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COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 20.10.2004
C (2004) 3982 / 5 final

COMMISSION DECISION

of 20 October 2004

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

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(Only the Latvian 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 Latvia for the period 2005-2007, developed under Article 9(1) of Directive 2003/87/EC, was registered by the Commission on 10 May 2004. Latvia submitted additional information amending and completing the notified plan by letter dated 26 August 2004 in reply to questions from the Commission and by letter dated 1 October 2004.
- (2) The Climate Change Committee has considered the national allocation plan and has called on the Commission *inter alia* to compare the proposed allocation to Latvia's projections and measures for the non-trading and trading sectors, including in particular assumptions made (on growth rates), and urged the Commission to compare Latvia's allocation to recent historic and projected emissions and to examine the justification for deviations from recent historic and projected emissions for the trading sector. The Climate Change Committee urged the Commission to scrutinise the plan with a view to avoiding the double counting of growth in output and emissions by means of both allocating to installations listed in the plan (including on the basis of paragraph 54 of the Commission's allocation guidance) and building a new entrants reserve, and to scrutinise the correct application of criterion 7 on the accommodation of early action. 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.

¹ OJ L 275, 25.10.2003, p. 32.

² COM(2003)830 final

- (4) In assessing the national allocation plan in respect of criterion 2 of Annex III to Directive 2003/87/EC, the Commission takes into account information in the letter of Latvia dated 1 October 2004 regarding the decision to reduce its total allocation by 1,800,000 tonnes of allowances per year with respect to the plan notified on 10 May 2004.
- (5) 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.
- (6) This decision is without prejudice to the approval of Latvia'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.
- (7) This Decision is without prejudice to Latvia's obligations under Directive 2001/77/EC of the European Parliament and of the Council of 27 September 2001 on the promotion of electricity produced from renewable energy sources in the internal electricity market³.
- (8) 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 Protocol⁴ 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

No objections are raised to the national allocation plan of Latvia with regard to the criteria of Annex III to the Directive or with regard to Article 10 thereof.

Article 2

The allocations specified in the national allocation plan for installations which Latvia 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 3

1. The total quantity of allowances to be allocated by Latvia according to its national allocation plan, including subsequent information notified to the Commission by letter

³ OJ L 283 , 27.10.2001, p.33.

⁴ OJ L 49, 19.02.2004, p. 1.

received on 1 October 2004, 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 shall be notified to the Commission and accepted in accordance with Article 9(3) of Directive 2003/87/EC.

Article 4

This Decision is addressed to the Republic of Latvia.

Done at Brussels, 20 October 2004