AUCTIONS BY THE TRANSITIONAL COMMON AUCTION PLATFORM

The world’s largest auctioning of emissions allowances

10th Report – December 2013
Auctions by the transitional common auction platform

10th Report

Auction platform: European Energy Exchange (EEX)

Auction dates/reporting period:

2, 3, 5, 9, 10, 12, 16, 17 December 2013

In 2013, more than 40% of allowances allocated under the EU ETS have been auctioned instead of being allocated free of charge and this share will rise progressively in the following years. Auctioning environmental assets at that scale is unprecedented and delivers valuable experience for auction design in other carbon markets and for other environmental assets.

Auctioning is the most transparent method of allocating allowances and puts into practice the principle that the polluter should pay. With some limited exceptions, from 2013 power generators must buy all their allowances: experience shows that they have been able to pass on the notional cost of allowances to customers even when they received them for free.

Most of the allowances to be auctioned are allocated to states on the basis of their historical share of emissions from EU ETS installations. Ten per cent are allocated to the least wealthy EU member states and the remaining 2% is given as a 'Kyoto bonus' to nine EU member states which had most reduced their greenhouse gas emissions.

At least half of auctioning revenues, and all of the revenues from auctioning allowances to the aviation sector, should be used to combat climate change in Europe or other countries.

EEX (Leipzig) conducts the auctions for 26 Member States covering about two thirds of the total auctioned volume. For the remaining volume, Germany and the United Kingdom have appointed EEX and ICE Futures Europe (ICE, London) respectively.

For further information: http://ec.europa.eu/clima/policies/ets/cap/auctioning/index_en.htm

1 On 2, 9 and 16 December, EEX conducted two auctions: one for the 24 participating Member States and one for Poland.
Auctions by the transitional common auction platform — 10th Report

December 2013

Editor's note: This report has been prepared by the Commission with the assistance of DLA Piper UK LLP and CEFIN BV, who are working under a contract for the Commission, on behalf of the following Member States: Austria, Belgium, Bulgaria, Croat Republic, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden. These Member States have approved this report under the rules in the Joint Procurement Agreement to procure common auction platforms (except for Poland, whose comments were requested separately). The report complies with the requirement laid down in the fourth subparagraph of Article 10(4) of Directive 2003/87/EC.²

Methodology: The report is based on the reports submitted by EEX, on the discussions in regular meetings between the Commission, its advisors and EEX and on any further relevant information available to the Commission. The authors of the report did not actively verify EEX’s compliance with the specific rules and provisions applicable under European or national law.

For reasons of confidentiality and proper enforcement of the applicable rules, the report refers only to public reporting on the auctions and not to any non-public reports.

Disclaimer: The authors have made every effort to ensure that the information provided is complete, correct and precise for the reporting period. Nevertheless, the report is based on limited information available to the authors in a market context where much information has to remain confidential. The authors did not actively verify the information. Therefore, the authors and the Member States on whose behalf this report was drafted deny any responsibility or liability whatsoever for its contents, regardless of the nature of such contents. Any reliance by any person or entity on the information provided in this report is solely at that person’s or entity’s own risk.

Glossary: terms and expressions written in italics are included in the glossary.

Auctions by the transitional common auction platform — 10th Report

December 2013

Executive summary

This report covers the auctioning of emissions allowances in the period December 2013. In that period, EEX, in its capacity as the common auction platform, auctioned a total of 28 096 500 EU general emission allowances (‘EUAs’) in 8 separate auctions for the third trading period on behalf of those EU Member States that participate in the transitional common auction platform (participating Member States). It also auctioned 10 981 500 EUAs for Poland in 3 separate auctions.

The total amount raised from the 11 auctions held during the reporting period was EUR 180 068 050. Taking into account the volumes per auction, the weighted average clearing price during the reporting period was EUR 4.61 per EUA.

During the reporting period 58 bidders were eligible to bid in the auctions, of which 38 qualified as operators in the EU ETS.

All auctions were held securely and smoothly and no irregularities or deviations from the requirements were observed.

Generally, the auction clearing price was in line with the price signal in the secondary market.

