



Emission Trading System in Montenegro

Meeting of the Energy Community Technical Working Group

April 03, 2023

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Law on Protection Against Adverse Impact of Climate Change



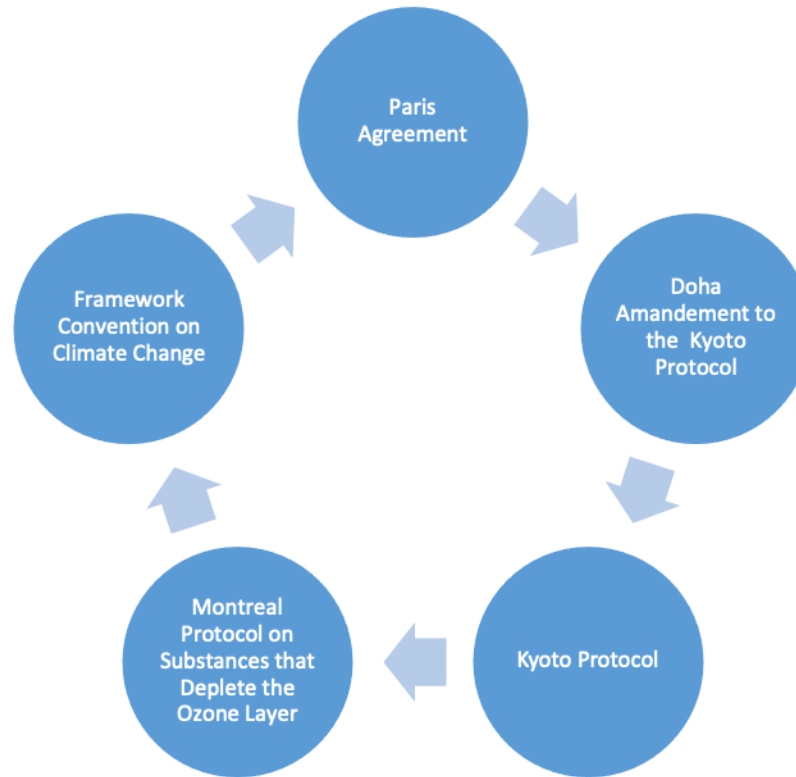
- Documents on protection against negative impact of climate change
- Achieving low-carbon development
- Emission reporting and verification of reports
- Geological storage of CO₂
- Ozone Layer

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Achieving Low-Carbon Development

- Obligations of stationary installations operator
- Manner of issuance and content of permit
- Request for permit issuance
- Obligation of aircraft operator

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Objectives of National Emission Trading System

- ✓ Reduction of GHG emissions on national level
- ✓ Achievement of Paris Agreement objectives
- ✓ Achieve NDC target value of 35% of reduction till 2030 (or define new ambitious target)
- ✓ Gradual adaptation of national operators to the EU working conditions

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Legal Framework for ETS

- Decree on activities that emit greenhouse gases for which a permit is issued for the emission of greenhouse gases („Official Gazette of Montenegro", no. 08/20)
- Decree on aviation activities for which a monitoring plan is not submitted („Official Gazette of Montenegro", no. 077/21 on 16.07.2021)
- Rulebook on the form of the permit for the emission of gases with the effect of greenhouses and the manner of keeping („Official Gazette of Montenegro", no. 013/21 on 10.02.2021)
- Rulebook on the form, content and manner of verification of the report on greenhouse gas emissions („Official Gazette of Montenegro", no. 013/21 on 10.02.2021)
- Rulebook on the content of the plan for monitoring greenhouse gas emissions from the stationary plant („Official Gazette of Montenegro", no. 010/22 on 27.01.2022)

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Public auction for allocation of allowances

- Decision on establishment of Committee for conducting the public auction on allocation of allowances
- Funds collected from emission allowances 
Used by Environmental Protection Fund (Eco-fund) to support project in the field of environmental protection and climate change

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Free allocation of allowances

- Two stationary installations active
- To prevent relocation of energy-intensive industries outside Montenegro (for existing installations and new ones)
- Emission allowances may also be allocated free of charge to installations involved in coal-based electricity generation

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Allocation of Allowances within ETS

- Allocation of emission allowances is organized by the Government through public auctions or through free allocation.
- Minimum price is 24€ / tCO₂
- Environmental Protection Fund (Eco-fund) kept registrar

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Monitoring, Reporting and Verification

- Reporting on emissions
- Verification of reports
- Management, control and the registry of data

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New law on climate change

- Draft of the ne law prepared
- Public consultation underway
- Adoption until the end of 2023

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New instruments of carbon pricing

- Readiness Support Plan (RSP) for carbon pricing supported by WB PMI
- Project grant of 2 million USD
- Project started in December 2022
- The ultimate goal is to establish a stable national system of carbon prices in accordance with EU policy requirements.

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Challenges experienced in the domestic emissions trading scheme

- Limited number of operators participating in the scheme;
- The volatility production profiles of KAP and Ironworks Niksic (closed now) creates issues with grandfathering the free allocation of units;
- The reliance of the power system on the TPP Pljevlja;

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Crna Gora
Ministarstvo ekologije,
prostornog planiranja i urbanizma

Thank you for your attention!

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