

Commission Delegated Regulation (EU) 2019/7 of 30 October 2018 amending Regulation (EU) No 1031/2010 as regards the auctioning of 50 million unallocated allowances from the market stability reserve for the innovation fund and to list an auction platform to be appointed by Germany (Text with EEA relevance)

COMMISSION DELEGATED REGULATION (EU) 2019/7

of 30 October 2018

amending Regulation (EU) No 1031/2010 as regards the auctioning of 50 million unallocated allowances from the market stability reserve for the innovation fund and to list an auction platform to be appointed by Germany

(Text with EEA relevance)

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 system for greenhouse gas emission allowance trading within the Union and amending Council Directive 96/61/EC⁽¹⁾, and in particular Articles 3d(3), 10(4) and 10a(8) thereof,

Whereas:

- (1) Directive 2003/87/EC establishes a fund to provide financial support to innovation in low-carbon technologies within the territory of the Union by making 400 million allowances available from the total volume of allowances for the period 2021 to 2030 as part of the EU Emission Trading System ('innovation fund'). In addition, 50 million unallocated allowances from the market stability reserve should supplement any remaining revenues from the 300 million allowances available in the period from 2013 to 2020 under Commission Decision 2010/670/EU⁽²⁾, and should be used in a timely manner for the innovation fund before 2021.
- (2) In order to ensure that the innovation fund is in a position to provide support before 2021, it is necessary to monetise the 50 million allowances for the innovation fund by means of auctions in accordance with the rules and modalities for auctions on the Common Auction Platform, which are established by Commission Regulation (EU) No 1031/2010⁽³⁾.
- (3) With the aim to reduce the administrative burden on Member States and to improve overall efficiency, the volume of 50 million allowances for the innovation fund should be added to the volumes of allowances to be auctioned at the Common Auction Platform in 2020 by the Member States that as at 1 January 2018 were participating in the joint action pursuant to Article 26 of Commission Regulation (EU) No 1031/2010.
- (4) The participating Member States should auction their share of the 50 million allowances for the innovation fund through their auctioneers. In order to receive the respective

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innovation fund proceeds, each auctioneer should designate, by 1 October 2019, an auctioneer's nominated bank account for the receipt of these auction proceeds. The auctioneers may designate their existing auctioneer's nominated bank account for the auction proceeds due to their Member State, a separate auctioneer's nominated bank account dedicated for the auction proceeds of the innovation fund, or the auctioneer's nominated bank account of another auctioneer of a Member State that will auction allowances for the innovation fund.

- (5) The auctioneers appointed to conduct the auctioning of the 50 million allowances for the innovation fund should ensure that the auction proceeds for the innovation fund are disbursed in the account notified to them by the Commission for the purposes of that fund, at the latest 15 days following the end of the month within which the auction proceeds were generated.
- (6) Any additional fees resulting from the holding of these auction proceeds in the auctioneer's nominated bank account and from their disbursement may be deducted by the auctioneer from the auction proceeds prior to their disbursement. Before the first deduction and before any change to such fees, the respective auctioneer's Member State should notify to the Commission and all other Member States the amount and the purpose of the additional fees its auctioneer intends to deduct.
- (7) Article 61 of Regulation (EU) No 1031/2010 currently provides for the simultaneous announcement by the auction platform of the detailed results of each auction and the notification to the successful bidders of the individual results. However, the level of detail of the auction results to be announced does not allow for their publication simultaneously with the notification of the individual results to the successful bidders. In order to align this provision with market practice and to safeguard against market abuse, the auction platform may publish, prior to the announcement of the remaining auction result details, the volume of allowances auctioned and the auction clearing price, so that these are published simultaneously as the platform notifies the individual results of the auction to the successful bidders. The remaining auction results should be announced no later than 15 minutes after the closure of the bidding window.
- (8) Regulation (EU) No 1031/2010 allows Member States not participating in the joint action as provided in paragraphs 1 and 2 of Article 26 of that Regulation to appoint their own auction platform for the auctioning of their share of the volume of allowances covered by Chapters II and III of Directive 2003/87/EC. The appointment of such auction platforms is subject to listing of the auction platform concerned in Annex III, in accordance with the third subparagraph of Article 30(5) of Regulation (EU) No 1031/2010.
- (9) In accordance with Article 30(4) of Regulation (EU) No 1031/2010, Germany informed the Commission of its decision not to participate in the joint action as provided in paragraphs 1 and 2 of Article 26 of that Regulation, and to appoint its own auction platform.
- (10) On 12 April 2018, Germany notified the Commission its intention to appoint European Energy Exchange AG as an auction platform referred to in Article 30(1) of Regulation (EU) No 1031/2010 for a maximum period of five years from the entry into force of

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this Regulation. The term of appointment, the legal basis for the appointment and the applicable conditions and obligations for European Energy Exchange AG as the auction platform for Germany for that period should be listed in the Annex III to Regulation (EU) No 1031/2010.

- (11) Regulation (EU) No 1031/2010 should therefore be amended accordingly.
- (12) In order to ensure predictable and timely auctions by the auction platform to be appointed by Germany, this Regulation should enter into force as a matter of urgency,

HAS ADOPTED THIS REGULATION:

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- (1) [OJ L 275, 25.10.2003, p. 32.](#)
- (2) Commission Decision 2010/670/EU of 3 November 2010 laying down criteria and measures for the financing of commercial demonstration projects that aim at the environmentally safe capture and geological storage of CO₂ as well as demonstration projects of innovative renewable energy technologies under the system for greenhouse gas emission allowance trading within the Union established by Directive 2003/87/EC of the European Parliament and of the Council ([OJ L 290, 6.11.2010, p. 39](#)).
- (3) Commission Regulation (EU) No 1031/2010 of 12 November 2010 on the timing, administration and other aspects of auctioning of greenhouse gas emission allowances pursuant to Directive 2003/87/EC of the European Parliament and of the Council establishing a scheme for greenhouse gas emission allowances trading within the Community ([OJ L 302, 18.11.2010, p. 1](#)).

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