## Proposal for a Decision of the European Parliament and of the Council concerning the establishment and operation of a market stability reserve for the Union greenhouse gas emission trading scheme and amending Directive 2003/87/EC

Commission proposal	EP amendments	Council Position	Comments		
	Recital 0 (new)				
		(0) Directive 2003/87/EC of the			
		European Parliament and of the			
		Council <sup>1</sup> establishes a system for			
		greenhouse gas emission allowance			
		trading within the Union (EU ETS)			
		in order to promote reductions of			
		greenhouse gas emissions in a cost-			
		effective and economically efficient			
		manner.			
		$\overline{1}$ 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/EC (OJ L 275,			
		25.10.2003, p. 32).			

Commission proposal	EP amendments	Council Position	Comments
	Amend	lment 1	
	Recital	-1 (new)	
	(-1) The European Council	(-1) The European Council	Acceptable.
	conclusions of 23 and 24 October	conclusions of 23 and	-
	2014 on the 2030 Climate and	24 October 2014 on the 2030	
	Energy Policy Framework state	Climate and Energy Policy	
	that a well-functioning, reformed	Framework state that a well-	
	Emissions Trading System (ETS)	functioning, reformed Emissions	
	with an instrument to stabilise the	Trading System (ETS) with an	
	market will be the main European	instrument to stabilise the market	
	instrument to achieve the Union's	will be the main European	
	greenhouse gas emissions	instrument to achieve the Union's	
	reduction target.	greenhouse gas emissions reduction	
		target.	
	Rec	ital 1	
(1) Article 10(5) of Directive		(1) Article 10(5) of Directive	
2003/87/EC of the European		2003/87/EC provides that each year	
Parliament and of the Council <sup>1</sup>		the Commission is to submit a	
provides that an annual report on		report to the European Parliament	
the functioning of the European		and the Council on the functioning	
carbon market should be submitted		of the European carbon market.	
each year to the European			
Parliament and the Council.			
<sup>1</sup> 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/EC (OJ L 275,			
25.10.2003, p. 32).			

Commission proposal	EP amendments	Council Position	Comments	
Amendment 2				
	Recital 1	l a (new)		
	(1a) In the light of the need to		Not acceptable	
	maintain the incentives in the			
	Unions's ETS during the			
	negotiations on Directive			
	2012/27/EU of the European			
	Parliament and of the Council <sup>1a</sup> ,			
	the Commission came forward			
	with a declaration to examine			
	options, including among others			
	the permanent withholding of the			
	necessary amount of allowances,			
	for action with a view to adopting			
	as soon as possible further			
	appropriate structural measures to			
	strengthen the ETS during phase			
	3, and make it more effective.			
	<del></del>			
	<sup>1a</sup> Directive 2012/27/EU of the			
	European Parliament and of the			
	Council of 25 October 2012 on energy			
	efficiency,			

Commission proposal	EP amendments	Council Position	Comments		
	Amendment 3				
	Recital 2				
(2) The report from the	(2) The report from the	(2) The report from the	The first part of the amendment is		
Commission to the European	Commission to the European	Commission to the European	partly acceptable.		
Parliament and the Council on the	Parliament and the Council on the	Parliament and to the Council on			
state of the European carbon market	state of the European carbon market	the state of the European carbon	The part of the amendment		
in 2102 <sup>7</sup> identified the need for	in 2012 <sup>1</sup> identified the need for	market in $2012^1$ identified the need	concerning the starting year of the		
measures in order to tackle	measures in order to tackle	for measures in order to tackle	operation of the reserve is not		
structural supply-demand	structural supply-demand	structural supply-demand	acceptable.		
imbalances. The impact assessment	imbalances. The impact assessment	imbalances. The impact assessment			
on the 2030 climate and energy	on the 2030 climate and energy	on the 2030 climate and energy	The amendment on the reference		
policy framework <sup>8</sup> indicates that	policy framework <sup>2</sup> indicates that	policy framework <sup>2</sup> indicates that	year (x-1) is acceptable.		
this imbalance is expected to	this imbalance is expected to	this imbalance is expected to			
continue, and would not be	continue, and would not be	continue, and would not be			
sufficiently addressed by adapting	sufficiently addressed by adapting	sufficiently addressed by adapting			
the linear trajectory to a more	the linear trajectory to a more	the linear trajectory to a more			
stringent target within this	stringent target within this	stringent target within this			
framework. A change in the linear	framework. A change in the linear	framework. A change in the linear			
factor only changes gradually the	factor only changes gradually the	factor only changes gradually the			
cap. Accordingly, the surplus would	cap. Accordingly, the surplus would	cap. Accordingly, the surplus would			
also only gradually decline, such	also only gradually decline, such	also only gradually decline, such			
that the market would have to	that the market would have to	that the market would have to			
continue to operate for more than a	continue to operate for more than a	continue to operate for more than a			
decade with a surplus of around 2	decade with a surplus of around 2	decade with a surplus of around			
billion allowances or more. In order	billion allowances or more <i>thereby</i>	2 billion allowances or more,			
to address this problem and to make	preventing the ETS from	thereby preventing the ETS from			
the European Emission Trading	delivering the necessary	<u>delivering the necessary investment</u>			
System more resilient to	investment signal to reduce CO2	signal to reduce CO <sub>2</sub> emissions in a			
imbalances, a market stability	emissions in a cost efficient	cost-efficient manner and being a			
reserve should be established. <i>To</i>	<i>manner</i> . In order to address this	driver of low-carbon innovation			
ensure regulatory certainty as	problem and to make the ETS	contributing to economic growth			
regards auction supply in phase 3	more resilient to supply-demand	and jobs. In order to address this			
and allow for some lead-time	imbalances, and thus to correct a	problem and to make the <u>EU ETS</u>			

