



## **ENERGY-INTENSIVE INDUSTRY**

Compensation scheme for energy-intensive sectors and subsectors

As a reminder, 31 March is the final day to apply for compensation for entities operating in the energy-intensive sectors or subsectors in 2022.

The compensation scheme is related to authorised state aid for transferring the costs of purchasing greenhouse gas emission allowances onto the price of electricity used to manufacture products in energy-intensive sectors or subsectors. It is intended to prevent the so-called 'carbon leakage' from EU countries, to countries not participating in the EU ETS, and thereby the loss of jobs and tax revenues.

Entities eligible to apply for compensation are those carrying out activities such as the manufacture and processing of refined petroleum products, the production of paper and cardboard, copper, aluminium, lead, zinc, tin, ferroalloys, cast iron, steel, smelting products or, for example, leather garments.

The application should indicate, inter alia, the product belonging to energy-intensive sectors and subsectors, produced at the owned installation, as well as its production volume or associated electricity consumption.

The entity seeking compensation must meet a number of conditions set out in the Act. In particular, it should:

- hold the legal title to the installation and operate it;
- have an appropriate environmental or energy management system in place;
- not be in a difficult economic situation as defined by the relevant legislation;
- not be in arrears with payment of taxes, other duties to the state or social security contributions.

Compensation is paid from the Polish Indirect Emission Cost Compensation Fund, fed by part of the funds from the sale of emissions allowances.

Are you interested in this topic? Feel free to contact us.

## CONTACT

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