

The Implementation of Kyoto Flexible Mechanisms in Poland

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Introduction

- UNFCCC: signed 1992, ratified 1994,
- SECRETARIAT JI (S-JI) - 1995 (one of the first in Europe), in NFEP&WM
- KYOTO PROTOCOL'97; ratified by Poland in August 2002. Willingness to participate in Flexible Mechanisms

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General Criteria for AIJ / JI Projects

Based on:

- **International criteria (KP and COP 7, IPCC)**
- **Polish Criteria based on National Environmental Policy implemented by Ministry of Environment (MoE)**

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Authorizing bodies

- **Cooperation based on mutually accepted Memorandum of Understanding until Kyoto Protocol is not a source of international law.**
- **Department of Investment and Technological Development in the Ministry of Environment is responsible for implementation of flexible mechanisms**

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National Priorities for JI – project types

- Energy conservation - upgrade of thermal efficiency - construction or retrofitting-CC, ACC installations (high LHV)
- Renewable energy sources (hydropower, wind power, biogas, biomass)
- Waste management contributing to avoidance of GHG emissions in particular through energy recovery and use
- GHG absorption afforestation, reforestation

Joint Implementation Projects

- Case study „*Skrobotowo Wind Park, 20 installations x 2 MW=60 MW*”
- Price of 1 ERU – 9 EURO
- Purchase Power Agreement sign with Polish Grid Company (PSE Elektra)
- Option of selling „early credits” generated before 2008
- Project needs Letter of Approval signed by MoE to go ahead as JI project

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Early Credits

- Reduce risks related to transfer of ERU's during commitment period 2008- 2012
- Simple and efficient GHG emission trading scheme: price of AAU=price of ERU
- No need for extensive hedging (PCF,ERUPT)

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Final Conclusion

- Small scale of present JI projects: 350- 900 KW
- Unsatisfactory outcome of JI projects due to bureaucratic inefficiencies and institutional complexity
- Switch from passive approach of involvement in JI projects to active one - searching for solid international investors through focal points
- Additional costs: constant monitoring, reporting and inventory cover by JI Rent (10% of value of transferred ERU's, 90% goes to investors)
- Poland soon as investor country (Ukraine, Kazachstan) ⁸

Renewable energy driving forces in Poland

- Poland is well-endowed country with renewable energy sources, especially biomass as well as wind and geothermal
- Poland has adopted already the national renewable energy strategy- 7,5 % in 2010 and is harmonising its environmental and energy policy with those of EU
- Big agricultural sector, considerable forestation, extensive rural areas under restructuring and extensive use of coal fired District Heat and CHP plants create opportunities for the development of bioenergy
- There is considerable demand for clean energy investment and big opportunities for JI and ET schemes in Poland to support in the development of Renewable Energy sector

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Emission Trading System-objectives

- Allowances for CO₂, SO_x, NO_x, PM₁₀ emission
- Domestic bipolar system: coexistence of tradable and untradable allowances (integrated permits, limits set up by LCP Directive)
- Integrated system of pollution release registers
- Emission trading system integrated with regional air quality programs (regional immission standards- EU Frame Directive)
- ET as a market-based tool to decommission obsolete installations in power industry
- fulfilment with regulatory emission restrictions

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Emission Trading System continuation

- Project is divided into three periods.
- First: framework of system and solution of all political inconsistencies – June 2003
- Second: international procurement tender for creating system – May 2004
- Third: legislative process and lobbying

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Thank you for your kind attention

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