Commission proposal	EP amendments	Council Position	Comments
adjusting to the introduction of the	design error in the system, so as to	more resilient to supply-demand	
design change, the market stability	enable the ETS to function as an	imbalances so as to enable the ETS	
reserve should be established as of	orderly market with stable and	to function in an orderly market, a	
phase 4 <i>starting</i> in 2021. In order to	competitive prices, reflecting the	market stability reserve (the	
preserve a maximum degree of	true value of allowances, a market	"reserve") should be established in	
predictability, clear rules should be	stability reserve should be	2018 and it should be operational as	
set for placing allowances into the	established during phase 3, so as to	of 2021. In order to preserve a	
reserve and releasing them from the	establish the benefits thereof	maximum degree of predictability,	
reserve. Where the conditions are	before the launch of phase 4 in	clear rules should be set for placing	
met, beginning in 2021, allowances	2021. The market stability reserve	allowances into the reserve and	
corresponding to 12% of the	should also ensure synergy with	releasing them from it. The reserve	
number of allowances in circulation	other climate policies such as	should function by triggering	
in year x-2 should be put into the	those on renewable energy and	adjustments to the annual auction	
reserve. A corresponding number of	energy efficiency. In order to	<u>volumes</u> . Where the conditions are	
allowances should be released from	preserve a maximum degree of	met, each year, beginning in 2021,	
the reserve when the total number	predictability, clear rules should be	allowances corresponding to 12%	
of allowances in circulation is	set for placing allowances into the	of the number of allowances in	
lower than 400 million.	reserve and releasing them from the	circulation in year x-1, as published	
	reserve. Where the conditions are	in May of year x, should be	
	met, beginning in <b>2018</b> , allowances	deducted from the auction volumes	
	corresponding to 12% of the	and put into the reserve. In any	
	number of allowances in circulation	<u>year</u> , <u>a</u> corresponding number of	
	in year x-1 should be put into the	allowances should be released from	
	reserve. A corresponding number of	the reserve and added to auction	
	allowances should be released from	volumes if the total number	
	the reserve when the total number	of allowances in circulation in year	
	of allowances in circulation is	$\underline{x-1}$ is <u>fewer</u> than 400 million. <u>To</u>	
	lower than 400 million.	this end, the Commission and the	
		Member States should, without	
		undue delay following the	
		publication of the total number of	
		allowances in circulation by the	
		Commission by 15 May of a given	

Commission proposal	EP amendments	Council Position	Comments
		year, ensure that the auction	
		calendars of the common auction	
		platform and, where applicable,	
		opt-out auction platforms are	
		adjusted to take into account the	
		allowances placed in or to be	
		<u>released from the reserve. The</u>	
		adjustment of the volume of	
		allowances to be auctioned should	
		be spread over a period of	
		12 months following the change to	
		the relevant auctioning calendar.	
		Taking into account the need for a	
		smooth operation of the auction	
		process, further details on the	
		adjustment, where necessary,	
		should be set out in the regulation	
		adopted pursuant to Article 10(4) of	
		Directive 2003/87/EC.	
COM(2012)652 final	COM(2012)652 final	<sup>1</sup> 16352/12 - COM(2012) 652	
<sup>2</sup> Insert reference	<sup>2</sup> Insert reference	final.	
		<sup>2</sup> Insert reference.	

