



**2015/0148(COD)**

14.7.2016

# **AMENDMENTS**

## **178 - 300**

**Draft report**

**Ian Duncan**

(PE582.397v02-00)

on the proposal for a directive of the European Parliament and of the Council amending Directive 2003/87/EC to enhance cost-effective emission reductions and low-carbon investments

Proposal for a directive

(COM(2015)0337 – C8-0190/2015 – 2015/0148(COD))



## Amendment 178

Jytte Guteland, Soledad Cabezón Ruiz, Jo Leinen, Seb Dance, Pavel Poc, Susanne Melior, José Blanco López, Kathleen Van Brempt, Massimo Paolucci, Damiano Zoffoli, Renata Briano, Elena Gentile, Christel Schaldemose, Nicola Caputo, Bas Eickhout, Gerben-Jan Gerbrandy, José Inácio Faria, Gilles Pargneaux

### Proposal for a directive

#### Article 1 – point -1 (new)

Directive 2003/87/EC

Article 2 – paragraph 1

*Present text*

'1. This Directive shall apply to emissions from the activities listed in Annex I and greenhouse gases listed in Annex II.'

*Amendment*

**(-1) In Article 2, paragraph 1 is replaced by the following:**

'1. This Directive shall apply to emissions from the activities listed in Annex I and greenhouse gases listed in Annex II. ***Emissions from maritime transport shall be covered by the scope of this Directive as set out in Chapter IVa.***'

Or. en

## Amendment 179

Jadwiga Wiśniewska, Boleslaw G. Piecha

### Proposal for a directive

#### Article 1 – point -1 a (new)

Directive 2003/87/EC

Article 3 – point b a (new)

*Text proposed by the Commission*

*Amendment*

**(-1a) In Article 3, the following point (ba) is added:**

***"(ba) 'unavoidable process-related emissions' means emissions as referred to in Article 3(b) that are generated as a result of the specific process used to manufacture a given final product and that cannot be avoided by changing the energy source for the installation or sub-installation, and are independent of that energy source, or by using an alternative***

*manufacturing process;"*

Or. pl

*Justification*

*Process-related emissions need to be defined in connection with the changes to Article 10a(5).*

**Amendment 180**

**Peter Liese**

**Proposal for a directive**

**Article 1 – point -1 b (new)**

Directive 2003/87/EC

Article 3 – point h

*Present text*

*Amendment*

***(-1 b) In Article 3, point h is replaced by the following:***

'(h) 'new entrant' means:

- any installation carrying out one or more of the activities indicated in Annex I, which has obtained a greenhouse gas emissions permit for the first time after 30 June **2011**,
- any installation carrying out an activity which is included in the Community scheme pursuant to Article 24(1) or (2) for the first time, or
- any installation carrying out one or more of the activities indicated in Annex I or an activity which is included in the Community scheme pursuant to Article 24(1) or (2), which has had a significant extension after 30 June **2011**, only in so far as this extension is concerned;'

'(h) 'new entrant' means:

- any installation carrying out one or more of the activities indicated in Annex I, which has obtained a greenhouse gas emissions permit for the first time after 30 June **2018**,
- any installation carrying out an activity which is included in the Community scheme pursuant to Article 24(1) or (2) for the first time, or
- any installation carrying out one or more of the activities indicated in Annex I or an activity which is included in the Community scheme pursuant to Article 24(1) or (2), which has had a significant extension after 30 June **2018**, only in so far as this extension is concerned;'

Or. en

*Justification*

*The current definition of a New Entrant - an installation obtaining a GHG permit after 30*

*June 2011 – needs to be amended to reflect Phase IV. In the current Directive, an installation is considered to be a new entrant 3 months before the submission by Member States of the list of installations (September 2011). The proposal for Phase 4 foresees that the submission of the list of installations be made by 30 September 2018; so keeping with the same logic, installations with an activity starting after 30 June 2018, should be considered as new entrants.*

**Amendment 181**  
**Carlos Zorrinho**

**Proposal for a directive**  
**Article 1 – point -1 b (new)**  
Directive 2003/87/EC  
Article 3 – point h

*Present text*

- '(h) 'new entrant' means:
- any installation carrying out one or more of the activities indicated in Annex I, which has obtained a greenhouse gas emissions permit for the first time after 30 June **2011**,
  - any installation carrying out an activity which is included in the Community scheme pursuant to Article 24(1) or (2) for the first time, or
  - any installation carrying out one or more of the activities indicated in Annex I or an activity which is included in the Community scheme pursuant to Article 24(1) or (2), which has had a significant extension after 30 June **2011**, only in so far as this extension is concerned;

*Amendment*

***(-1 b) In Article 3, point h is replaced by the following:***

- '(h) 'new entrant' means:
- any installation carrying out one or more of the activities indicated in Annex I, which has obtained a greenhouse gas emissions permit for the first time after 30 June **2018**,
  - any installation carrying out an activity which is included in the Community scheme pursuant to Article 24(1) or (2) for the first time, or
  - any installation carrying out one or more of the activities indicated in Annex I or an activity which is included in the Community scheme pursuant to Article 24(1) or (2), which has had a significant extension after 30 June **2018**, only in so far as this extension is concerned;

