

A sharp decline of the carbon emissions rights price, down by 40 percent since the start of the year, comes as an unanticipated bonus for the main power utility PPC, whose savings amount to 159 million euros, considering the current rate against the level at the beginning of this year.

The carbon emissions rights price ended yesterday's trading session on the European Energy Exchange in Leipzig at 4.82 euros per ton, down sharply from 8.05 euros per ton on the year's first day of trading, on January 4.

At a level of eight euros per ton, PPC's cost for the year would have reached about 400 million euros. Based on yesterday's price level, the power utility's carbon emissions rights cost is 241 million euros.

The carbon emissions rights rate has fallen steadily since the start of the year. The price was over six euros per ton at the end of January and more than 5.60 euros per ton at the beginning of this month.

Although a favorable development for PPC, the fallen carbon emissions rights price decline is bad news for LAGIE, the Electricity Market Operator, which uses amounts raised by the sale of carbon emissions rights to cover the needs of its renewable energy sources (RES) special account.

The carbon emissions rights price decrease also makes more difficult an energy ministry plan to reduce a RES-supporting surcharge (ETMEAR) imposed on electricity bills. Under the current conditions, this would widen the deficit and threaten market stability.

Greece possesses 27.9 million carbon emissions rights units for auction. At a price of eight euros, revenues of over 223 million euros would have been raised. Based on the current price level, this amount is down to 134.4 million euros.

The RES special account ended 2015 with a deficit of 57.42 million euros. LAGIE, in its most recent report, issued late last month, forecast that its RES special account will register a surplus between the months of February and April before falling back into deficit territory between May and December.

source: energypress.eu