Commission proposal	EP amendments	Council Position	Comments		
		lment 4			
	Recital 3				
(3) Furthermore, in addition to the	(3) Furthermore, in addition to the	(3) Furthermore, in addition to the	Linked to amendments 11, 15 and		
establishment of the market	establishment of the market	establishment of the [] reserve, a	18.		
stability reserve, a few	stability reserve, a few	few consequential amendments			
consequential amendments should	consequential amendments should	should be made to Directive	See compromise proposal in third		
be made to Directive 2003/87/EC to	be made to Directive 2003/87/EC to	2003/87/EC to ensure consistency	column.		
ensure consistency and smooth	ensure consistency and smooth	and smooth operation of the <u>EU</u>			
operation of the ETS. In particular,	operation of the ETS. In particular,	ETS. In particular, the			
the operation of	the operation of	<u>implementation</u> of			
Directive 2003/87/EC may lead to	Directive 2003/87/EC may lead to	Directive 2003/87/EC may lead to			
large volumes of allowances to be	large volumes of allowances to be	large volumes of allowances being			
auctioned at the end of each trading	auctioned at the end of each trading	auctioned at the end of each trading			
period which can undermine market	period which can undermine market	period which can undermine market			
stability. Accordingly, in order to	stability. Accordingly, in order to	stability. Accordingly, in order to			
avoid an imbalanced market	avoid an imbalanced market	avoid an imbalanced market			
situation of supply of allowances at	situation of supply of allowances at	situation of supply of allowances at			
the end of one trading period and	the end of one trading period with	the end of one trading period and			
the beginning of the next with	possibly disruptive effects for the	the beginning of the next with			
possibly disruptive effects for the	market, provision should be made	possibly disruptive effects for the			
market, provision should be made	for the placing of such allowances	market, provision should be made			
for the auctioning of part of any	into the market stability reserve at	for the auctioning of part of any			
large increase of supply at the end	the end of <i>the</i> trading period <i>in</i>	large increase of supply at the end			
of <i>one</i> trading period <i>in the first</i>	question.	of one trading period in the first			
two years of the next period.		two years of the next period. The			
		Commission should, as part of the			
		upcoming revision of			
		Directive 2003/87/EC, assess			
		whether allowances not allocated to			
		installations pursuant to Article			
		10a(7) of Directive 2003/87/EC and			
		because of the application of			
		Article 10a(19) and (20) of that			

Commission proposal	EP amendments	Council Position	Comments
		Directive, should be placed in the	
		reserve at the end of the trading	
		period from 2013 to 2020, and	
		should, if appropriate, submit a	
		proposal to the European	
		Parliament and to the Council.	

Commission proposal	EP amendments	Council Position	Comments		
	Amendment 5				
	Recital 3 a (new)				
	(3a) Commission Regulation (EU)	(3a) Moreover, the planned	Acceptable in substance.		
	No 176/2014 <sup>1a</sup> provided for the	reintroduction of 300 million			
	"back-loading" of 900 million	allowances in 2019 and 600 million			
	allowances from the years 2014 -	allowances in 2020, as determined			
	2016, to years 2019 and 2020 (the	in Commission Regulation (EU) No			
	end of phase 3 of the ETS). The	<u>176/2014<sup>1</sup> pursuant to Article 10(4)</u>			
	impact of the auctioning of those	of Directive 2003/87/EC <sup>2</sup> , would			
	back-loaded allowances in 2019	undermine the aim of the reserve to			
	and 2020 would run counter to the	tackle structural supply-demand			
	desired aim of the current proposal	imbalances. Accordingly, the			
	for a market stability reserve,	900 million allowances should not			
	which is a reduction in the surplus	be auctioned in 2019 and 2020 but			
	of allowances. Therefore, the	should instead be placed in the			
	backloaded allowances should not	reserve.			
	be auctioned but instead placed				
	directly in the market stability				
	reserve.				
	1a Commission Regulation (EU)	1 Commission Regulation (EU)			
	No 176/2014 of 25 February 2014	No 176/2014 of 25 February 2014			
	amending Regulation (EU) No	amending Regulation (EU)			
	1031/2010 in particular to determine	No 1031/2010 in particular to			
	the volumes of greenhouse gas	determine the volumes of greenhouse			
	emission allowances to be auctioned	gas emission allowances to be			
	in 2013-20 (OJ L 56, 26.2.2014, p.	auctioned in 2013-20 (OJ L 56, 26.2.2014, p. 11)			
	11).	$\frac{20.2.2014, p. 11}{2}$ Directive as amended by			
		Decision No 1359/2013/EU of the			
		European Parliament and of the			
		Council of 17 December 2013			
		amending Directive 2003/87/EC			
		clarifying provisions on the timing of			