Or. en

*Justification*

*The present new entrant definition needs to be amended to reflect the timings of Phase IV.*

## **Amendment 182**

**Andrzej Grzyb**

### **Proposal for a directive**

**Article 1 – point -1 c (new)**

Directive 2003/87/EC

Article 3 – point u a (new)

*Text proposed by the Commission*

*Amendment*

**(-1c) In Article 3, the following point is added:**

**'(ua) “unavoidable process emissions” means a process emission generated as a result of an intentional chemical reaction for which there is no physically, chemically and economically viable alternative process of producing the product, semi-product or input;'**

Or. en

## **Amendment 183**

**Ivo Belet, Pilar Ayuso, Michel Dantin, Francesc Gambús, Elisabetta Gardini, Jens Gieseke, Françoise Grossetête, Krišjānis Kariņš, Elisabeth Köstinger, Andrey Kovatchev, Giovanni La Via, Peter Liese, Antonio Tajani, Annie Schreijer-Pierik, Alojz Peterle, Massimiliano Salini, Markus Pieper, Paul Rübig**

### **Proposal for a directive**

**Article 1 – point -1 d (new)**

Directive 2003/87/EC

Article 3 – point u b (new)

*Text proposed by the Commission*

*Amendment*

**(-1d) In Article 3, the following point is added:**

**'(ub) “small emitter” means an installation with low emissions which meets at least one of the following criteria:**

**– the average annual emissions of that installation reported in the verified emission reports during the trading period immediately preceding the current trading period, with the exclusion of CO<sub>2</sub>**

*stemming from biomass and before subtraction of transferred CO<sub>2</sub>, were less than 50 000 tonnes of CO<sub>2</sub>(e) per year;*

*– the average annual emissions referred to in the first indent are not available to that installation or are no longer applicable to that installation because of changes in the installation's boundaries or changes to the operating conditions of the installation, but the annual emissions of that installation for the next five years, with the exclusion of CO<sub>2</sub> stemming from biomass and before subtraction of transferred CO<sub>2</sub>, is expected to be, based on a conservative estimation method, less than 50 000 tonnes of CO<sub>2</sub>(e) per year;'*

Or. en

#### *Justification*

*The definition of 'small emitters' is missing in the directive. A definition of 'low emitters' is only present in the EC Regulation 601/2012 on Monitoring and Reporting. To promote simplified procedures for small emitters and ensure regulatory certainty, it is important to bring the definition in the directive and extend the scope from 25 000 to 50 000 tonnes of CO<sub>2</sub>(e) per year.*

#### **Amendment 184**

**Jadwiga Wiśniewska, Bolesław G. Piecha**

#### **Proposal for a directive**

**Article 1 – point -1 e (new)**

Directive 2003/87/EC

Article 3 – point u c (new)

*Text proposed by the Commission*

*Amendment*

*(-1e) In Article 3, the following point (uc) is added:*

*''(uc) 'removal unit (RMU)' means a unit equal to the equivalent of one tonne of carbon dioxide that is issued in respect of afforestation-based carbon removal systems;''*

*Justification*

*Under the Paris Agreement, taking steps to increase removal capacity is as important as action to reduce emissions. This should be reflected in the EU's key climate policy tool, which is why this concept is being included in the proposal.*

**Amendment 185**  
**Bas Eickhout**

**Proposal for a directive**  
**Article 1 – point -1 f (new)**  
Directive 2003/87/EC  
Article 3 a – paragraph 1 a (new)

*Text proposed by the Commission*

*Amendment*

***(-1f) In Article 3a the following paragraph is added:***

***'For flights which depart to or arrive from an aerodrome situated outside the territory of a Member State to which the TFEU applies 50% of emissions shall be covered by the scope of this Directive.'***

Or. en

*Justification*

*The scope of international flights should be reduced to 50% of incoming and outgoing flights to encourage third countries to introduce measures covering aviation emissions. At the same time, the EU system should be revised to apply a multiplier of at least 2 to take into account the significant non-CO2 climate impact of aviation.*

**Amendment 186**  
**Kateřina Konečná**

**Proposal for a directive**  
**Article 1 – point -1 g (new)**  
Directive 2003/87/EC  
Article 3 c – paragraph 2



*Present text*

*Amendment*

'2. ***For the period referred to in Article 13(1) beginning on 1 January 2013, and, in the absence of any amendments following the review referred to in Article 30(4), for each subsequent period, the total quantity of allowances to be allocated to aircraft operators shall be equivalent to 95 % of the historical aviation emissions multiplied by the number of years in the period.***

***This percentage may be reviewed as part of the general review of this Directive.'***

***(-1g) In Article 3c, paragraph 2 is replaced by the following:***

'2. In the absence of any amendments following the review referred to in Article 30(4), the total quantity of allowances ***for aviation activities shall decrease annually to achieve the same emission reductions by 2030 as the other activities covered by the EU ETS.'***

Or. en

*Justification*

*The aviation sector should contribute to the 2030 emission reduction target at the same level as other sectors under the EU ETS.*

