



Warsaw, 19th June 2008

MINISTER OF THE ENVIRONMENT

Maciej Nowicki

DZKiZRzk/076/1259/2008/eb

LETTER OF APPROVAL

On the basis of the "Agreement between the Minister of the Environment of the Republic of Poland and the Minister of the Environment of the Kingdom of Denmark on the implementation of Joint Implementation projects to reduce greenhouse gas emissions, July 13 2004 r." referring to the project "Łubna, Sosonowiec, Łegajny Landfill Gas, Poland" (the Joint Implementation Project – the JI Project), submitted by Hedeselskabet Sp. z o.o. (Poland - the Project Host) taking into account, that the project will be financed from the Government of Kingdom of Denmark, I herewith declare that:

- 1 The Republic of Poland is a Party to the United Nations Framework Convention on Climate Change and the Kyoto Protocol.
- 2 The Republic of Poland will comply with the requirements to participate in Article 6 Kyoto Protocol projects as stated in Dec.9/CMP.1.
- 3 I recognize the JI Project to be a Joint Implementation project in accordance with article 6 of the Kyoto Protocol and its underlying decisions.
- 4 I authorize the Project Host Hedeselskabet Sp. z o.o., and any future owner of the JI Project to generate Claims on Emission Reduction Units (ERUs), by operation of the JI Project, in accordance with article 6 of the Kyoto Protocol.
- 5 Taking into account the fact that activities from JI Project may result in double counting in accordance with *Commission Decision of 13 November 2006 on avoiding double counting of greenhouse gas emission reductions under the Community emissions trading scheme for project activities under the Kyoto Protocol pursuant to Directive 2003/87/EC of the European Parliament and of the Council*, transfer of Emission Reduction Units (ERUs) will not include this Emission Reduction Units (ERUs) which may result in double counting pursuant to the Decision 2006/780/WE .
- 6 I accept the transfer 100% of verified ERUs generated through the JI Project during period 2008-2012, to the Danish party. Using the baseline scenario followed by Confirmation Letter from an independent verifier, TÜV Rheinland Industrie Service GmbH , signed on 18th June 2008 the transfer of ERUs which do not result in double counting is estimated to an amount of 557 696 Emission Reduction Units (ERUs).

- 7 In case that Republic of Poland and Kingdom of Denmark fully comply with the participation requirements of the Marrakech Accords, the transfer of ERUs will be based on article 23 of these Accords ('JI track one').
- 8 In case of lack of possibility to transfer ERUs to Danish party in accordance with provisions of Kyoto Protocol and Marrakech Accords, both parties will aim to realize the transfer of an equivalent of greenhouse gas emission reductions on a bilateral basis.
- 9 Considering the fact that the JI Project has entered into force in 2007 and has caused emission reductions of greenhouse gases in that period, Polish party will transfer to Danish party 100 % of the emission reductions generated through the JI Project during the period until 31st of December 2007 using the Emissions Trading mechanism of Article 17 of the Kyoto Protocol. The transfer is estimated to **64 000 Assigned Amount Units (AAUs)**. Polish party agrees to use the same method of verification as used for the verification of ERUs in the period of 2008-2012.
- 10 Provisions of this Letter of Approval will enter into force when the Ministry of the Environment receives the writing confirmation from Ministry of Kingdom of Denmark (Danish Environmental Protection Agency – DEPA), that affirms that Hedeselskabet Sp. z o.o. has authorization for participation in the JI Project in accordance with the international and domestic rules.
- 11 Provisions of this Letter of Approval will enter into force when the Ministry of the Environment receives the writing confirmation of Emissions Reduction Purchase Agreement (ERPA) between the Project Host and Ministry of Kingdom of Denmark (Danish Environmental Protection Agency – DEPA). The Polish Minister of the Environment will inform the Ministry of Kingdom of Denmark (Danish Environmental Protection Agency – DEPA) in writing that the Letter of Approval has entered into force.
- 12 The transfer of verified ERUs and AAUs will be free of any taxes or levies, if it is pursuant to the law of European Union and law of Republic of Poland and Kingdom of Denmark.
- 13 The verified ERUs and AAUs generated from the implementation of the project shall not be a subject of any legal or other transfer to third parties.

MINISTER ŚRODOWISKA

