



CEE Bankwatch Network

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TO:

Mr Jos Delbeke
Director-General of DG CLIMA
European Commission
Rue de la Loi 200
B-1049 Brussels

By Email

Bulgaria:

Centre for Environmental Information
and Education (CEIE)

Za Zemiata, For the Earth

Croatia:

Green Action

Czech Republic:

Centrum pro dopravu a energetiku
(CDE)

Hnuti DUHA

Estonia:

Estonian Green Movement-FoE

Georgia:

Green Alternative

Hungary:

National Society of Conservationists -
Friends of the Earth Hungary (MTVSZ)

Latvia:

Latvian Green Movement

Lithuania:

Atgaja

Macedonia:

Eko-svest

Poland:

Polish Green Network (PGN)

Russia:

Sakhalin Environmental Watch

Serbia:

Center for Ecology and Sustainable
Development (CEKOR)

Slovakia:

Friends of the Earth - Center for
Environmental Public Advocacy (FoE-
CEPA)

Ukraine:

National Ecological Centre of Ukraine

21 February 2012

**Report containing an independent analysis of the Romanian
application for transitional free allocation under Article 10c of
the EU ETS Directive 2003/87/EC**

Dear Mr Delbeke,

The European Commission is currently examining the application submitted by Romania as well as other seven EU Member States for transitional allocation of allowances free of charge under Article 10c of the EU ETS Directive 2003/87/EC.

Due to the fact that the European Commission's decision regarding the Romanian application will have a major impact on the future of the electricity sector in Romania, there is a need for a thorough review and assessment of the application.

CEE Bankwatch Network would like to submit the attached report produced by our organization in collaboration with Greenpeace in Romania, containing an independent analysis of the Romanian application. In accordance to paragraphs 25 and 60 of the European Commission Guidance on the implementation of Article 10c, we invite you to take into consideration the information provided, as part of the assessment process.

The attached report reveals the fact that the preparation and adoption of the Romanian application were in serious breach of the SEA

Directive 2001/42/EC and the public consultation requirements outlined by the European Commission in its Guidance document. Additionally, the report concludes that several elements of the application are in breach of the EU ETS Directive 2003/87/EC and the requirements set out in the European Commission Guidance on the implementation of Article 10c, including:

- monitoring and enforcement provisions are not sufficiently set out and detailed;
- a proper analysis regarding the cost effectiveness of the planned GHG emissions reductions was not provided;
- publicly accessible information shows that a number of planned investments were undertaken before the required cut-off date;
- planned investments do not adequately diversify the energy mix of Romania, maintaining instead the dominant role of coal-fired power generation.

We therefore call on the European Commission to reject entirely or as the case may be, those elements of the application and national plan of Romania which do not comply with the EU ETS Directive 2003/87/EC and/or the SEA Directive 2001/42/EC.

Yours sincerely,

Diana Popa,



Campaigner

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Mr Johannes Enzmann, Policy Officer - Emissions trading (by email)