During the reporting period, EEX did not hold any auction for EU aviation allowances (‘EUAAs’). In response to the positive developments at the recent ICAO Assembly, the Commission proposed an amendment to the EU ETS Directive on 16 October 2013 regarding aviation emissions. One of the proposed derogations would allow aircraft operators to surrender allowances with respect to 2013 emissions by 30 April 2015 instead of 30 April 2014. In view of this proposal, the Commission and the Member States have asked EEX to put on hold aviation allowances auctions until there is greater clarity on the final version of the amendment, the expected timing of its adoption and hence the appropriate volumes to be auctioned.

This report includes a section providing an overview of auction results as from the first auction in November 2012 until the last auction in December 2013.

Section 1. Results of the auctions

During the month of December 2013, EEX, in its capacity as the transitional common auction platform, auctioned, in 8 separate auctions, a total of 28 096 500 EUAs valid for the third trading period on behalf of all 24 EU Member States that have contracted EEX and appointed it as the transitional common auction platform. It also auctioned 10 981 500 EUAs in three separate auctions for Poland, who contracted EEX for auctioning its share of allowances pending the appointment of its 'own' auction platform.

The total amount raised from the 11 auctions held during the reporting period was EUR 180 068 050 (see Graph 1 and Table 1). Taking into account the volumes per auction, the weighted average clearing price during the reporting period was EUR 4.61 per EUA. This is an increase of EUR 0.12 per EUA compared with the previous reporting period.

For all graphs in this report where it is relevant, information pertaining to the auctions conducted for Poland is indicated in the horizontal date axis of the graph with (PL).

Graph 1 Total auction revenue per auction (euro)
Graph 2 Auction revenues as from the start of 3rd phase allowances auctions.

Table 1 Auction revenues per Member State (euro)

<table>
<thead>
<tr>
<th></th>
<th>December</th>
<th>December</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
<td>3 590 160</td>
<td>23 679 570</td>
</tr>
<tr>
<td>Belgium</td>
<td>6 367 740</td>
<td>1 119 910</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>3 301 860</td>
<td>286 440</td>
</tr>
<tr>
<td>Cyprus</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Czech Republic</td>
<td>6 580 660</td>
<td>400 170</td>
</tr>
<tr>
<td>Denmark</td>
<td>3 095 190</td>
<td>8 639 920</td>
</tr>
<tr>
<td>Estonia</td>
<td>804 160</td>
<td>50 148 850</td>
</tr>
<tr>
<td>Greece</td>
<td>8 738 050</td>
<td>4 399 820</td>
</tr>
<tr>
<td>Spain</td>
<td>21 231 840</td>
<td>7 911 450</td>
</tr>
<tr>
<td>Finland</td>
<td>4 307 190</td>
<td>2 198 270</td>
</tr>
<tr>
<td>France</td>
<td>13 433 140</td>
<td>1 025 110</td>
</tr>
<tr>
<td>Hungary</td>
<td>1 725 380</td>
<td>3 870 660</td>
</tr>
<tr>
<td>Ireland</td>
<td>2 330 360</td>
<td></td>
</tr>
</tbody>
</table>

Detailed information per auction can be found in Annex I.

\*4 In accordance with the Auctioning Regulation, half of the 'early auctions' for 2012 and all allowances allocated free of charge to electricity operators on a transitional basis pursuant to Article 10c of the ETS Directive are to be subtracted from the volume to be auctioned by a Member State. For these reasons, in the last months of 2013 no allowances were auctioned for Cyprus.
Auctions by the transitional common auction platform — 10th Report

December 2013

The total amount raised from the 168 auctions held between 13 November 2012 and 17 December 2013 was EUR 2 711 454 550 (see Graph 2 and Table 2).