Commission proposal	EP amendments	Council Position	Comments
		auctions of greenhouse gas allowances	
		(OJ L OJ L 343, 19.12.2013, p. 1)	
		lment 6	
		3 b (new)	T
	(3b) It is important that the ETS		Not acceptable.
	incentivises carbon efficient		
	growth and that the		Linked to amendment 19.
	competitiveness of Union		
	industries at genuine risk of		
	carbon leakage is protected. The		
	European Parliament's resolution		
	of 4 February 2014 on the Action		
	Plan for a competitive and		
	sustainable steel industry in		
	Europe already stressed "that the		
	Commission should address more		
	concretely and in detail the issue		
	of carbon leakage". The European		
	Council conclusions of 23 and 24		
	October 2014 on the 2030 Climate		
	and Energy Policy Framework		
	gave clear guidance on the		
	continuation of free allocations		
	and carbon leakage provisions		
	after 2020 and state that "the most efficient installations in the sectors		
	at risk of losing international		
	competitiveness should not face		
	undue carbon costs leading to		
	carbon leakage". Proportionate		
	measures reflecting the carbon		
	price prevailing at the time of their		
	introduction should be put in place		
	introduction snouta ve put in place		

Commission proposal	EP amendments	Council Position	Comments
	in order to shelter industries at		
	genuine risk of carbon leakage		
	from any negative impact on their		
	competitiveness and thus to avoid		
	additional ETS-related costs at the		
	level of the most efficient		
	installations. The Commission		
	should review Directive		
	2003/87/EC and in particular		
	Article 10a thereof in this respect.		
	In pursuing the goal of creating a		
	single energy market, that review		
	should also include harmonised		
	arrangements at Union level		
	compensating for carbon costs		
	passed on in electricity prices,		
	different from the mechanism		
	currently governed by state aid		
	rules so as to secure a fully level		
	playing field.		

Commission proposal	EP amendments	Council Position	Comments			
	Amendment 7					
	Recital 4					
(4) The Commission should review	(4) The Commission should, <i>within</i>	(4) The Commission should	The first part of the amendment is			
the functioning of the market	three years of the date of operation	monitor the functioning of the	acceptable in substance as an			
stability reserve in relation to its	of the market stability reserve,	reserve in the context of the annual	addition to the Council text.			
operation in the light of experience	review the functioning of the	carbon market report. In addition,				
of its application. The review of the	market stability reserve in relation	the Commission should, within	The second part is acceptable in			
functioning of the market stability	to its operation in the light of	three years of the date of operation	substance.			
reserve should in particular	experience of its application. The	of the reserve and periodically				
consider whether the rules on	review of the functioning of the	thereafter review the functioning of	The last part is not acceptable			
placing allowances in the reserve	market stability reserve should in	the [] reserve [] in the light of	(linked to amendment 20).			
are appropriate with regard to the	particular consider whether the	experience of its application. The				
aim pursued to tackle structural	rules on placing and releasing	review of the functioning of the []				
supply-demand imbalances.	allowances in <i>and from</i> the reserve	reserve should in particular				
	are appropriate with regard to the	consider whether the rules on				
	aim pursued to tackle structural	placing allowances in the reserve				
	supply-demand imbalances. <i>The</i>	and releasing them are appropriate				
	review should also look into the	with regard to the aim pursued to				
	impact of the market stability	tackle structural supply-demand				
	reserve on the Union's industrial	imbalances and of making the				
	competitiveness and on the risk of	auction supply of allowances more				
	carbon leakage.	flexible. This should include an				
		analysis of the market balance,				
		including all relevant factors				
		affecting supply and demand, and				
		of the appropriateness of the				
		predefined range triggering				
		adjustments to annual auction				
		volumes, as well as the percentage				
		rate applied to the total number of				
		allowances in circulation. Where				
		the analysis indicates that the range				
		is no longer appropriate in the light				

Commission proposal	EP amendments	Council Position	Comments	
		of changed market developments		
		and new information available at		
		the time of the review, the		
		Commission should swiftly submit		
		a proposal to address this situation.		
Amendment 8				
	Reci	ital 5		
(5) Articles 10 and 13(2) of	(5) Directive 2003/87/EC should	(5) [] Directive 2003/87/EC	Acceptable.	
Directive 2003/87/EC should	therefore be amended accordingly,	should therefore be amended		
therefore be amended accordingly,		accordingly,		
	Amend	lment 9		
	Article 1 – j	paragraph 1		
1. A market stability reserve is	1. A market stability reserve is	1. A market stability reserve is	The first part of the amendment is	
established, and shall operate from	established <i>in 2018</i> and shall	established in 2018, and shall	acceptable.	
1 January <b>2021</b> .	operate by 31 December 2018.	operate from 1 January 2021.	The second part is not acceptable.	