## **Amendment 187**

**Eleonora Evi, Marco Affronte, Dario Tamburrano, Piernicola Pedicini**

### **Proposal for a directive**

#### **Article 1 – point -1 g (new)**

Directive 2003/87/EC

Article 3 c – paragraph 2

*Present text*

*Amendment*

'2. ***For the period referred to in Article 13(1) beginning on 1 January 2013, and, in the absence of any amendments following the review referred to in Article 30(4), for each subsequent period, the total quantity of allowances to be allocated to aircraft operators shall be equivalent to 95 % of the historical***

***(-1g) In Article 3c, paragraph 2 is replaced by the following:***

'2. In the absence of any amendments following the review referred to in Article 30(4), the total quantity of allowances ***for aviation activities shall decrease annually to achieve the same emission reductions by 2030 as the other activities covered by the EU ETS.'***

*aviation emissions multiplied by the number of years in the period.*

*This percentage may be reviewed as part of the general review of this Directive.'*

Or. en

#### **Amendment 188**

**Peter Liese, Marijana Petir, Jytte Guteland, Matthias Groote, Alojz Peterle, Wim van de Camp**

#### **Proposal for a directive**

#### **Article 1 – point -1 g (new)**

Directive 2003/87/EC

Article 3 c – paragraph 2

#### *Present text*

'2. *For the period referred to in Article 13(1) beginning on 1 January 2013, and, in the absence of any amendments following the review referred to in Article 30(4), for each subsequent period, the total quantity of allowances to be allocated to aircraft operators shall be equivalent to 95 % of the historical aviation emissions multiplied by the number of years in the period.*

*This percentage may be reviewed as part of the general review of this Directive.'*

#### *Amendment*

***(-1g) In Article 3c, paragraph 2 is replaced by the following:***

'2. In the absence of any amendments following the review referred to in Article 30(4), the total quantity of allowances ***for aviation activities in 2021*** shall be ***10% lower than*** the historical aviation emissions, ***and then decrease at the same annual rate as the total cap for the EU ETS so as to bring the cap for the aviation sector for intra-Union flights more in line with the EU ETS sectors by 2030.'***

Or. en

#### *Justification*

*Currently, the aviation sector has a cap of 95% of the historical emissions, which means a 5% reduction target. This amendment seeks to increase the cap in one step to 10% and then apply the linear reduction factor like to other industries. This would still be a more generous treatment of aviation than of other industries, but bring the ambition closer to those of other industries. Other industries will have to reduce their emissions by 43% by 2030. Following this amendment, aviation industry would reduce the emissions by about 30% in 2030.*

## Amendment 189

Ivo Belet, Francesc Gambús, Alojz Peterle

### Proposal for a directive

#### Article 1 – point -1 g (new)

Directive 2003/87/EC

Article 3 c – paragraph 2

*Present text*

'2. ***For the period referred to in Article 13(1) beginning on 1 January 2013, and, in the absence of any amendments following the review referred to in Article 30(4), for each subsequent period, the total quantity of allowances to be allocated to aircraft operators shall be equivalent to 95 % of the historical aviation emissions multiplied by the number of years in the period.***

*This percentage* may be reviewed as part of the general review of this Directive.'

*Amendment*

***(-1g) In Article 3c, paragraph 2 is replaced by the following:***

'2. In the absence of any amendments following the review referred to in Article 30(4), the total quantity of allowances ***for aviation activities in 2021*** shall be ***5 % below*** the historical aviation emissions ***and decrease annually by 2.2 % to bring the cap for the aviation sector for intra-Union flights more in line with the EU ETS sectors by 2030.***

*Those percentages* may be reviewed as part of the general review of this Directive.'

Or. en

### *Justification*

*The cap for the aviation sector, for intra EU flights, should be brought more in line with the other ETS sectors. The establishment of a global market based mechanism to be agreed upon by the ICAO Assembly could be a sound basis for further global emission reducing measures in international aviation.*

## Amendment 190

Gerben-Jan Gerbrandy

### Proposal for a directive

#### Article 1 – point -1 h (new)

Directive 2003/87/EC

Article 3 c – paragraph 2 – subparagraph 1 a (new)

*Text proposed by the Commission*

*Amendment*

***(-1h) In Article 3c(2), the following***

*subparagraph is added:*

*'Starting in 2021 the total quantity of allowances to be allocated shall be set in accordance with Article 9.'*

Or. en

*Justification*

*According the European Commission Impact Assessment, the linear reduction factor of 2.2% is only consistent with economy-wide 40% domestic emission reductions by 2030 in case the factor applies to all sectors covered by the Directive. Therefore, the linear factor set out in Article 9 should also be applied in Article 3c.*

**Amendment 191**

**Eleonora Evi, Piernicola Pedicini, Marco Affronte, Dario Tamburrano**

**Proposal for a directive**

**Article 1 – point -1 i (new)**

Directive 2003/87/EC

Article 3 d – paragraphs 1 and 2

*Present text*

*Amendment*

'1. *In the period referred to in Article 3c(1), 15 % of allowances shall be auctioned.*

'2. *From 1 January 2013, 15 % of allowances shall be auctioned. This percentage may be increased as part of the general review of this Directive.'*