Table 2 Auction revenues per Member State (euro)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
<td>66 805 160</td>
<td>Italy</td>
</tr>
<tr>
<td>Belgium</td>
<td>114 992 255</td>
<td>Lithuania</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>74 766 910</td>
<td>Luxemburg</td>
</tr>
<tr>
<td>Cyprus</td>
<td>1 928 000</td>
<td>Latvia</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>80 685 660</td>
<td>Malta</td>
</tr>
<tr>
<td>Denmark</td>
<td>57 123 435</td>
<td>Netherlands</td>
</tr>
<tr>
<td>Estonia</td>
<td>18 073 820</td>
<td>Poland</td>
</tr>
<tr>
<td>Greece</td>
<td>162 474 340</td>
<td>Portugal</td>
</tr>
<tr>
<td>Spain</td>
<td>414 644 410</td>
<td>Romania</td>
</tr>
<tr>
<td>Finland</td>
<td>80 246 145</td>
<td>Sweden</td>
</tr>
<tr>
<td>France</td>
<td>262 711 640</td>
<td>Slovenia</td>
</tr>
<tr>
<td>Hungary</td>
<td>38 580 790</td>
<td>Slovak Republic</td>
</tr>
<tr>
<td>Ireland</td>
<td>41 677 355</td>
<td></td>
</tr>
</tbody>
</table>

Table 3: overview

<table>
<thead>
<tr>
<th>Month</th>
<th>Auction volume</th>
<th>Bid volume</th>
<th>Cover ratio</th>
<th>Bidders</th>
<th>Successful bidders</th>
<th>Price</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>November 2012</td>
<td>26 694 000</td>
<td>58 508 000</td>
<td>2.19**</td>
<td>14.8**</td>
<td>9.96**</td>
<td>€ 7.01**</td>
<td>€ 187 088 375</td>
</tr>
<tr>
<td>December 2012</td>
<td>27 218 500</td>
<td>64 445 500</td>
<td>2.37**</td>
<td>12.98**</td>
<td>8.42**</td>
<td>€ 6.41**</td>
<td>€ 174 512 835</td>
</tr>
<tr>
<td>January 2013</td>
<td>42 317 500</td>
<td>120 468 500</td>
<td>2.85**</td>
<td>14.91**</td>
<td>10.16**</td>
<td>€ 5.05**</td>
<td>€ 213 668 935</td>
</tr>
<tr>
<td>February</td>
<td>41 688 000</td>
<td>132 369 000</td>
<td>3.18**</td>
<td>16.75**</td>
<td>11.33**</td>
<td>€ 4.45**</td>
<td>€ 185 462 990</td>
</tr>
<tr>
<td>March</td>
<td>42 242 500</td>
<td>114 455 000</td>
<td>2.53**</td>
<td>17.70**</td>
<td>13.64**</td>
<td>€ 4.02**</td>
<td>€ 169 766 560</td>
</tr>
<tr>
<td>April</td>
<td>45 841 500</td>
<td>112 970 500</td>
<td>2.46**</td>
<td>17.69**</td>
<td>12.94**</td>
<td>€ 3.85**</td>
<td>€ 176 717 815</td>
</tr>
<tr>
<td>May</td>
<td>38 082 500</td>
<td>102 333 000</td>
<td>2.69*</td>
<td>17.73*</td>
<td>12.36*</td>
<td>€ 3.40*</td>
<td>€ 129 513 420</td>
</tr>
<tr>
<td>June</td>
<td>41 538 000</td>
<td>136 338 000</td>
<td>3.28*</td>
<td>18.42*</td>
<td>11.83*</td>
<td>€ 4.20*</td>
<td>€ 139 340 370</td>
</tr>
<tr>
<td>July</td>
<td>48 461 000</td>
<td>175 212 000</td>
<td>3.62*</td>
<td>17.64*</td>
<td>12.36*</td>
<td>€ 4.19*</td>
<td>€ 203 155 435</td>
</tr>
<tr>
<td>August</td>
<td>19 453 500</td>
<td>93 944 000</td>
<td>4.83*</td>
<td>16.73*</td>
<td>9.82*</td>
<td>€ 4.39*</td>
<td>€ 85 400 865</td>
</tr>
<tr>
<td>September</td>
<td>55 982 500</td>
<td>175 589 000</td>
<td>3.14**</td>
<td>14.13**</td>
<td>19.36**</td>
<td>€ 5.18**</td>
<td>€ 289 930 690</td>
</tr>
<tr>
<td>October</td>
<td>59 642 500</td>
<td>248 905 500</td>
<td>4.17**</td>
<td>20.16**</td>
<td>15.72**</td>
<td>€ 4.85**</td>
<td>€ 289 295 510</td>
</tr>
<tr>
<td>November</td>
<td>56 161 000</td>
<td>225 489 500</td>
<td>4.01**</td>
<td>19.91**</td>
<td>15.01**</td>
<td>€ 4.50**</td>
<td>€ 252 482 700</td>
</tr>
<tr>
<td>December</td>
<td>39 078 000</td>
<td>130 983 000</td>
<td>3.35**</td>
<td>21.48**</td>
<td>16.09**</td>
<td>€ 4.61**</td>
<td>€ 180 068 050</td>
</tr>
<tr>
<td>Total</td>
<td>584 400 500</td>
<td>1 892 011 000</td>
<td>3.22**</td>
<td>17.47**</td>
<td>13.37**</td>
<td>€ 4.64**</td>
<td>€ 2 711 454 550</td>
</tr>
</tbody>
</table>

