

Greenhouse gas emission allowance trading: timing of auctions

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The Committee on the Environment, Public Health and Food Safety adopted the report by Matthias GROOTE (S&D, DE) on the proposal for a decision of the European Parliament and of the Council amending Directive 2003/87/EC clarifying provisions on the timing of auctions of greenhouse gas allowances.

The committee recommends that the European Parliament's position, adopted at first reading following the ordinary legislative procedures, should be to amend the Commission proposal as follows:

Auction timetables: for the purposes of legal certainty and market predictability, it should be clarified that, in order to ensure an orderly functioning of the market, the Commission is able in **exceptional circumstances** to adapt the auction timetable pursuant to Article 10(4) of Directive 2003/87/EC provided that such intervention can be justified by an **impact assessment** showing that impact on sectors exposed to a significant risk of carbon leakage is limited. The Commission should be **able to make no more than one such adaptation and only during the eight-year period beginning on 1 January 2013**.

A new recital stipulates that adapting the auction timetable should be considered to be a short-term action, rather than a structural measure intended to address market imbalances of the EU ETS, and should not undermine the stability and predictability of the EU ETS.

Guidelines on certain state aids: in the light of potentially higher prices for certificates, the guidelines on certain State aid measures in the context of the greenhouse gas emission allowance trading scheme post-2012 and the criteria laid down in Directive 2003/87/EC (direct emission costs) should be considered for a revision taking into account the risk of carbon leakage and distortion of competition between sectors.