*(-1i) In Article 3d, paragraphs 1 and 2 are replaced by the following:*

'1. *From 1 January 2017, all allowances shall be auctioned.'*

Or. en

**Amendment 192**

**Bas Eickhout**

**Proposal for a directive**

**Article 1 – point 1**

Directive 2003/87/EC

Article 3 d

Article 3d

Method of allocation of allowances for aviation through auctioning

**1. In the period referred to in Article 3c(1), 15 % of allowances shall be auctioned.**

**2. From 1 January 2013, 15 % of allowances shall be auctioned. This percentage may be increased as part of the general review of this Directive.**

**3. A Regulation shall be adopted containing detailed provisions for the auctioning by Member States of allowances not required to be issued free of charge in accordance with paragraphs 1 and 2 of this Article or Article 3f(8). The number of allowances to be auctioned in each period by each Member State shall be proportionate to its share of the total attributed aviation emissions for all Member States for the reference year reported pursuant to Article 14(3) and verified pursuant to Article 15. For the period referred to in Article 3c(1), the reference year shall be 2010 and for each subsequent period referred to in Article 3c the reference year shall be the calendar year ending 24 months before the start of the period to which the auction relates.**

**That Regulation, designed to amend non-essential elements of this Directive by supplementing it, shall be adopted in accordance with the regulatory procedure with scrutiny referred to in Article 23(3).**

(1) **Article 3d is replaced by the following:**

'Article 3d

Method of allocation of allowances for aviation through auctioning

**The total quantity of allowances for aviation activities shall decrease annually to achieve the same emission reductions by 2030 as the other activities covered by the EU ETS. All allowances for aviation activities shall be auctioned and the revenues used for climate financing in vulnerable developing countries, including adaptation to the impact of climate change.'**

**4. It shall be for Member States to determine the use to be made of revenues generated from the auctioning of allowances. Those revenues should be used to tackle climate change in the EU and third countries, inter alia, to reduce greenhouse gas emissions, to adapt to the impacts of climate change in the EU and third countries, especially developing countries, to fund research and development for mitigation and adaptation, including in particular in the fields of aeronautics and air transport, to reduce emissions through low-emission transport and to cover the cost of administering the Community scheme. The proceeds of auctioning should also be used to fund contributions to the Global Energy Efficiency and Renewable Energy Fund, and measures to avoid deforestation.**

**Member States shall inform the Commission of actions taken pursuant to this paragraph.**

**5. Information provided to the Commission pursuant to this Directive does not free Member States from the notification obligation laid down in Article 88(3) of the Treaty.**

Or. en

*Justification*

*(linked to deletion of Article 3d). The aviation sector should contribute to the 2030 GHG reduction target at the same level as other sectors under the EU ETS. In line with EP position on the aviation ETS proposal in 2007, and in order to be consistent with international aviation law, all revenues from EU ETS for aviation should be used to tackle climate change. In order to build confidence in developing countries regarding the EU policy measure, all revenues of aviation ETS should be earmarked for international climate finance.*

**Amendment 193**  
**Peter Liese, Marijana Petir, Alojz Peterle**

**Proposal for a directive**  
**Article 1 – point -1 j(new)**  
Directive 2003/87/EC  
Article 3 d – paragraph 2

*Present text*

'2. From 1 January **2013**, **15 %** of allowances shall be auctioned. ***This percentage may be increased as part of the general review of this Directive.***'

*Amendment*

***(-1j) In Article 3d, paragraph 2 is replaced by the following:***

'2. From 1 January **2021**, **50 %** of allowances shall be auctioned.'

Or. en

*Justification*

*Concerning the risk of carbon leakage, the aviation sector for flights inside the EU, which are the only flights that are included in the ETS currently, has a hybrid situation. While most of the flights inside EU has no risk, there are maybe very limited risks of carbon leakage when it comes to network carriers. That is why 100% auctioning may not be justified but it's justified to increase the amount of allowances to be auctioned. The additional amount of free allowances available should help to address the risk of carbon leakage in other industries like steel, chemical and cement.*

**Amendment 194**

**Jytte Guteland, Matthias Groote, Soledad Cabezón Ruiz, Jo Leinen, Giorgos Grammatikakis, Pavel Poc, Susanne Melior, José Blanco López, Massimo Paolucci, Damiano Zoffoli, Renata Briano, Elena Gentile, Christel Schaldemose, Nicola Caputo, Gilles Pargneaux**

**Proposal for a directive**  
**Article 1 – point -1 j (new)**  
Directive 2003/87/EC  
Article 3 d – paragraph 2

*Present text*

'2. From 1 January **2013**, **15 %** of allowances shall be auctioned. This percentage may be increased as part of the general review of this Directive.'

*Amendment*

***(-1j) In Article 3d, paragraph 2 is replaced by the following:***

'2. From 1 January **2021**, **50%** of allowances shall be auctioned.'

