COMMISSION REGULATION (EU) No …/.. of XXX

amending Regulation (EU) No 1031/2010 in particular to determine the volumes of greenhouse gas emission allowances to be auctioned in 2013-2020
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of XXX

amending Regulation (EU) No 1031/2010 in particular to determine the volumes of greenhouse gas emission allowances to be auctioned in 2013-2020

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

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 Articles 3d(3) and 10(4) thereof,

Whereas:

(1) Directive 2003/87/EC provides for determining the timing, administration and other aspects of auctioning to ensure that it is conducted in an open, transparent, harmonised and non-discriminatory manner. It also provides for the Commission to monitor the functioning of the European carbon market.

(2) Commission Regulation (EU) No 1031/2010 provides the volumes of allowances to be auctioned each year, after deducting the allocation given free of charge from the Union-wide quantity of allowances issued in the same year. A deviation from this time profile has also been decided in Commission Regulation 1210/2011 to determine a volume of allowances to be auctioned early, prior to 2013, with corresponding reductions in the 2013 and 2014 auction volumes, with the foremost objective to ensure a smooth transition from the second to the third trading period, taking due account of the hedging needs for compliance in the early years of the third trading period. These annual volumes were decided based on the factors determining supply of and demand for allowances at the time of the assessment and assumption of an ongoing economic recovery.

(3) Account should be taken of exceptional changes in drivers determining the balance between the demand for and supply of allowances, notably the renewed economic slowdown, as well as temporary elements directly related to the transition to phase 3, including increasing unused volume of allowances valid for the second trading period for compliance in the said period, increasing volumes of certified emission reductions and emission reduction units from emission reduction projects under the Clean Development Mechanism or under Joint Implementation provisions for surrendering by operators covered by the scheme, the monetisation of allowances from the new entrants reserve for the third trading period for support of demonstration projects of carbon capture and sequestration and innovative renewable energy technologies (‘NER300’) pursuant to Commission Decision 2010/670/EU and release of allowances not needed in the new entrants reserves for the second trading period. Although all these factors are subject to different degrees of uncertainty, it is important to determine

¹ OJ L 275, 25.10.2003, p. 32.
appropriate corrections to the annual volumes to be auctioned in 2013-2020 in a timely manner.


(5) In order to apply to auctions taking place from 2013 onwards, and to ensure orderly functioning of the carbon market, smooth transition to the third trading period, and predictable auctions, this Regulation should enter into force without delay.

(6) The measures provided for in this Regulation are on accordance with the opinion of the Climate Change Committee.

HAS ADOPTED THIS REGULATION:

**Article 1**

Regulation (EU) No 1031/2010 is amended as follows:

(1) After the second subparagraph of Article 10(2), the following subparagraphs are added:

"The volume of allowances to be auctioned in a given year determined pursuant to the first or second subparagraphs of this paragraph in 2013-2015 shall be reduced by the quantity of allowances for the respective year set out in the second column of the table in the Annex II to this Regulation.

The volume of allowances to be auctioned in a given year determined pursuant to the first or second subparagraphs of this paragraph in 2019-2020 shall be increased by the quantity of allowances for the respective year set out in the third column of the table in the Annex II to this Regulation."

(2) An annex is added after Annex I as follows:

"**ANNEX II**

**Adjustments to the volumes of allowances to be auctioned in 2013-2020 referred to in Article 10(2)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Volume of reduction</th>
<th>Volume of increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>400</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>300</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>200</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td></td>
<td></td>
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<tr>
<td>2017</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td></td>
<td>300</td>
</tr>
<tr>
<td>2020</td>
<td></td>
<td>600</td>
</tr>
</tbody>
</table>
Article 2

This Regulation shall enter into force on the day following that of its publication in the Official Journal of the European Union.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Commission
The President
José Manuel BARROSO