UK Phase III Auction Platform Report

Report number: 13
Period covered: 1 October 2014 to 31 October 2014

Introduction

1. This report contains information on auctions held on the UK’s Phase III European Union Emissions Trading System (EU ETS) Auction Platform. Auctions are held according to the published [1] auction calendar.


3. The report is based on post-auction data provided by ICE Futures Europe under the Auctioning Regulation [5]. This data [6] is available on the ICE Futures Europe website.

Section 1: Auction results

Description of auctions concerned

4. This report covers the Phase III European Union Allowance (EUA) auctions held this period. The results of the auctions are in the table below, which also includes the ICE EUA futures price [7] for the next December expiry at close the day of each auction. There were no aviation auctions held during this period.

<table>
<thead>
<tr>
<th>Date</th>
<th>Volume auctioned (EUA)</th>
<th>Volume sold</th>
<th>Clearing price</th>
<th>Volume bid for</th>
<th>Bidders</th>
<th>Successful bidders</th>
<th>Cover ratio</th>
<th>Revenue</th>
<th>Futures Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>08/10/2014</td>
<td>2,515,000</td>
<td>2,515,000</td>
<td>€ 5.60</td>
<td>4,743,000</td>
<td>12</td>
<td>11</td>
<td>1.89</td>
<td>€ 14,084,000</td>
<td>€ 6.05</td>
</tr>
<tr>
<td>22/10/2014</td>
<td>2,515,000</td>
<td>2,515,000</td>
<td>€ 6.19</td>
<td>11,500,000</td>
<td>17</td>
<td>8</td>
<td>4.57</td>
<td>€ 15,567,850</td>
<td>€ 6.23</td>
</tr>
</tbody>
</table>

5. EUA auction results from completed calendar year quarters are summarised below.

<table>
<thead>
<tr>
<th>Period</th>
<th>Total volume auctioned (EUA)</th>
<th>Total volume sold</th>
<th>Clearing price*</th>
<th>Total volume bid for</th>
<th>Bidders*</th>
<th>Successful bidders*</th>
<th>Cover ratio*</th>
<th>Revenue</th>
<th>Futures Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 ’12</td>
<td>12,258,000</td>
<td>12,258,000</td>
<td>€ 6.18</td>
<td>31,123,000</td>
<td>15</td>
<td>11</td>
<td>2.54</td>
<td>€ 75,735,440</td>
<td>€ 6.23</td>
</tr>
</tbody>
</table>
6 EUA auction clearing price formation

The graph below shows the clearing price over time for the auctions held this reporting period. All scheduled auctions took place successfully. The volume weighted average price per allowance was:

€ 5.90
7 The graph below shows the clearing price compared to the ICE EUA futures price for the next December expiry at close the day of each auction. As the graph demonstrates, the auction clearing price was below the futures price for both auctions. This reporting period the volume weighted average price differential was:

€ 0.25

EUA cover ratio

8 The graph below shows the cover ratio (allowances bid for divided by allowances auctioned) for the auctions held this reporting period. The cover ratio fluctuated over time, reflecting market conditions. Across the period:

16.243m allowances were bid for (rounded), and
3.23 was the volume weighted average cover ratio.
The graph below shows the number of bidders and number of successful bidders for the auctions held this reporting period. There was no auction where all participating bidders were successful. Across the period:

- 15 was the average number of bidders per auction, and
- 10 was the average number of successful bidders per auction.

The graph below shows the average number of allowances bid for by each bidder and the average number of allowances awarded to each successful bidder for the auctions held this reporting period. Across the period:

- The range of allowances bid for was from 395,250 to 228,636
- The range of allowances awarded was from 676,471 to 314,375
Technical and operational aspects

11 No irregularities or deviations from the requirements occurred regarding the auctions or the clearing and settlement processes.

Conclusion

Comments by the auction platform

18 No comments by the auction platform this reporting period.
Description of how comments have been taken into account

Not applicable this reporting period.

This report is based only on publicly available information on the auctions.
Use of the information provided in this report is solely at the user’s risk.

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