*Justification*

*The aviation sector for intra-EU flights, currently the only flights included in the ETS, is exposed to carbon leakage to a very low degree but still receives a high degree of free allocation. Increasing the share of allowances auctioned in the sector is thus justified and also better aligns the aviation sector with the other sectors included in the EU ETS. Due to the risk of network carriers being exposed to carbon leakage to some degree, auctioning should not apply to 100% of the allowances for the sector.*

**Amendment 195****Gerben-Jan Gerbrandy****Proposal for a directive****Article 1 – point -1 k (new)**

Directive 2003/87/EC

Article 3 d – paragraph 2 – subparagraph 1 a (new)

*Text proposed by the Commission**Amendment*

***(-1k) In Article 3d (2), the following subparagraph is added:***

***'From 2021 onwards, the share of allowances to be auctioned by Member States shall be set in accordance with Article 10.'***

*Justification*

*There is no valid reason to differentiate the allocation methodology compared to stationary installations. Therefore, the auctioning share set out in Article 10 should be applied to all covered activities and sectors.*

**Amendment 196****Eleonora Evi, Piernicola Pedicini, Marco Affronte, Dario Tamburrano****Proposal for a directive****Article 1 – point 1 a (new)**

Directive 2003/87/EC

Article 3 d – paragraph 4



*Present text*

*Amendment*

'4. *It shall be for Member States to determine the use to be made of revenues generated from the auctioning of allowances. Those revenues should be used to tackle climate change in the EU and third countries, inter alia, to reduce greenhouse gas emissions, to adapt to the impacts of climate change in the EU and third countries, especially developing countries, to fund research and development for mitigation and adaptation, including in particular in the fields of aeronautics and air transport, to reduce emissions through low-emission transport and to cover the cost of administering the Community scheme. The proceeds of auctioning should also be used to fund contributions to the Global Energy Efficiency and Renewable Energy Fund, and measures to avoid deforestation.*

*Member States shall inform the Commission of actions taken pursuant to this paragraph.'*

**(1a) In Article 3d, paragraph 4 is replaced by the following:**

'4. *All revenues shall be used to tackle climate actions in vulnerable developing countries, in particular to fund adaptation, through the United Nations Green Climate Fund.'*

Or. en

#### **Amendment 197**

**Peter Liese, Ivo Belet, Alojz Peterle, Wim van de Camp**

#### **Proposal for a directive**

#### **Article 1 – point 1 a (new)**

Directive 2003/87/EC

Article 3 d – paragraph 4 – subparagraph 1

*Present text*

*Amendment*

'4. *It shall be for Member States to determine the use to be made of revenues*

**(1a) In Article 3d(4), subparagraph 1 is replaced by the following:**

'4. *All revenues shall be used to tackle climate change in the EU and third*

*generated from the auctioning of allowances. Those revenues should* be used to tackle climate change in the EU and third countries, inter alia, to reduce greenhouse gas emissions, to adapt to the impacts of climate change in the EU and third countries, especially developing countries, to fund research and development for mitigation and adaptation, including in particular in the fields of aeronautics and air transport, to reduce emissions through low-emission transport and to cover the cost of administering the Community scheme. The proceeds of auctioning *should* also be used to fund contributions to the Global Energy Efficiency and Renewable Energy Fund, and measures to avoid deforestation.

countries, inter alia, to reduce greenhouse gas emissions, to adapt to the impacts of climate change in the EU and third countries, especially developing countries, to fund research and development for mitigation and adaptation, including in particular in the fields of aeronautics and air transport, to reduce emissions through low-emission transport and to cover the cost of administering the Community scheme. The proceeds of auctioning *may* also be used to fund contributions to the Global Energy Efficiency and Renewable Energy Fund, and measures to avoid deforestation.

Or. en

#### *Justification*

*In line with EP position on the aviation ETS proposal in 2007, and in order to be consistent with international aviation law, all revenues from EU ETS for aviation should be used to tackle climate change. In order to build confidence in developing countries regarding the EU policy measure, a part of the revenues of aviation ETS should be earmarked for international climate finance.*

#### **Amendment 198**

**Jytte Guteland, Matthias Groote, Soledad Cabezón Ruiz, Jo Leinen, Giorgos Grammatikakis, Pavel Poc, Susanne Melior, José Blanco López, Simona Bonafè, Massimo Paolucci, Damiano Zoffoli, Renata Briano, Elena Gentile, Christel Schaldemose, Nicola Caputo, Gilles Pargneaux**

#### **Proposal for a directive**

##### **Article 1 – point 1 a (new)**

Directive 2003/87/EC

Article 3 d – paragraph 4 – subparagraph 1

#### *Present text*

'4. *It shall be for Member States to determine the use to be made of* revenues

#### *Amendment*

**(1a) *In Article 3d(4), subparagraph 1 is replaced by the following:***

'4. *All* revenues *shall* be used to tackle climate change in the EU and third

*generated from the auctioning of allowances. Those revenues should* be used to tackle climate change in the EU and third countries, inter alia, to reduce greenhouse gas emissions, to adapt to the impacts of climate change in the EU and third countries, especially developing countries, to fund research and development for mitigation and adaptation, including in particular in the fields of aeronautics and air transport, to reduce emissions through low-emission transport and to cover the cost of administering the Community scheme. The proceeds of auctioning *should* also be used to fund contributions to the Global Energy Efficiency and Renewable Energy Fund, and measures to avoid deforestation.

countries, inter alia, to reduce greenhouse gas emissions, to adapt to the impacts of climate change in the EU and third countries, especially developing countries, to fund research and development for mitigation and adaptation, including in particular in the fields of aeronautics and air transport, to reduce emissions through low-emission transport and to cover the cost of administering the Community scheme. The proceeds of auctioning *may* also be used to fund contributions to the Global Energy Efficiency and Renewable Energy Fund, and measures to avoid deforestation.

