The economic effects of the COVID-19 pandemic led to a 27% drop in emissions certification quotes last week, to 15 euros.

Last week, the price of certificates experienced the biggest drop in the last year and a half, up 27%, and on Monday 23 March it stood at EUR 15.54 per EUA (European Union Allowances) at the ICE ECX Stock Exchange in London , according to information from Carbon Exert SRL, a Romanian consulting company.

Insulation measures, travel restrictions and company closures, caused by the COVID-19 pandemic, have led to a significant reduction in the price of CO2 emissions in the EU market, making supply well above market demand, according to Carbon Expert.

EU Member States and the UK have granted 8.5 million free EUA to industrial broadcasters in the last two weeks, according to updated data released by the European Commission on Friday, March 20th.

Germany will monitor whether polluting plants in the country will comply with the 2019 verified emissions deadline (30 April 2020) due to the crisis caused by the corona virus. The possible delay in some cases is being considered, the German government announced last week.

Poland could propose urgent EU reforms, including changes to the EU ETS scheme, the environment minister said last week, considering the Polish government wants to reduce the financial burden on the economy.

The situation in Romania

Emission certificates are purchased by industrial companies, especially power producers using fossil fuels and as such emitting greenhouse gases, to continue their activity.

Therefore, the lower price of these certificates is an advantage. And certificates are getting more expensive – two and a half years ago, they cost seven euros, and last summer they reached 29 euros, as a result of the European Commission's decarbonisation policy.

In Romania, the company most affected by the increase in the cost of these certificates is Oltenia Energy Complex, the second largest electricity producer in the country.

For last year's electricity production, the company must purchase 16 million certificates by April 1, 2020. So far, it has purchased only four million certificates from its own sources and has received state aid of € 251 million to buy the remaining 12 million certificates.

The estimated cost of buying a certificate was € 24 per certificate, so buying a certificate at a price of € 16 would bring significant savings.

Source: e-nergia.ro