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COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 20.10.2004
C (2004) 3982 / 2 final

COMMISSION DECISION

of 20 October 2004

concerning the national allocation plan for the allocation of greenhouse gas emission allowances notified by Finland in accordance with Directive 2003/87/EC of the European Parliament and of the Council

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(Only the Finnish text is authentic)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC¹, and in particular Article 9(3) thereof,

Whereas:

- (1) The national allocation plan of Finland for the period 2005-2007, developed under Article 9(1) of Directive 2003/87/EC, was notified to the Commission on 31 March 2004. Finland submitted additional information amending and completing the notified plan by letters dated 1 June, 13 August, 27 August, 30 August, 28 September and 4 October 2004.
- (2) The Climate Change Committee has considered the national allocation plan and has called on the Commission *inter alia* to closely examine Finland's anticipated path to reaching its target under Decision 2002/358/EC, to scrutinise the plausibility of Finland's projections and measures in the non-trading sectors, taking into account the potential to reduce emissions in each of these sectors, and to scrutinise in particular the growth projections for the electricity sector, in the light of corresponding projections made by Sweden and Denmark. The Climate Change Committee also urged the Commission to compare Finland's allocation to recent historic and projected emissions and to examine the justification for deviations from recent historic (in particular in the electricity sector) and projected emissions for the trading sector. The views of the Climate Change Committee have been taken into account.
- (3) The national allocation plan, including the total quantity of allowances stated therein, has been evaluated in accordance with the Commission Communication on guidance to assist Member States in the implementation of the criteria listed in Annex III to Directive 2003/87/EC². Certain aspects of the national allocation plan have been found incompatible with criterion 10.

¹ OJ L 275, 25.10.2003, p. 32.

² COM(2003)830 final

- (4) The list of installations set out in the national allocation plan is incomplete and therefore contravenes criterion 10 since it does not include the quantities of allowances intended to be allocated to each installation situated within the territory of the Åland Islands, to which Directive 2003/87/EC applies.
- (5) In order to bring the national allocation plan in conformity with the criteria listed in Annex III to Directive 2003/87/EC, the plan should be amended. The Commission should be notified of the amendments made to the plan in accordance with this Decision by Finland.
- (6) As implementation of amendments to the plan will not affect the allocation of allowances by Finland to installations listed in its national allocation plan other than those situated within the territory of the Åland Islands, and to new entrants, Finland should be able to issue allowances to installations other than those situated within the territory of the Åland Islands, and to new entrants, during the period referred to in Article 11(1) in advance of the implementation of such amendments.
- (7) Pursuant to criterion 5, the Commission has assessed whether the plan unduly favours certain undertakings or activities contrary to the requirements of the Treaty, in particular Articles 87 and 88 thereof. On the basis of the information provided by the Member State, the Commission considers that any potential aid is likely to be compatible with the common market should it be assessed in accordance with Article 88(3) of the Treaty.
- (8) This decision is without prejudice to the approval of Finland's application for the unilateral inclusion of installations included in the Community scheme in accordance with the procedure referred to in Article 23(2) of Directive 2003/87/EC.
- (9) The reports on the implementation of policies and measures and the use of the Kyoto Protocol's mechanisms submitted by Member States pursuant to Decision No 280/2004/EC of the European Parliament and of the Council of 11 February 2004 concerning a mechanism for monitoring Community greenhouse gas emissions and for implementing the Kyoto Protocol³ are taken into account for evaluation of the national allocation plans pursuant to criterion 2 of Annex III to Directive 2003/87/EC,

HAS ADOPTED THIS DECISION:

Article 1

The aspect of the national allocation plan of Finland concerning the list of the installations, which fails to specify the quantities of allowances intended to be allocated to each installation situated within the territory of the Åland Islands, is incompatible with criteria 10 of Annex III to Directive 2003/87/EC.

Article 2

Provided that an amendment to the national allocation plan is made, to include the quantities of allowances intended to be allocated to each installation situated within the territory of the

³ OJ L 49, 19.02.2004, p. 1.

Åland Islands in the list of installations; those quantities being determined in accordance with the general methodologies stated in the national allocation plan and corresponding to no more than the amount foreseen for these installations as a whole in the national allocation plan, and notified to the Commission, no objections shall be raised to the national allocation plan.

Article 3

The allocations specified in the national allocation plan for installations which Finland intends to be unilaterally included in the Community scheme in accordance with Article 24 of Directive 2003/87/EC raise no objections for the purpose of this Decision, subject to the approval of that application and the implementation of the requested unilateral inclusion.

Article 4

1. The total quantity of allowances to be allocated by Finland according to its national allocation plan to installations listed therein shall not be exceeded, nor shall the total quantity to be allocated to new entrants be exceeded.

2. The national allocation plan may be amended without prior acceptance by the Commission if the amendment consists in modifications of the allocation of allowances to individual installations within the total quantity to be allocated to installations listed therein resulting from improvements to data quality.

3. Any amendments to the national allocation plan other than those referred to in paragraph 2 of this Article and in Article 2 shall be notified to the Commission and accepted in accordance with Article 9(3) of Directive 2003/87/EC.

4. Finland may issue allowances to installations listed in its national allocation plan other than those situated within the territory of the Åland Islands, and to new entrants, in advance of the implementation of the amendment referred to in Article 2.

Article 5

This Decision is addressed to the Finnish Republic.

Done at Brussels, 20 October 2004