Or. en

#### *Justification*

*In line with EP position on the aviation ETS proposal in 2007, and in order to be consistent with international aviation law, all revenues from EU ETS for aviation should be used to tackle climate change. In order to build confidence in developing countries regarding the EU policy measure, all revenues of aviation ETS should be earmarked for international climate finance.*

#### **Amendment 199** **Bas Eickhout**

**Proposal for a directive**  
**Article 1 – point 1 b (new)**  
Directive 2003/87/EC  
Article 3 e

*Present text*

*Amendment*

**(1b) Article 3e is deleted.**

#### *Article 3e*

*Allocation and issue of allowances to aircraft operators*

**1. For each period referred to in Article 3c, each aircraft operator may**

*apply for an allocation of allowances that are to be allocated free of charge. An application may be made by submitting to the competent authority in the administering Member State verified tonne-kilometre data for the aviation activities listed in Annex I performed by that aircraft operator for the monitoring year. For the purposes of this Article, the monitoring year shall be the calendar year ending 24 months before the start of the period to which it relates in accordance with Annexes IV and V or, in relation to the period referred to in Article 3c(1), 2010. Any application shall be made at least 21 months before the start of the period to which it relates or, in relation to the period referred to in Article 3c(1), by 31 March 2011.*

*2. At least 18 months before the start of the period to which the application relates or, in relation to the period referred to in Article 3c(1), by 30 June 2011, Member States shall submit applications received under paragraph 1 to the Commission.*

*3. At least 15 months before the start of each period referred to in Article 3c(2) or, in relation to the period referred to in Article 3c(1), by 30 September 2011, the Commission shall calculate and adopt a decision setting out:*

*(a) the total quantity of allowances to be allocated for that period in accordance with Article 3c;*

*(b) the number of allowances to be auctioned in that period in accordance with Article 3d;*

*(c) the number of allowances in the special reserve for aircraft operators in that period in accordance with Article 3f(1);*

*(d) the number of allowances to be allocated free of charge in that period by subtracting the number of allowances referred to in points (b) and (c) from the*

*total quantity of allowances decided upon under point (a); and*

*(e) the benchmark to be used to allocate allowances free of charge to aircraft operators whose applications were submitted to the Commission in accordance with paragraph 2.*

*The benchmark referred to in point (e), expressed as allowances per tonne-kilometre, shall be calculated by dividing the number of allowances referred to in point (d) by the sum of the tonne-kilometre data included in applications submitted to the Commission in accordance with paragraph 2*

**4.** *Within three months from the date on which the Commission adopts a decision under paragraph 3, each administering Member State shall calculate and publish:*

*(a) the total allocation of allowances for the period to each aircraft operator whose application it submitted to the Commission in accordance with paragraph 2, calculated by multiplying the tonne-kilometre data included in the application by the benchmark referred to in paragraph 3(e); and*

*(b) the allocation of allowances to each aircraft operator for each year, which shall be determined by dividing its total allocation of allowances for the period calculated under point (a) by the number of years in the period for which that aircraft operator is performing an aviation activity listed in Annex I.*

**5.** *By 28 February 2012 and by 28 February of each subsequent year, the competent authority of the administering Member State shall issue to each aircraft operator the number of allowances allocated to that aircraft operator for that year under this Article or Article 3f.*

Or. en

## *Justification*

*(linked to modification of 3d). The aviation sector should contribute to the 2030 GHG reduction target at the same level as other sectors under the EU ETS. In line with EP position on the aviation ETS proposal in 2007, and in order to be consistent with international aviation law, all revenues from EU ETS for aviation should be used to tackle climate change. In order to build confidence in developing countries regarding the EU policy measure, all revenues of aviation ETS should be earmarked for international climate finance.*

### **Amendment 200**

**Eleonora Evi, Piernicola Pedicini, Marco Affronte, Dario Tamburrano**

#### **Proposal for a directive**

##### **Article 1 – point 1 b (new)**

Directive 2003/87/EC

Article 3 e

*Text proposed by the Commission*

*Amendment*

***(1b) Article 3e is deleted.***

Or. en

### **Amendment 201**

**Peter Liese, Marijana Petir, Matthias Groote, Ivo Belet, Alojz Peterle, Wim van de Camp**

#### **Proposal for a directive**

##### **Article 1 – point 1 b (new)**

Directive 2003/87/EC

Article 3 e – paragraph 1 a (new)

*Present text*

*Amendment*

***(1b) In Article 3e, the following paragraph is added:***

***'1 a Given the expectation of a global market-based measure (GMBM) applying from 2021, any free allocation of allowances under this Directive from 2021 shall only be given if it is confirmed by a subsequent decision made by the European Parliament and the Council.'***

**Amendment 202**

**Eleonora Evi, Piernicola Pedicini, Marco Affronte, Dario Tamburrano**

**Proposal for a directive**

**Article 1 – point 2**

Directive 2003/87/EC

Article 3 f

*Present text*

*Amendment*

**(2) Article 3f is deleted.**

**Article 3f**

***Special reserve for certain aircraft operators***

**1. In each period referred to in Article 3c(2), 3 % of the total quantity of allowances to be allocated shall be set aside in a special reserve for aircraft operators:**