Commission proposal	EP amendments	Council Position	Comments		
	Amendment 10				
		graph 1 a (new)			
	1a. The Commission shall ensure that allowances back-loaded in accordance with Commission Regulation (EU) No 176/2014 1a are directly placed in the market stability reserve.	1a. The quantity of 900 million allowances deducted from auctioning volumes during the period 2014-2016, as determined in Commission Regulation (EU) No 176/2014 pursuant to Article 10(4) of Directive 2003/87/EC, shall not be added to the volumes to be auctioned in 2019 and 2020 but shall instead be placed in the []	The amendment corresponds in substance to the Council text.		
	Ta Commission Regulation (EU) No 176/2014 of 25 February 2014 amending Regulation (EU) No 1031/2010 in particular to determine the volumes of greenhouse gas emission allowances to be auctioned in 2013-20 (OJ L 56, 26.2.2014, p. 11).	reserve.			

Commission proposal	EP amendments	Council Position	Comments
	Amend	ment 11	
	Article 1 – para	graph 1 b (new)	
	1b. Allowances remaining in the		Linked to amendments 4, 15 and
	new entrants' reserve at the end of		18.
	a trading period, and allowances		
	not allocated due to closures or		The amendment is not acceptable as
	under the derogation for the		such but see compromise proposal
	modernisation of the electricity		in recital 3 (amendment 4).
	sector shall be considered		
	"unallocated allowances". All		
	such unallocated allowances shall		
	not be auctioned at the end of the		
	third trading period but shall be		
	directly placed in the market		
	stability reserve.		

Commission proposal	EP amendments	Council Position	Comments			
	Amendment 12					
Article 1 – paragraph 2						
2. The Commission shall publish	2. The Commission shall publish	(2) The Commission shall publish	Not acceptable.			
the total number of allowances in	the total number of allowances in	the total number of allowances in				
circulation each year, by 15 May of	circulation each year, by 15 May of	circulation each year, by 15 May of				
the subsequent year. The total	the subsequent year. The total	the subsequent year. The total				
number of allowances in circulation	number of allowances in circulation	number of allowances in circulation				
for year x shall be the cumulative	for year x shall be the cumulative	in a given year shall be the				
number of allowances issued in the	number of allowances issued in the	cumulative number of allowances				
period since 1 January 2008,	period since 1 January 2008,	issued in the period since				
including the number issued	including the number issued	1 January 2008, including the				
pursuant to Article 13(2) of	pursuant to Article 13(2) of	number issued pursuant to				
Directive 2003/87/EC in that period	Directive 2003/87/EC in that period	Article 13(2) of				
and entitlements to use international	and entitlements to use international	Directive 2003/87/EC in that period				
credits exercised by installations	credits exercised by installations	and entitlements to use international				
under the EU emission trading	under the EU emission trading	credits exercised by installations				
system in respect of emissions up to	system in respect of emissions up to	under the EU <u>ETS</u> in respect of				
31 December of year x, minus the	31 December of year x, minus the	emissions up to 31 December of				
cumulative tonnes of verified	cumulative tonnes of verified	that year [], minus the cumulative				
emissions from installations under	emissions from installations under	tonnes of verified emissions from				
the EU emission trading system	the EU emission trading system	installations under the EU <u>ETS</u>				
between 1 January 2008 and 31	between 1 January 2008 and 31	between 1 January 2008 and				
December of year x, any	December of year x, any	31 December of that same year				
allowances cancelled in accordance	allowances cancelled in accordance	[], any allowances cancelled in				
with Article 12(4) of Directive	with Article 12(4) of Directive	accordance with Article 12(4) of				
2003/87/EC and the number of	2003/87/EC and the number of	Directive 2003/87/EC and the				
allowances in the reserve. No	allowances in the reserve. No	number of allowances in the				
account shall be taken of emissions	account shall be taken of emissions	reserve. No account shall be taken				
during the three-year period starting	during the three-year period starting	of emissions during the three-year				
in 2005 and ending in 2007 and	in 2005 and ending in 2007 and	period starting in 2005 and ending				
allowances issued in respect of	allowances issued in respect of	in 2007 and allowances issued in				
those emissions. The first	those emissions. The first	respect of those emissions. The first				
publication shall take place by 15	publication shall take place by 15	publication shall take place by				

