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Review of doctoral thesis named:

**A Design of Pilot Emission Trading Scheme for Turkey under Evolution of
Global Climate Regime**

by

Farız Taşdan, BSc, MA.

The submitted thesis address an extremely actual topic of economical tools intended to reduce greenhouse gas emissions and more particularly the application of CO₂ emission trading system in the Turkey economical environment.

The reviewer has many formal objections to the organization, layout, formulations and language of the presented text. The content of the individual chapters does not follow common practice e.g. Abstract does not contain conclusion of the presented results, analytical part does not provide review and analysis of the existing emission trading systems supported by valuable data. Rather there is a mixture of information often redundant resembling more a newspaper article than a scientific study. Excessive conclusions at the end of each chapter are particularly annoying.

The language of the thesis, even documenting good vocabulary and ability of self expression of the applicant, suffer from mismatching of plural and singular forms, usage of incorrect forms of verbs etc. This further decreases comprehensibility of the text. Some abbreviations, or not common technical terms and expressions are not explained. List of such errors would be extremely long therefore it is not included in this review.

The author should renounce interpretations of climatologic forecasts (p. 24) and stay within his expertise especially when it was found in the past that those are politically manipulated and that IPCC itself manipulated data (the famous hockey stick graph) to make its appeals more sound.

I must disagree with the premise that the electricity market is local in principle (p. 45). There is an important and growing amount of electrical energy exchanged even over long distances. On the other hand in most countries the electrical sector is heavily influenced or even controlled and owned by government. Under such conditions there is no real concurrence environment and so any vital emission market simply cannot exist. The author also omits the fact that the current carbon markets were extensively manipulated not only by governments but also by criminal and business structures eventually by conjunction of both and represent a very dangerous leak of public money. We have here a paradox that the author claims that price of the electricity is fully controlled by government thus the concurrence on the market is

liquidated and at the same time he proposes the establishing of an emission market. The analysis of Turkey electrical market and ownership structure is completely missing. The reviewer also disagrees with the simple presumption that the cost of emission allowances could be absorbed by electricity producers. If we are on the ground of an economic science such statement should be subjected to analysis.

The principal objection that must be raised relates to the extent and content of the part where student should present results of its own work and propose solutions of the aims declared. This part appears relatively brief.

The proposed scheme copy existing systems with all the mistakes already obvious, there is no comparative analysis of different approaches and even the basic parameters of the proposed scheme are not supported by an economical analysis but they appears out of the blue. The only logic values presented are annual CO₂ emissions from individual fuel types in Turkey, which is a relatively trivial calculation, but there is no explanation of the proposed linear decrease of distributed emission allowances with annual 5% steps. In general the linear function is not the right one if we want to reach some limit value and the slope factor should ideally appear as a result of some calculation or at least reasoning. The estimation of prices of allowances (p. 100) is purely hypothetical.

The publication activity of the candidate is extremely weak as there is no accepted journal paper and the current manuscripts are submitted to rather low impact journals. The list of publication activities is not divided into common categories.

As the positive result of the thesis we can count the fact that the proposed scheme can serve as the basis for a further serious discussion on the problematic.

Despite of the many serious objections mentioned above I can recommend admission of the thesis for its defense.

On the basis of the above listed standpoints the reviewer uses his right to ask following questions:

1. Please, provide the characterization of the ownership structure and concurrence environment on the energetic market in Turkey.
2. What are advantages of still failing emission trading systems over classical and functioning emission charging?

In Zlín 11.6.2013


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