**(a) who start performing an aviation activity falling within Annex I after the monitoring year for which tonne-kilometre data was submitted under Article 3e(1) in respect of a period referred to in Article 3c(2); or**

**(b) whose tonne-kilometre data increases by an average of more than 18 % annually between the monitoring year for which tonne-kilometre data was submitted under Article 3e(1) in respect of a period referred to in Article 3c(2) and the second calendar year of that period;**

**and whose activity under point (a), or additional activity under point (b), is not in whole or in part a continuation of an aviation activity previously performed by another aircraft operator.**

**2. An aircraft operator who is eligible under paragraph 1 may apply for a free allocation of allowances from the special reserve by making an application to the competent authority of its administering**

***Member State. Any application shall be made by 30 June in the third year of the period referred to in Article 3c(2) to which it relates.***

***An allocation to an aircraft operator under paragraph 1(b) shall not exceed 1 000 000 allowances.***

**3. An application under paragraph 2 shall:**

***(a) include verified tonne-kilometre data in accordance with Annexes IV and V for the aviation activities listed in Annex I performed by the aircraft operator in the second calendar year of the period referred to in Article 3c(2) to which the application relates;***

***(b) provide evidence that the criteria for eligibility under paragraph 1 are fulfilled; and***

***(c) in the case of aircraft operators falling within paragraph 1(b), state:***

***(i) the percentage increase in tonne-kilometres performed by that aircraft operator between the monitoring year for which tonne-kilometre data was submitted under Article 3e(1) in respect of a period referred to in Article 3c(2) and the second calendar year of that period;***

***(ii) the absolute growth in tonne-kilometres performed by that aircraft operator between the monitoring year for which tonne-kilometre data was submitted under Article 3e(1) in respect of a period referred to in Article 3c(2) and the second calendar year of that period; and***

***(iii) the absolute growth in tonne-kilometres performed by that aircraft operator between the monitoring year for which tonne-kilometre data was submitted under Article 3e(1) in respect of a period referred to in Article 3c(2) and the second calendar year of that period which exceeds the percentage specified in paragraph 1(b).***



**4. No later than six months from the deadline for making an application under paragraph 2, Member States shall submit applications received under that paragraph to the Commission.**

**5. No later than 12 months from the deadline for making an application under paragraph 2, the Commission shall decide on the benchmark to be used to allocate allowances free of charge to aircraft operators whose applications were submitted to the Commission in accordance with paragraph 4.**

**Subject to paragraph 6, the benchmark shall be calculated by dividing the number of the allowances in the special reserve by the sum of:**

**(a) the tonne-kilometre data for aircraft operators falling within paragraph 1(a) included in applications submitted to the Commission in accordance with paragraphs 3(a) and 4; and**

**(b) the absolute growth in tonne-kilometres exceeding the percentage specified in paragraph 1(b) for aircraft operators falling within paragraph 1(b) included in applications submitted to the Commission in accordance with paragraphs 3(c)(iii) and 4.**

**6. The benchmark referred to in paragraph 5 shall not result in an annual allocation per tonne-kilometre greater than the annual allocation per tonne-kilometre to aircraft operators under Article 3e(4).**

**7. Within three months from the date on which the Commission adopts a decision under paragraph 5, each administering Member State shall calculate and publish:**

**(a) the allocation of allowances from the special reserve to each aircraft operator whose application it submitted to the Commission in accordance with paragraph 4. This allocation shall be**

*calculated by multiplying the benchmark referred to in paragraph 5 by:*

*(i) in the case of an aircraft operator falling within paragraph 1(a), the tonne-kilometre data included in the application submitted to the Commission under paragraphs 3(a) and 4;*

*(ii) in the case of an aircraft operator falling within paragraph 1(b), the absolute growth in tonne-kilometres exceeding the percentage specified in paragraph 1(b) included in the application submitted to the Commission under paragraphs 3(c)(iii) and 4; and*

*(b) the allocation of allowances to each aircraft operator for each year, which shall be determined by dividing its allocation of allowances under point (a) by the number of full calendar years remaining in the period referred to in Article 3c(2) to which the allocation relates.*

**8. Any unallocated allowances in the special reserve shall be auctioned by Member States.**

**9. The Commission may establish detailed rules on the operation of the special reserve under this Article, including the assessment of compliance with eligibility criteria under paragraph 1. Those measures, designed to amend non-essential elements of this Directive by supplementing it, shall be adopted in accordance with the regulatory procedure with scrutiny referred to in Article 23(3).**

Or. en

### **Amendment 203**

**Ivo Belet, Francesc Gambús, Peter Liese, Sirpa Pietikäinen, Wim van de Camp, Alojz Peterle**

### **Proposal for a directive**

**Article 1 – point 2 a (new)**

Directive 2003/87/EC

Chapter II a (new)