* average

**volume-weighted average (when the volume of allowances sold varied between auctions within a month, see for example December 2013 auction volumes in Annex I)

Auctioning Member States

At the start of the reporting period, all the auctioneers of all 24 participating Member States had been admitted and recognised by EEX/ECC and were participating in the auctions.
Auctions by the transitional common auction platform — 10th Report

December 2013

In accordance with the second subparagraph of Article 30(7) of the *Auctioning Regulation*, pending the procurement, appointment and listing of its opt-out auction platform, Poland contracted EEX to auction its share of allowances to be auctioned. These auctions started on 16 September 2013.

On 1 July 2013, Croatia joined the European Union, and it has become a party to the Joint Procurement Agreements so as to auction its share of allowances on EEX. The auctioneer appointed by Croatia has, however, still to submit the necessary documentation. Hence, the starting date remains to be determined.

The Member States of the European Free Trade Association (EFTA) that are Party to the European Economic Area (EEA)\(^5\) have also stated their intention to make use of the transitional common auction platform by aggregating their volumes to those auctioned on behalf of the participating Member States. The preparations for this are on-going.

**Table 4:** dates as from which the Member States started auctioning

<table>
<thead>
<tr>
<th>Country/Region</th>
<th>Start Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria, Bulgaria, Finland, France, Italy, Latvia, Romania, Slovenia, Slovakia, Spain and Sweden</td>
<td>As from 13 November 2012</td>
</tr>
<tr>
<td>Netherlands</td>
<td>As from 20 November 2012</td>
</tr>
<tr>
<td>Cyprus, Lithuania Luxembourg, Portugal</td>
<td>As from 27 November 2012</td>
</tr>
<tr>
<td>Greece</td>
<td>As from 4 December 2012</td>
</tr>
<tr>
<td>Hungary, Malta</td>
<td>As from 11 December 2012</td>
</tr>
<tr>
<td>Denmark</td>
<td>As from 18 December 2012</td>
</tr>
<tr>
<td>Estonia, Belgium</td>
<td>As from 7 January 2013</td>
</tr>
<tr>
<td>Ireland</td>
<td>As from 18 February 2013</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>As from 18 March 2013</td>
</tr>
<tr>
<td>Poland</td>
<td>As from 7 October 2013</td>
</tr>
<tr>
<td>Croatia</td>
<td>pending</td>
</tr>
</tbody>
</table>

**Auction clearing price**

During the period under consideration, the auction clearing price for the EUAs moved between EUR 4.33 and EUR 4.80 per allowance (see Graph 3). The lowest auction clearing price in this reporting period is equal to the lowest auction clearing price during the previous reporting period. The highest auction clearing price in this reporting period is EUR 0.07 per allowance above the highest auction clearing price of the previous reporting period.

---

\(^5\) Iceland, Liechtenstein and Norway.
For all but six auctions, the auction clearing prices were equal to, or between, the *best-ask and best-bid prices* on the EEX secondary market for spot emission allowances. In general, the auction clearing prices were also in line with the prices of carbon products (spot and futures) on other trading venues, and with the clearing prices of other auctions of emission allowances conducted during the period.

During the reporting period the price volatility increased slightly compared with the previous reporting period. The auction price movements did showed an upward trend during the reporting period.

