Response towards the EU-ETS Post 2020 proposal

Aurubis acknowledges the steps undertaken by the European Commission to align the different stakeholders in the discussion around the EU-ETS. From the industry perspective there are still competitive disadvantages arising mainly created by locally imposed costs in phase of the uneven global level playing field.

These remarks by Aurubis cover the following aspects:

1. First of all, **additional costs** for the industry – even the most efficient plants like Aurubis **– will increase due to the linear reduction factor which will reduce the supply of EUAs** leading to even higher prices especially for the firms that are unable to reduce their emissions further due to technical constraints in the production facilities or more complex raw materials or insufficient allocation/compensation for increased production capacities. These technical-/ legal-constraints must be taken into account while allocating certificate for CL-provision.
2. The current reading of COP 21 pledges means that there is still no legally binding global playing field approaching. Therefore, **Carbon Leakage provisions for direct and indirect emissions need to shield the copper-industry in the EU** from competitive disadvantages coming from the locally imposed climate related costs. Both cost factors (direct and indirect costs for emissions) are a burden for the copper industry, therefore these need to be seen as a total encumbrance for the industry and therefore covered by the CL-protection **in all member states**. In addition the complexity of primary and recycling raw-materials increases, which leads to higher energy consumption and higher emissions even with most efficient resource and technology use. This aspect should also be included.
3. Especially for the copper industry which competes on international markets and is not able to pass through prices due to equal reference prices for the copper cathode on the global metal exchanges (e.g. the London Metal Exchange), the **qualitative assessment** must remain a possibility to be eligible for CL-protection. Furthermore, the **Price Taker** nature of the copper sector, which is a specific market characteristic, must be taken up in the formal text as it has been taken up in the motivation of the German EEG.
4. The copper sector currently receives free allocation in accordance with the **Fallback-Benchmark** (Heat-, Fuel- and Process Emissions), decided by the commission due to the small number of plants and their distinct production-characteristics. These methodologies should be **maintained**. If a review is necessary, it should take actual technology standards and production levels into account.
5. Aurubis expects an increased copper-demand also in the 4th Trading-Period, which will lead to an increase **in production capacity** in Europe and consequently higher direct and indirect costs. This should be **taken into account for the CL-protection** as well.

Hamburg, September 1st, 2015

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