

The Art. 10c Experience from the CZ

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A brief look to the history

Art. 10c = a political deal to save the EU ETS review from CZ presidency (Jan.-Jun. 2009)

„Golden rush“ in CZ: 5 days after publication of the reviewed ETS directive in the Official Journal of the EU, amendment in the CZ Parliament by 3 MPs transposing the 10c through unrelated legislative act

The Amendment

made use of the Art. 10c to the extent possible
obliged companies to spend at least half of the
amount equivalent to the market value of the free
allocation between 25.6.2009 and 31.12.2011
had no compliance or control mechanisms
ignored guidelines provided by the EC
no additionality/quality criteria for the investments

The Investment Plan - process

Draft plan published already in early December 2010
(before publication of Guidance document by the EC)

Re-drafting

Incomplete draft (without planned investments)
released for public consultation on 19.8.2011 – up to
26.8.2011

The investments appeared on the web only after
closure of the public consultation

Submitted to the EC in September 2011

No SEA

The Investment Plan - content

Ineligible investments due to the commencement of the investment process before 25 June 2009

46 % of investments to contribute to Czech dependency on coal; at least one project to increase the coal consumption of a particular installation

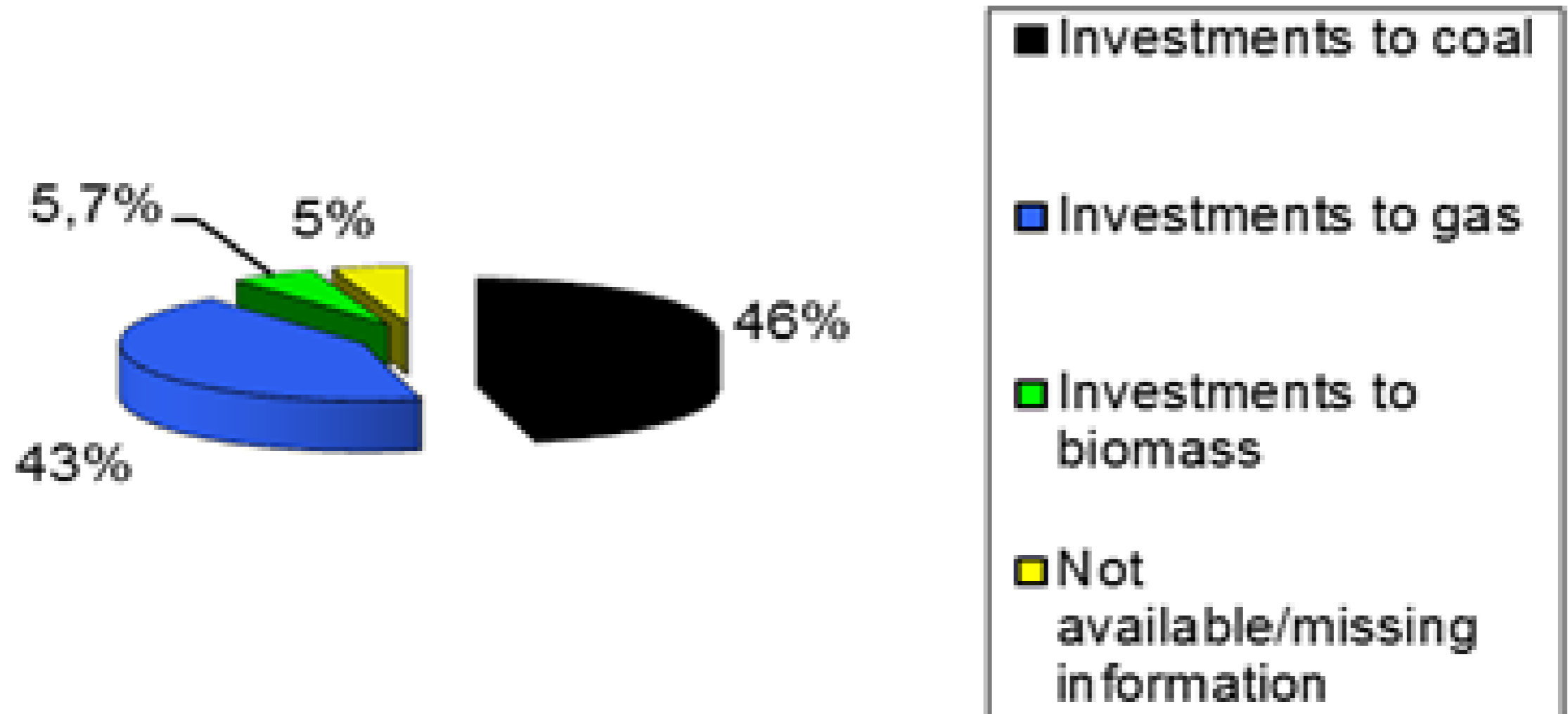
About 85 % of investment projects for modernisation of the equipment for the production of heat

Cost-efficiency ranging from 12 EUR/ton CO₂ to the astronomical 232 000 EUR/ton

Investments to cumulatively strengthen the dominant domestic power producer in the market

Funding fossil fuels through the EU ETS

Proposed investments in the National Plan, with respect to the fuel used



More info:

http://aa.ecn.cz/img_upload/eafd8382e68de047a49213a9ed52af69/report-on-czech-10c-application_final.pdf

Conclusions

The EC approved CZ plan on 6th July 2012 with some changes - no details were provided

The 10c is still there, therefore:

full transparency shall be ensured in the selection and implementation of all projects and investments

only investments for energy savings and sustainable renewable energy technologies to be eligible

require additionality: financial support shall be limited to projects that would not be implemented for other reasons

Thank you.

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