Commission proposal	EP amendments	Council Position	Comments
May 2017.	May <b>2016</b> .	15 May 2017.	
	Amend	ment 13	
	Article 1 – 1	paragraph 3	
3. In each year beginning in <b>2021</b> , a number of allowances equal to 12% of the total number of allowances in circulation in year x- <b>2</b> , as published in May year x- <b>1</b> , shall be placed in the reserve, unless this number of allowances to be placed in the reserve would be less than 100 million.	3. In accordance with Article 1(1) providing for timely implementation when the reserve is established, a number of allowances equal to 12% of the total number of allowances in circulation in year x-1, as published in May year x, shall be placed in the reserve without undue delay, unless this number of allowances to	3. Each year beginning in 2021, a number of allowances equal to 12% of the total number of allowances in circulation in year x-1, as published in May of year x, shall be deducted from the volume of allowances to be auctioned and shall be placed in the reserve, unless this number of allowances to be placed in the reserve would be fewer than 100	The first part of the amendment is not acceptable.  The second part corresponds in spirit to the Council text in recital 2 and Article 1(6).
	be placed in the reserve would be	million.	
	less than 100 million.	 paragraph 4	
4. In any year, if the total number of allowances in circulation is lower than 400 million, 100 million allowances shall be released from the reserve. In case less than 100 million allowances are in the reserve, all allowances in the reserve shall be released under this paragraph.		4. In any year, if the total number of allowances in circulation in year x-1, as published in May of year x, is fewer than 400 million, 100 million allowances shall be released from the reserve and added to the volume of allowances to be auctioned.  Where fewer than 100 million allowances are in the reserve, all allowances in the reserve shall be released under this paragraph.	

Commission proposal	EP amendments	Council Position	Comments
	Article 1 – <sub>I</sub>	paragraph 5	
5. In any year, if paragraph 4 is not		5. In any year, if paragraph 4 is not	
applicable and measures are		applicable and measures are	
adopted under Article 29a of the		adopted under Article 29a of []	
Directive, 100 million allowances		Directive 2003/87/EC, 100 million	
shall be released from the reserve.		allowances shall be released from	
In case less than 100 million		the reserve and added to the volume	
allowances are in the reserve, all		of allowances to be auctioned.	
allowances in the reserve shall be		Where fewer than 100 million	
released under this paragraph.		allowances are in the reserve, all	
		allowances in the reserve shall be	
		released under this paragraph.	

Commission proposal	EP amendments	Council Position	Comments		
	Article 1 – paragraph 6				
6. Where action is taken pursuant to		6. Where, <u>following the publication</u>			
paragraphs 3 or 5, the auction		of the total number of allowances in			
calendars shall take into account the		<u>circulation</u> , action is taken pursuant			
allowances placed in the reserve or		to the preceding paragraphs [],			
to be released from the reserve.		the auction calendars shall take into			
		account the allowances placed in			
		the reserve or to be released from			
		the reserve. The allowances shall be			
		placed in the reserve or released			
		from it over a period of 12 months.			
		Where there is a release of			
		allowances pursuant to paragraph 4			
		or 5, irrespective of the period			
		during which the release of			
		allowances takes place, it shall			
		follow the Member States' shares			
		applicable at the time of their			
		placement into the reserve and it			
		shall also follow the order in which			
		the allowances were placed into the			
		reserve.			

Commission proposal	EP amendments	Council Position	Comments
	Amend	ment 14	
	Article 2 – paragra	aph 1 (formerly 2)	
	<b>Directive 2003/87/EC -</b> <i>A</i>	Article 10 – paragraph 1	
"1. From 2021 onwards, Member	"1. From <b>2018</b> onwards, Member	"1. From 2021 onwards, Member	Not acceptable.
States shall auction all allowances	States shall auction all allowances	States shall auction all allowances	
that are not allocated free of charge	that are not allocated free of charge	that are not allocated free of charge	
in accordance with Article 10a and	in accordance with Article 10a and	in accordance with Article 10a and	
10c and are not placed in the	10c and are not placed in the	10c and are not placed in the	
market stability reserve established	market stability reserve established	market stability reserve established	
by Decision [OPEU please insert	by Decision [OPEU please insert	by Decision [OJ: please insert	
number of this Decision when	number of this Decision when	number of this Decision when	
<i>known</i> ] of the European Parliament	known] of the European Parliament	known and add footnote] of the	
and of the Council(*)."	and of the Council(*)."	European Parliament and of the	
		Council(*)."	

