

Basic information	
2012/0202(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Decision	Procedure completed
Greenhouse gas emission allowance trading: timing of auctions Amending Directive 2003/87/EC 2001/0245(COD) Subject 3.70.02 Atmospheric pollution, motor vehicle pollution 3.70.03 Climate policy, climate change, ozone layer 3.70.18 International and regional environment protection measures and agreements	

Key players				
European Parliament	Committee responsible		Rapporteur	Appointed
	ENVI Environment, Public Health and Food Safety		GROOTE Matthias (S&D)	12/09/2012
			Shadow rapporteur KORHOLA Eija-Riitta (PPE) DAVIES Chris (ALDE) EICKHOUT Bas (Verts /ALE) CALLANAN Martin (ECR) WILS Sabine (GUE/NGL) CYMAŃSKI Tadeusz (EFD)	
	Committee for opinion		Rapporteur for opinion	Appointed
	ITRE Industry, Research and Energy		SARTORI Amalia (PPE)	24/01/2013
Council of the European Union	Council configuration		Meetings	Date
	Environment		3284	2013-12-16
European Commission	Commission DG		Commissioner	
	Climate Action		HEDEGAARD Connie	

Key events

Date	Event	Reference	Summary
25/07/2012	Legislative proposal published	COM(2012)0416 	Summary
11/09/2012	Committee referral announced in Parliament, 1st reading		
19/02/2013	Vote in committee, 1st reading		
25/02/2013	Committee report tabled for plenary, 1st reading	A7-0046/2013	Summary
15/04/2013	Debate in Parliament		
16/04/2013	Results of vote in Parliament		
16/04/2013	Decision by Parliament		Summary
03/07/2013	Decision by Parliament, 1st reading	T7-0310/2013	Summary
03/07/2013	Results of vote in Parliament		
10/12/2013	Decision by Parliament, 1st reading	T7-0543/2013	Summary
10/12/2013	Results of vote in Parliament		
16/12/2013	Act adopted by Council after Parliament's 1st reading		
16/12/2013	End of procedure in Parliament		
17/12/2013	Final act signed		
19/12/2013	Final act published in Official Journal		

Technical information

Procedure reference	2012/0202(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Decision
Amendments and repeals	Amending Directive 2003/87/EC 2001/0245(COD)
Legal basis	Treaty on the Functioning of the European Union TFEU 192-p1
Mandatory consultation of other institutions	European Economic and Social Committee European Committee of the Regions
Stage reached in procedure	Procedure completed
Committee dossier	ENVI/7/10157

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE498.154	23/11/2012	
Amendments tabled in committee		PE502.103	20/12/2012	
Committee opinion	ITRE	PE500.626	28/01/2013	
Amendments tabled in committee		PE504.323	15/02/2013	
Committee report tabled for plenary, 1st reading/single reading		A7-0046/2013	25/02/2013	Summary
Amendments tabled in committee		PE513.015	14/06/2013	
Text adopted by Parliament, partial vote at 1st reading /single reading		T7-0310/2013	03/07/2013	Summary
Text adopted by Parliament, 1st reading/single reading		T7-0543/2013	10/12/2013	Summary

Council of the EU

Document type	Reference	Date	Summary
Draft final act	00114/2013/LEX	17/12/2013	

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2012)0416 	25/07/2012	Summary

National parliaments

Document type	Parliament /Chamber	Reference	Date	Summary
Contribution	PT_PARLIAMENT	COM(2012)0416	25/10/2012	
Contribution	RO_SENATE	COM(2012)0416	07/11/2012	
Contribution	CZ_SENATE	COM(2012)0416	13/02/2013	

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	CES2155/2012	14/11/2012	

Additional information

Source	Document	Date
National parliaments	IPEX	

European Commission	EUR-Lex	
European Commission	EUR-Lex	

Final act		
Decision 2013/1359 OJ L 343 19.12.2013, p. 0001		Summary

Greenhouse gas emission allowance trading: timing of auctions

2012/0202(COD) - 25/02/2013 - Committee report tabled for plenary, 1st reading/single reading

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.

Greenhouse gas emission allowance trading: timing of auctions

2012/0202(COD) - 03/07/2013 - Text adopted by Parliament, partial vote at 1st reading/single reading

The European Parliament adopted by 344 votes to 311, with 46 abstentions, an **amendment** to 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 matter was referred back to the committee responsible. The vote was therefore postponed.

The proposal sought to stipulate that the Commission would be adapt, if necessary, the timing of auctions of greenhouse gas allowances in order to ensure an orderly functioning of the market.

