

RESOLUTION
OF THE SEJM OF THE REPUBLIC OF POLAND

of 9 December 2021

**on calling on European Union countries to suspend the EU Emissions Trading System (EU ETS)
and take action for reform**

The Sejm of the Republic of Poland expresses unequivocal support for the Polish Government's initiative to put forward a proposal at the upcoming European Council meeting to immediately suspend the EU Emissions Trading System (EU ETS) or exclude Poland from the scheme until it is reformed.

The EU ETS, which began operating in 2005 to bring about an economically rational and socially acceptable pace of reducing greenhouse gas emissions, currently does not fulfill this task. The system became a massive threat to Poland after the adoption and implementation of new climate policy tools, which were approved by the Government with the signature of then Prime Minister Donald Tusk at the European Council summit in March 2014. The speculative construction of the EU ETS leads to unprecedented increases in energy prices, threatening the energy security of Poland and the entire European Union.

In 2014, the price of CO₂ emission allowances was approximately 6 euro per ton. Today, it already exceeds the ceiling of 85 euro per ton. These costs will, in effect, be passed on to energy consumers, who in 2022 will face drastic, several dozen percent increases in electricity and heat prices. This is a direct blow to the economic security of millions of Polish families and businesses, which are threatened by poverty and bankruptcy. The Sejm of the Republic of Poland cannot remain passive in the face of such disastrous consequences of the European Union's climate policy resulting from the irresponsible decision made in 2014.

The design of the EU ETS was supposed to support the energy transition, but in fact it prevents it. Polish companies, instead of investing in modern sources of electricity and heat generation, have in fact to finance the purchase of increasingly expensive - as a result of speculation - CO₂ emission allowances.

The shift away from coal, in the absence of full-fledged new technologies, has led to dependence on imported natural gas, which is contrary to the goals of the first climate package and has led to the current energy crisis across the EU. Contrary to EU policy, CCS technologies have not developed, and new energy storage technologies are not available on the scale required for the power industry. The failure to meet key targets and the change of situation in relation to the EC's projections call for a review of the entire climate and energy policy, particularly the EU ETS.

As a result of the current situation, the EU ETS is counterproductive. It ruins the European economy through the speculative activities of entities that do not need emission allowances for their operations, but generate unjustifiably high prices only for their profits, at the expense of millions of energy consumers.

The Sejm of the Republic of Poland is convinced that the suspension of the EU ETS until its reform is prepared will halt the so-called green inflation, caused by increases in energy and heat prices for millions

of consumers, and will accelerate the implementation of investments in modern low-emission sources of energy.

MARSHAL OF THE SEJM

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