**Maximum and minimum prices bid**

The highest prices bid in the auctions were on average EUR 0.30 per EUA above the clearing price (see Graph 3).

The lowest prices bid in the auctions were on average EUR 2.16 per EUA below the clearing price. This difference was smaller for four auctions during the reporting period.

The average difference between the maximum price bid and the minimum price bid in the auctions was EUR 0.23 lower than the average for the auctions conducted in the preceding month.
Auctions by the transitional common auction platform — 10th Report

December 2013

Graph 4 auction clearing price, maximum bid and minimum bid as from the start of 3rd phase allowances auctions

![Graph 4](image)

**Cover ratio**

The *cover ratio* — the bid volume as a proportion of the available volume in the auction — (see Graph 5) moved in general between a value of 2 and 5 during the reporting period. The average was about 15% lower than the *cover ratio* during the previous reporting period. The lowest *cover ratio* during the reporting period was 1.89 at the second auction of 9 December 2013 with the highest *cover ratio* being 5.43 at the auction of 5 December 2013.
Graph 5 Cover ratio: bid volume versus available volume

Graph 6 Cover ratio as from the start of 3rd phase allowances auctions
Number of Bidders

The number of active bidders per auction ranged from 16 to 25 (see Graph 7). The average number of active bidders was 22, which is two more than the average number of active bidders during the previous reporting period. Overall, the number of active bidders per auction did not show a clear upward or downward trend during the reporting period.

The number of successful bidders per auction ranged from 12 to 21 during the reporting period. The average number of successful bidders was 16, which is one more than the average number of successful bidders during the previous reporting period. Overall, the number of successful bidders per auction did not show a clear upward or downward trend during the reporting period.

Graph 7 Number of bidders and number of successful bidders

In total, 32 different bidders participated in the auction (see Graph 8). Eleven of them participated in all auctions during the reporting period. Nine of them participated only in four or fewer auctions during the reporting period.
Auctions by the transitional common auction platform — 10th Report

December 2013

Graph 8 Number of auctions in which each bidder participated (bidders are identified by numbers)

Graph 9 Number of bidders and successful bidders as from the start of 3rd phase allowances auctions
Auctions by the transitional common auction platform — 10th Report

December 2013

Average bid volume per bidder and average volume won by successful bidders

The average bid volume per bidder (see Graph 10) ranged from 314,636 to 747,580 EUAs during the reporting period. Overall, the average bid volume per bidder did not show a clear upward or downward trend during the reporting period.

The average volume won by successful bidders ranged from 174,310 to 286,875 EUAs. The average volume won by successful bidders did not show a clear upward or downward trend during the reporting period.

The average bid volume per bidder was about 20% lower than during the previous reporting period. The average volume won by successful bidders during the reporting period was about equal to the previous reporting period.

Graph 10 Average bid volume and volume won per bidder
Auctions by the transitional common auction platform — 10th Report

December 2013

Graph 11 Average bid volume and volume won per bidder as from the start of 3rd phase allowances auctions

Volume of successful bids per bidder category

During the reporting period almost all bidders bid on their own account with only about 0.1% of the bid volume being submitted by intermediaries on behalf of a client. Operators, including business groupings of operators, accounted for about 54% of the total auctioned volume during the reporting period (see Graph 12).

Investment firms, including persons exempt, accounted for about 25% of the total auctioned volume during the reporting period.

Credit institutions accounted for about 21% of the total auctioned volume during the reporting period.

Overall, compared to the previous month, the share of the operators, including business groupings of operators, decreased with about 9% and the share of investment firms, including persons exempt, increased remained about equal. The share of the credit institutions decreased with about 9%. For individual auctions, the fluctuations of these shares are relatively significant, though.
Auctions by the transitional common auction platform — 10th Report

December 2013

**Graph 12**: Volume of successful bids per bidder category

- Credit institutions, on own account
- Investment firms incl. persons exempt, on own account and on behalf of clients
- Operators incl. business groupings

**Graph 13**: Volume of successful bids per bidder category as from the start of 3rd phase allowances auctions
The Herfindahl-Hirschman Index (HHI)

The Herfindahl-Hirschman Index (HHI) is used by EEX to measure market concentration. The HHI is calculated as the sum of the squares of all successful bidders’ shares (in %) of the total auctioned volume per auction. The HHI ranges from a value of 0 (perfect competition) to 10 000 (a single monopolistic buyer).