Commission proposal	EP amendments	Council Position	Comments		
	Amendment 15				
	Article 2 – paragraph 2 (formerly 3)				
	<b>Directive 2003/87/EC - A</b>	article 10 – paragraph 1a			
3. In Article 10, the following		$\underline{2}$ . In Article 10, the following	Linked to amendments 4, 11 and		
paragraph shall be inserted:		paragraph <u>is</u> inserted:	18.		
"1a. Where the volume of	"la. At the end of a trading period,	"1a. Where the volume of	The amendment is not acceptable as		
allowances to be auctioned by	any allowances remaining in the	allowances to be auctioned by	such but see compromise proposal		
Member States in the last year of	new entrants' reserve and any	Member States in the last year of	in recital 3 (amendment 4).		
each period referred to in Article	allowances not allocated due to	each period referred to in Article			
13(1) exceeds by more than 30%	closures or under the derogation	13(1) exceeds by more than 30%			
the expected average auction	for the electricity sector shall be	the expected average auction			
volume for the first two years of the	considered "unallocated	volume for the first two years of the			
following period before application	allowances". All such unallocated	following period before application			
of Article 1(3) of Decision [OPEU	allowances shall be directly placed	of Article 1(3) of Decision [OJ:			
please insert number of this	in the market stability reserve. "	please insert number of this			
Decision when known], two-thirds		Decision when known], two-thirds			
of the difference between the		of the difference between the			
volumes shall be deducted from		volumes shall be deducted from			
auction volumes in the last year of		auction volumes in the last year of			
the period and added in equal		the period and added in equal			
instalments to the volumes to be		instalments to the volumes to be			
auctioned by Member States in the		auctioned by Member States in the			
first two years of the following		first two years of the following			
period."		period.			

Commission proposal	EP amendments	Council Position	Comments		
	Amendment 16				
		oh 1 – point 3 a (new)			
Directive	<u> 2003/87/EC - Article 10 – paragrap</u>	<u>h 3 – subparagraph 1 – introductory</u>	wording		
	3a. In Article 10(3), the Not acceptable.				
	introductory wording of the first				
	subparagraph is replaced by the				
	following:				
	"3. Member States shall determine the use of revenues generated from the auctioning of allowances. At least 50 % of the revenues generated from the auctioning of allowances referred to in paragraph 2, including all revenues from the auctioning referred to in paragraph 2, points (b) and (c), or the equivalent in financial value of				
	these revenues, <i>shall</i> be used for				
	one or more of the following:"				

Commission proposal	EP amendments	Council Position	Comments		
	Amendment 17				
	Article 2 – paragraph 1 – point 3 b (new)				
	Directive 2003/87/EC - Article 10 – par				
	3b. In Article 10(4), the following		In substance corresponds to and is		
	subparagraph shall be inserted		already covered by the Council text		
	after the first subparagraph:		in Article 1(1a).		
	"Where the Commission has				
	carried out the adaptation referred				
	to in the first subparagraph, an				
	amount of allowances				
	corresponding to the increase of				
	allowances in 2019 and 2020 as set				
	out in Annex IV to Commission				
	Regulation (EU) No 1031/2010*				
	shall be placed in the market				
	stability reserve established by				
	Decision [OPEU please insert				
	number of this Decision when				
	known]. (EU) No 1031/2010 *shall				
	be placed in the market stability				
	reserve established by Decision				
	[OPEU please insert number of				
	this Decision when known]."				
	* 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				

Commission proposal	EP amendments	Council Position	Comments
	trading within the Community (OJ L		
	302, 18.11.2010, p. 1)."		
	Amend	ment 18	
		h 1 – point 3 c (new)	
Γ	Directive 2003/87/EC - Article 10a – p	aragraph 8 – subparagraph 2 a (nev	
	3c. In Article 10a(8), the following		Not acceptable
	subparagraph shall be inserted		
	after the second subparagraph:		Linked to amendments 4, 11 and
	"300 million allowances shall		15.
	gradually be made available from		
	the date of operation of the market		
	stability reserve established by		
	Decision [OPEU please insert		
	number of this Decision when		
	known] until 31 December 2025 in		
	line with this paragraph and for		
	breakthrough industrial		
	innovation projects in the sectors		
	listed in Annex I of this Directive		
	on the basis of objective and		
	transparent criteria referred to in		
	this paragraph. Those 300 million		
	allowances shall be taken from the		
	unallocated allowances, as defined		
	in Article 1(1b) of Decision		
	[OPEU please insert number of		
	this Decision when known].		

