



**FOR IMMEDIATE RELEASE:**

**EC MUST PROBE POLAND'S PHANTOM COAL PLANS**

**Brussels, 30 September 2011** – Environmental groups ClientEarth, CAN-Europe, Greenpeace, WWF and the Polish Climate Coalition question the lawfulness of today's request from the Polish government for the European Commission to allow Poland to hand out millions of free greenhouse gas emission allowances to non-eligible, unbuilt power stations. The groups are calling on the European Commission to reject the Polish government's proposal for subsidies to these "phantom" power stations, the construction of which would reinforce the dominance of coal in Poland for another half-century.

EU law-makers decided in 2008 that from 2013 all European electricity producers must, through auction, buy all their emissions allowances under the EU emissions trading scheme (EU ETS). It was also agreed that certain power plants in Central and Eastern Europe may transitionally receive free CO<sub>2</sub> allocations provided that they were either in operation by the end of 2008 or their "investment process was physically initiated" by that date. Environmental lawyers emphasise that Poland's application for this exemption includes 13 projects, most of them coal-fired, that fulfil neither of these criteria.

*"We can find no evidence that the 13 proposed new fossil-fuel power projects included in Poland's application were in fact underway and physically initiated at the end of 2008. This is contrary to the purpose of the derogation and Polish building law, which stipulates that a building permit is necessary to start the investment process. Therefore, these 13 projects must be knocked out of Poland's derogation application – or the EU ETS will risk incentivising new fossil fuel investment."* stated Karla Hill from the group of environmental lawyers, ClientEarth.

The exception to the full auctioning in the EU ETS law was intended to facilitate the gradual transition from coal to cleaner energy sources. Poland's application reveals a plan to do the opposite regarding the country's energy future – almost 10 gigawatts (GW) of new coal capacity is planned to be built by 2016, which is almost one-third of the country's currently installed capacity.

*"The Polish government claims it cannot afford to kick its coal addiction. But at the same time, it tries to wriggle out of EU incentives for a greener energy system. Building new coal-fired power plants would lock Poland into coal dependence for another half-century,"* said Zbigniew Karaczun from the Climate Coalition of Polish NGOs.

*"The holder of the EU's Presidency is using legal tricks to allow 13 new power plants to profit from free carbon allowances. The European Commission must strongly react to this obvious breach of law,"* added Julia Michalak from CAN-Europe.

The deadline for submitting the applications is today. Poland is seeking approval for handing out in total 405 million tonnes of free CO<sub>2</sub> permits to 188 installations. The environmental NGOs studied the draft application that was available for public consultation during August 2011.



**The site of a new unit of a coal-fired power plant Rybnik, which is included in the Polish application for free allocation.**

There is no evidence of construction and the building permit had not been issued before the end of 2008.

The Polish government claims that this project was "physically initiated" by that date.

**For more information, please contact:**

**Joris den Blanken**, Greenpeace European Unit, Tel. +32 (0) 476 96 13 75, [joris.den.blanken@greenpeace.org](mailto:joris.den.blanken@greenpeace.org)

**Karla Hill**, ClientEarth, Director of Programmes, Tel. +44 7517 369 324, [khill@clientearth.org](mailto:khill@clientearth.org)

**Mark Johnston**, WWF European Policy Office, Tel. + 32 (0) 499 539 732, [mjohnston@wwf.eu](mailto:mjohnston@wwf.eu)

**Julia Michalak**, Climate Action Network Europe, Tel. + 32 (0) 495 77 45 68, [julia@caneurope.org](mailto:julia@caneurope.org)

**Zbigniew Karaczun**, The Polish Climate Coalition, Tel. + 48 22 82 73 370, [zbigniew\\_karaczun@sggw.pl](mailto:zbigniew_karaczun@sggw.pl)