A common interpretation of the HHI is that a score below 1 500 is ‘not-concentrated’, between 1 500 and 2500 is ‘moderately concentrated,’ and above 2 500 is ‘highly concentrated’.

In general the HHI moved between about 1 100 and 2 100 (see Graph 14) and the average HHI during the reporting period was 1 698. The HHI calculated as the sum of the squares of all successful bidders’ shares (in %) of the total auctioned volume in that reporting period was 998 for the auctions for the 25 Member States and 1 204 for the auctions conducted for Poland.

**Graph 14** Herfindahl-Hirschman Index
Graph 15 Herfindahl-Hirschman Index as from the start of 3rd phase allowances auctions

Section 2. Implementation of and compliance with the applicable rules

Fair and open access

EEX verified that each auction participant belonged to one of the categories of eligible bidders set out in Article 18 of the Auctioning Regulation. During the reporting period, the number of bidders was 58 equal to the previous reporting period. Most of the active participants in the carbon market are assumed to have been admitted to bid in the auctions.

Of the 58 companies eligible to bid in the auctions 38 were EU ETS operators, 9 were investment firms and 7 were credit institutions (see Table 2). The 4 other companies eligible to bid in the auctions were persons exempt from the authorisation requirements in EU financial law, because their trading and investment services activities are only ancillary to their main business (Article 2(1)(i) of Directive 2004/39/EC), that were authorised under national legislation implementing the Auctioning Regulation to bid for allowances in the auctions.

Throughout the period, EEX actively promoted the auctions in view of attracting bidders.
Auctions by the transitional common auction platform — 10th Report

December 2013

Table 5 Eligible bidders per category at the end of the reporting period

<table>
<thead>
<tr>
<th>Number of participants</th>
<th>Operators</th>
<th>Investment firms</th>
<th>Credit Institutions</th>
<th>Business groupings</th>
<th>Persons exempt from MiFID requirements (Article 2(1)(i) Directive 2004/39/EC)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Stationary</td>
<td>Aircraft</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Participants admitted to EEX’s emissions spot secondary market</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td>113</td>
</tr>
<tr>
<td>Participants eligible to bid in the auctions</td>
<td>37</td>
<td>1</td>
<td>9</td>
<td>7</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>(Of which:) Participants eligible to bid in the auctions on behalf of clients</td>
<td>-</td>
<td>-</td>
<td>2</td>
<td>2</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>(Of which:) Auction-only participants</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Two of the admitted participants made use of the option of ‘auction-only access’ to the auctions.

Most bids were submitted by the bidder; only about 0.1% of the bid volume was submitted by intermediaries on behalf of a client.

No irregularities or deviations from the admission and access requirements were found.

Transparency

All auction results were published in accordance with Article 61 of the Auctioning Regulation, never later than 15 minutes after the close of the bidding window.

There was no need to adjust the auction calendar during the reporting period.

EEX revised its webpage on auctioning where necessary for keep it up to date.

Technical and operational aspects

No irregularities or deviations from the requirements were found as regards the auctions themselves or the clearing and settlement processes, apart from one minor incident in one auction which did not affect the successful completion of that auction.

EEX’s Market Surveillance department surveyed all auctions with a view to detecting any market abuse, money laundering, terrorist financing or other criminal activities. No such wrongdoing was publicly reported. EEX’s Market Surveillance department takes its instructions only from SMWA (Saxony’s Ministry for Economy and Employment) and is independent of the exchange itself.

No infringements of the confidentiality requirements were identified.

Other aspects

No problems or issues were identified as regards coordination of the auctions between the various auction platforms.
Auctions by the transitional common auction platform — 10th Report

December 2013

Section 3. Overview of, and any updates on breaches of provisions or ongoing proceedings

No breaches or problems of non-conformity were reported. There were no proceedings on such breaches or problems of non-conformity dating from before the reporting period.