The amendment adopted by Parliament states that where an assessment shows for the individual industrial sectors that no significant impact on sectors or subsectors exposed to a significant risk of carbon leakage is to be expected, **the Commission may, in exceptional circumstances, adapt the timetable for the period beginning on 1 January 2013** so as to ensure an orderly functioning of the market. The Commission shall make no more than **one such adaptation for a maximum number of 900 million allowances**.

Greenhouse gas emission allowance trading: timing of auctions

2012/0202(COD) - 10/12/2013 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 385 votes to 284, with 24 abstentions, a legislative resolution 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 matter was referred back to the committee responsible at its 3 July 2013 plenary session.

Parliament adopted its position at first reading following the ordinary legislative procedure. The amendment to the Commission proposal adopted in plenary is the result of a compromise negotiated between the European Parliament and the Council.

The amendment stipulated that where an assessment shows for the individual industrial sectors that no significant impact on sectors or subsectors exposed to a significant risk of carbon leakage is to be expected, **the Commission may, in exceptional circumstances, adapt the timetable for the period beginning on 1 January 2013** so as to ensure the orderly functioning of the market. The Commission shall make no more than one such adaptation for a maximum number of 900 million allowances.

Greenhouse gas emission allowance trading: timing of auctions

2012/0202(COD) - 17/12/2013 - Final act

PURPOSE: to clarify the provisions of Directive 2003/87/EC on the timing of auctions of greenhouse gas allowances.

LEGISLATIVE ACT: Decision No 1359/2013/EU of the European Parliament and of the Council amending Directive 2003/87/EC clarifying provisions on the timing of auctions of greenhouse gas allowances.

CONTENT: Directive 2003/87/EC of the European Parliament and of the Council establishing a scheme for greenhouse gas emission allowance trading within the Community does not specify how volumes of greenhouse gas emission allowances to be auctioned are to be distributed over the trading period.

For the purposes of **legal certainty and market predictability**, this Decision intends to clarify that, in order to ensure the orderly functioning of the market, the Commission is able in exceptional circumstances to adapt the auction timetable.

This Decision amends Directive 2003/87/EC of the European Parliament and the Council so that where an assessment shows for the individual industrial sectors that no significant impact on sectors or subsectors exposed to a significant risk of carbon leakage is to be expected, **the Commission may, in exceptional circumstances, adapt the timetable for the period beginning on 1 January 2013 so as to ensure the orderly functioning of the market**.

The Commission should make no more than one such adaptation for a maximum number of 900 million allowances.

Greenhouse gas emission allowance trading: timing of auctions

2012/0202(COD) - 25/07/2012 - Legislative proposal

PURPOSE: to amend Directive 2003/87/EC clarifying provisions on the timing of auctions of greenhouse gas allowances.

PROPOSED ACT: Decision of the European Parliament and of the Council.

BACKGROUND: Directive 2003/87/EC establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC does not specify how volumes of greenhouse gas emission allowances to be auctioned are to be distributed over the trading period.

One of the features of the change from the phase 2 (period from 2008 to 2012) into phase 3 (period from 2013 to 2020) and the implementation provisions adopted so far is that the supply of allowances and international credits is expected to temporarily increase significantly in the short term. This exacerbates the already significant, unforeseen impact of the macro-economic developments, due to which emissions have decreased considerably and are not expected to increase significantly in 2012 and 2013. This combination of increased net supply and reduced demand increasingly affects the orderly functioning of the European carbon market in the transition to phase 3.

In the light of such exceptional circumstances, **the Commission is currently reviewing the need for a further change of the auctioning timetable** and will invite experts in the Climate Change Committee to consider a draft for a future amendment to Commission Regulation (EU) No 1031/2010 and indicate their view on the appropriate action to be taken before the end of this year. The Commission also invites any other interested stakeholders to express their views on this draft and will actively engage with them in this regard.

Meanwhile, the legislative process to **clarify the scope of the Commission's powers** by means of the present proposal should proceed swiftly and independently of the result of consultations with the Climate Change Committee.

Finally, the Commission reaffirms its commitment, as stated in the context of the agreement on the Energy Efficiency Directive, to urgently examine and present options for action with a view to adopting further appropriate structural measures to strengthen the ETS during phase 3, and make it more effective.

IMPACT ASSESSMENT: no impact assessment was undertaken.

LEGAL BASIS: Article 192(1) of the Treaty on the Functioning of the European Union (TFEU).

CONTENT: for the purposes of legal certainty, it should be clarified that, in order to ensure an orderly functioning of the market, the Commission is able to adapt the auction timetable laid down in Commission Regulation (EU) No 1031/2010. The proposed amendment would expressly provide such clarification in the relevant provision of the EU ETS Directive.

BUDGETARY IMPACT: this measure does not have any impact on the Union's budget.