and difficult position of energy sector in what regards the EU ETS and argued the auctioning to be predictable and transparent.

CEBRE Policy Cafe took place in the European Parliament on Tuesday 2nd December 2008 from 12:00 pm and was organised by CEBRE and MEP Jan BREZINA in cooperation with the below mentioned partners. For further information please contact Michal Kadera, Director of CEBRE at the below mentioned contacts.

Partners of the Policy Cafe