Approval of the report

Comments of the auction platform on the draft of this report and the way they have been taken into account

EEX made no comments on the report.

Comments by Poland on the draft of this report and the way they have been taken into account

Poland made no comments on the report.

Date of approval by the Member States: 6 February 2014

Place & date: Brussels 11 February 2014
Auctions by the transitional common auction platform — 10th Report

December 2013

Glossary

**Auction calendar**
Document setting out the *bidding windows*, individual volumes and auction dates of the auctions in a given calendar year. See Articles 11, 13 and 32 of the *Auctioning Regulation*.

**Auction-only access**
Access to the auctions without becoming a member of or participant in other markets organised by the auction platform.

**Auctioning Regulation**

**Auctioneer**
Entity appointed by a Member State that offers the allowances to be auctioned to the auction platform and receives the auction proceeds due to the appointing Member State. See Articles 22 and 23 of the *Auctioning Regulation*.

**Back-loading**

**Best-bid and best-ask prices**
The best-bid price is the highest price any buyer is willing to pay and the best-ask price is the lowest price any seller is willing to accept.

**Business groupings**
Groupings of operators or aircraft operators. See Article 18(1)(d) of the *Auctioning Regulation*.

**Bidding window**
Time during which bidders can submit bids. See Article 8(1) of the *Auctioning Regulation*.

**Clearing**
Processes preceding the opening of the bidding window, during the bidding window and following the closure of the bidding window until settlement, involving the management of any risks arising during that interval including margining, netting or novation or any other services carried out possibly by a clearing or settlement system. See Article 3(31) of the *Auctioning Regulation*.

**Cover ratio**
Total bid volume divided by the available volume in the auction.

**Credit institution**
Credit institution as defined in EU legislation on credit institutions (Article 4(1) of Directive 2006/48/EC).

**ETS Directive**
**Auctions by the transitional common auction platform — 10th Report**

**December 2013**


**EU general allowance (EUA)**

Allowance to emit one tonne of CO2-equivalent, see Article 3(a) of the *ETS Directive*.

**EU aviation allowance (EUAA)**

Allowance to emit one tonne of CO2-equivalent that can be used by aircraft operators. See Article 12(2a) and (3) of the *ETS Directive*.

**Investment firms**


**Market abuse**

Insider dealing and market manipulation. See Article 36 of the *Auctioning Regulation* and Article 1 of Directive 2003/6/EC (‘Market Abuse Directive’).

**Participating Member States**

All EU Member States except Germany, Poland and the UK, which decided to opt out from the joint procurement of a common auction platform pursuant to Article 30 of the *Auctioning Regulation*.

**Persons exempt**

Persons exempt from the authorisation requirements in EU financial law because their trading and investment services activities are only ancillary to their main business (Article 2(1)(i) of Directive 2004/39/EC) and that have been authorised under national legislation implementing the rules laid down in the *Auctioning Regulation* to bid for allowances in the auctions. See Article 18(2) of the *Auctioning Regulation*.

**Secondary market**

Market in which persons buy or sell allowances either before or after they are allocated either free of charge or through auctioning. To be distinguished from the ‘primary market’, which consists of the auctions of allowances.

**Settlement**

Payment on delivery of the allowances. See Article 3(34) of the *Auctioning Regulation*.

**Spot secondary market**

Secondary market for allowances with delivery within 5 days from the transaction.

**Stop-the-clock proposal**


**TARGET-2 bank account**

Bank account in the TARGET2 system, which is an interbank payment system for real-time processing of cross-border transfers throughout the European Union. TARGET2 replaced TARGET (Trans-European Automated Real-time Gross Settlement Express Transfer System) in November 2007.
| Third trading period | The period 2013-2020. Allowances are valid during a given period without distinction as regards the year within that period. See Article 13 of the *ETS Directive*. |
## Annex 1 Results of individual auctions

