

By Mathew Carr and Katarzyna Klimasinska

Jan. 30 (Bloomberg) -- The value of 2008 European Union emission permits to be issued by Poland dropped 776 million euros (\$999 million), or 24 percent, in January after almost a year of delays.

Poland may issue about 208.5 million metric tons of allowances for 2008, based on preliminary official data by the European Commission, the regulator of the world's biggest greenhouse gas market. The price of spot EU allowances on Paris's BlueNext exchange fell to 11.77 euros a ton today from 15.49 euros at the end of December.

Polish factories and power stations, especially those not able to use forward markets because of credit constraints, are suffering because of the failure of the commission and the Polish government to agree on a plan, said Marta Gorecka, emissions broker for Poland at Pravda Capital SRO, a Prague-based brokerage. "The majority of them are very angry they have lost so much income potential," she said today by phone.

Poland, Bulgaria, Cyprus, Malta and Norway are the only nations of 29 that have emission registries not ready for issuance in the trading program. The current phase of the system runs for the five years starting last year.

European Commission spokeswoman Barbara Helfferich declined to comment today when reached in Brussels.

Poland argues that it needs more allowances to reduce the impact on the economy of the cost of emissions trading.

"We will still keep negotiating with the European Commission," Jacek Jaskiewicz, deputy director of the nation's climate change and atmosphere protection department at the Environment Ministry in Warsaw, said in an interview last week.

The talks concern the level of allowances "for some groups of companies," he said.

Lower prices will help Polish emitters that have to buy extra permits, Jaskiewicz said. "Probably, energy companies will have to buy."