Commission proposal	EP amendments	Council Position	Comments			
Article 2 - Paragraph 3 (former paragraph 4) - introductory sentence						
Directive 2003/87/EC - Article 13 – paragraph 2						
(4) In the second subparagraph of Article 13(2) the following sentence is added:		(3) In the second subparagraph of Article 13(2), the following sentence is added:				
"Similarly, allowances held in the market stability reserve established by Decision [OPEU please insert number of this Decision when known] and which are no longer valid shall be replaced by allowances which are valid for the current period."		"Similarly, allowances held in the market stability reserve established by Decision [OJ: please insert number of this Decision when known] and which are no longer valid shall be replaced by allowances which are valid for the current period."				
	Amend	ment 19				
	Article 2	2 a (new)				
	Article 2a		Not acceptable			
	Review of Directive 2003/87/EC		Linked to amendment 6.			
	By+, the Commission shall review Directive 2003/87/EC, with a view to effectively protecting the competitiveness of Union industries at genuine risk of carbon leakage, introducing a more accurate allocation of allowances and incentivising carbon-efficient growth without contributing to the over-supply of allowances. The Commission shall thereby take into account the conclusions of the European					

Commission proposal	EP amendments	Council Position	Comments
	Council of 23 and 24 October		
	2014, in particular with regard to		
	carbon leakage provisions and the		
	continuation of free allocations,		
	better reflecting changing		
	production levels and incentivising		
	the most efficient performance.		
	The Commission shall also		
	consider a Union harmonised		
	mechanism to compensate for		
	indirect carbon costs resulting		
	from this Directive so as so to		
	ensure a level playing field at		
	global and Union level. If		
	appropriate the Commission shall,		
	in accordance with the ordinary		
	legislative procedure, submit a		
	proposal to the European		
	Parliament and the Council.		
	+ OJ: Please, insert the date: six		
	months from the entry into force of		
	this Decision.		

Commission proposal	EP amendments	Council Position	Comments			
		ment 20				
Article 3						
<b>By 31 December 2026</b> , the	Within three years of the date of	The Commission shall monitor the	The first part corresponds in			
Commission shall on the basis of an	operation of the market stability	functioning of the [] reserve in	substance to the Council text.			
analysis of the orderly functioning	<i>reserve</i> , the Commission shall on	the context of the report provided				
of the European carbon market	the basis of an analysis of the	for in Article 10(5) of	The second part is not acceptable			
review the market stability reserve	orderly functioning of the European	Directive 2003/87/EC. Within three	(linked to amendment 7).			
and submit a proposal, where	carbon market review the market	years of the start of the operation of				
appropriate, to the European	stability reserve and submit a	the reserve and at five year intervals				
Parliament and to the Council. The	proposal, where appropriate, to the	thereafter, the Commission shall,				
review shall pay particular attention	European Parliament and to the	on the basis of an analysis of the				
to the percentage figure for the	Council. The review shall pay	orderly functioning of the European				
determination of the number of	particular attention to the	carbon market, review the market				
allowances to be placed into the	percentage figure for the	stability reserve and submit a				
reserve according to Article 1(3)	determination of the number of	proposal, where appropriate, to the				
and the numerical value of the	allowances to be placed into the	European Parliament and to the				
threshold for the total number of	reserve according to Article 1(3)	Council. <u>Each</u> review shall pay				
allowances in circulation set by	and the numerical value of the	particular attention to the				
Article 1(4).	threshold for the total number of	percentage figure for the				
	allowances in circulation set by	determination of the number of				
	Article 1(4). <i>In its review, the</i>	allowances to be placed into the				
	Commission shall also look into	reserve <u>pursuant</u> to Article 1(3), <u>as</u>				
	the impact of the market stability	well as the numerical value of the				
	reserve on European industrial	threshold for the total number of				
	competitiveness and on the risk of	allowances in circulation and the				
	carbon leakage. A periodic review	number of allowances to be				
	of the settings of the market	released from the reserve pursuant				
	stability reserve, two years before	<u>to</u> Article 1(4) <u>or (5).</u>				
	the start of every new phase, is					
	necessary in order to ensure the					
	settings remain appropriate whilst					
	preserving certainty for the					
	market.					

Commission proposal	EP amendments	Council Position	Comments			
Article 4						
Article 10(1) of Directive 2003/87/EC as amended by Directive 2009/29/EC shall continue to apply until 31 December 2020		Article 10(1) of Directive 2003/87/EC as amended by Directive 2009/29/EC of the European Parliament and of the Council <sup>1</sup> shall continue to apply until 31 December 2020.  1 Directive 2009/29/EC of the European Parliament and of the Council of 23 April 2009 amending Directive 2003/87/EC so as to improve and extend the greenhouse gas emission allowance trading scheme of the Community (OJ L 140, 5.6.2009, p. 63).				