<table>
<thead>
<tr>
<th>Date</th>
<th>Auction Price €/tCO2</th>
<th>Minimal Price €/tCO2</th>
<th>Maximal Price €/tCO2</th>
<th>Mean €/tCO2</th>
<th>Median €/tCO2</th>
<th>Auction Volume tCO2</th>
<th>Total Amount of Bids</th>
<th>Cover Ratio</th>
<th>Total Number of Bidders</th>
<th>Number of Successful Bidders</th>
<th>Total Revenue €</th>
</tr>
</thead>
<tbody>
<tr>
<td>17-12-2013</td>
<td>4.70</td>
<td>3.82</td>
<td>5.00</td>
<td>4.62</td>
<td>4.66</td>
<td>3 999 000</td>
<td>12 446 000</td>
<td>3.11</td>
<td>20</td>
<td>14</td>
<td>18 795 300</td>
</tr>
<tr>
<td>16-12-2013 (PL)</td>
<td>4.69</td>
<td>4.00</td>
<td>5.00</td>
<td>4.59</td>
<td>4.70</td>
<td>3 660 500</td>
<td>9 874 000</td>
<td>2.70</td>
<td>18</td>
<td>18</td>
<td>17 167 745</td>
</tr>
<tr>
<td>16-12-2013</td>
<td>4.71</td>
<td>1.59</td>
<td>4.84</td>
<td>4.33</td>
<td>4.67</td>
<td>3 442 500</td>
<td>11 506 000</td>
<td>3.34</td>
<td>22</td>
<td>16</td>
<td>16 214 175</td>
</tr>
<tr>
<td>12-12-2013</td>
<td>4.77</td>
<td>1.50</td>
<td>4.93</td>
<td>4.49</td>
<td>4.75</td>
<td>3 442 500</td>
<td>13 254 000</td>
<td>3.85</td>
<td>19</td>
<td>12</td>
<td>16 420 725</td>
</tr>
<tr>
<td>10-12-2013</td>
<td>4.80</td>
<td>1.59</td>
<td>4.90</td>
<td>4.38</td>
<td>4.77</td>
<td>3 442 500</td>
<td>11 791 000</td>
<td>3.43</td>
<td>24</td>
<td>15</td>
<td>16 524 000</td>
</tr>
<tr>
<td>9-12-2013 (PL)</td>
<td>4.65</td>
<td>1.59</td>
<td>4.83</td>
<td>4.25</td>
<td>4.65</td>
<td>3 660 500</td>
<td>6 922 000</td>
<td>1.89</td>
<td>22</td>
<td>21</td>
<td>17 021 325</td>
</tr>
<tr>
<td>9-12-2013</td>
<td>4.71</td>
<td>1.59</td>
<td>4.83</td>
<td>4.37</td>
<td>4.68</td>
<td>3 442 500</td>
<td>9 645 000</td>
<td>2.80</td>
<td>25</td>
<td>19</td>
<td>16 214 175</td>
</tr>
<tr>
<td>5-12-2013</td>
<td>4.49</td>
<td>1.59</td>
<td>5.95</td>
<td>4.21</td>
<td>4.45</td>
<td>3 442 500</td>
<td>18 689 500</td>
<td>5.43</td>
<td>25</td>
<td>15</td>
<td>15 456 825</td>
</tr>
<tr>
<td>3-12-2013</td>
<td>4.47</td>
<td>1.59</td>
<td>4.60</td>
<td>4.14</td>
<td>4.42</td>
<td>3 442 500</td>
<td>17 276 500</td>
<td>5.02</td>
<td>25</td>
<td>16</td>
<td>15 387 975</td>
</tr>
<tr>
<td>2-12-2013 (PL)</td>
<td>4.36</td>
<td>4.21</td>
<td>4.55</td>
<td>4.37</td>
<td>4.36</td>
<td>3 660 500</td>
<td>8 473 000</td>
<td>2.31</td>
<td>16</td>
<td>14</td>
<td>15 959 780</td>
</tr>
<tr>
<td>2-12-2013</td>
<td>4.33</td>
<td>3.80</td>
<td>4.55</td>
<td>4.28</td>
<td>4.32</td>
<td>3 442 500</td>
<td>11 106 000</td>
<td>3.23</td>
<td>21</td>
<td>17</td>
<td>14 906 025</td>
</tr>
</tbody>
</table>

Auctions conducted for Poland are indicated by (PL)