*Text proposed by the Commission*

*Amendment*

**(2a) The following Chapter is inserted:**

**'Chapter IIa**

**Shipping**

**Article 3ga**

***Inclusion of shipping in the absence of progress at international level***

***As from 2019, in the absence of a comparable system operating under the IMO, CO2 emissions emitted in Union ports and during voyages to and from Union ports of call, shall be accounted for through a self-regulated system that ensures contributions at the level of the market price for allowances in the preceding year or through the surrendering of allowances in the EU ETS.'***

Or. en

*Justification*

*In line with the Paris Agreement and the agreement on the ETS revision in 2009, all sectors of the economy should contribute to emission reductions, including international maritime shipping and aviation. Efforts to limit international maritime emissions through the IMO are under way and must be encouraged. The adoption of clear targets to limit international maritime emissions through the International Maritime Organisation has become a matter of great urgency and a prerequisite for the EU not acting further on the inclusion of the maritime sector within the ETS.*

**Amendment 204**  
**Christofer Fjellner**

**Proposal for a directive**  
**Article 1 – point 2 a (new)**  
Directive 2003/87/EC  
Chapter II a (new)

*Text proposed by the Commission*

*Amendment*

**(2a) The following Chapter is inserted:**

**'Chapter IIa**

**Shipping**

**Article 3ga**

***Inclusion of shipping***

***In the absence of a comparable system operating under the IMO by 2020, the Commission shall undertake a review, considering the feasibility of including emissions from maritime transport in the Union's efforts to reduce CO<sub>2</sub>.***

Or. en

*Justification*

*All modes of transport should be covered by legislation aiming to mitigate their carbon footprint. However; maritime transport and services operate in a global context and therefore a market based measure aimed at reducing the CO<sub>2</sub> emissions from shipping should be founded at UN level within the IMO. If any regional legislation is suggested it must be thoroughly reviewed before implementation.*

#### **Amendment 205**

**Jadwiga Wiśniewska, Bolesław G. Piecha**

#### **Proposal for a directive**

**Article 1 – point 2 b (new)**

Directive 2003/87/EC

Article 5 – point d a (new)

*Text proposed by the Commission*

*Amendment*

**(2b) In Article 5, the following point (da) is added:**

***"(da) all CCU technologies that will be used in the installation in order to help reduce emissions."***

Or. pl

### *Justification*

*Details of any emission reduction technologies that operators intend to use should also be included in applications for emissions permits.*

#### **Amendment 206**

**Bas Eickhout**

#### **Proposal for a directive**

**Article 1 – point 2 c (new)**

Directive 2003/87/EC

Article 6 – paragraph 1 – subparagraph 3 a (new)

*Text proposed by the Commission*

*Amendment*

***(2c) In Article 6(1), the following fourth subparagraph is added:***

***'The competent authority shall cancel greenhouse gas emissions permits for electricity-generating installations with a capacity of 50 megawatts or more that have emissions of more than 550 g CO<sub>2</sub>/kWh of electrical output as of 1 January 2021.'***

Or. en

### *Justification*

*The ETS has not proven effective to phase out power generation from coal, maintaining a high risk of carbon lock-in and resulting in higher overall cost of climate mitigation. An emission performance standard for the power sector should therefore be established to complement the weak carbon price signal. The standard used by EIB since 2013 for investments should apply to all power sector installations as of 2021.*

#### **Amendment 207**

**Bas Eickhout**

#### **Proposal for a directive**

**Article 1 – point 2 d (new)**

Directive 2003/87/EC

Article 6 – paragraph 1 – subparagraph 3 b (new)

**(2d) In Article 6 (1), the following fifth subparagraph is added:**

**'The competent authority shall cancel greenhouse gas emissions permits for electricity-generating installations with a capacity of 50 megawatts or more that have emissions of over 150 g CO<sub>2</sub>/kWh of electrical output as of 1 January 2030.'**

Or. en

*Justification*

*An emission performance standard for the power sector should be established to complement the weak carbon price signal. A standard for 2030 will give a perspective to guide investment decisions in the sector.*

**Amendment 208**

**Jadwiga Wiśniewska, Bolesław G. Piecha**

**Proposal for a directive**

**Article 1 – point 2 e (new)**

Directive 2003/87/EC

Article 6 – paragraph 2 – point b

*Present text*

(b) a description of the activities and emissions from the installation;

*Amendment*

**(2e) In Article 6(2), point (b) is replaced by the following:**

**"(b) a description of the activities and emissions from the installation, *including a description of any emission reduction (CCU) installations*;"**

Or. pl

*Justification*

*The operation of such installations should be covered by the emissions permit.*

## **Amendment 209**

**Jytte Guteland, Matthias Groote, Soledad Cabezón Ruiz, Jo Leinen, Giorgos Grammatikakis, Seb Dance, Carlos Zorrinho, Pavel Poc, José Blanco López, Nikos Androulakis, Simona Bonafè, Massimo Paolucci, Damiano Zoffoli, Renata Briano, Elena Gentile, Nicola Caputo, Tibor Szanyi, Gilles Pargneaux**

### **Proposal for a directive**

**Article 1 – point 2 f (new)**

Directive 2003/87/EC

Article 6 – paragraph 2 – points e a and e b (new)

*Text proposed by the Commission*

*Amendment*

**(2f) In Article 6 (2), the following points are added:**

**'(ea) all legal requirements on social responsibility and reporting in order to ensure equal and effective implementation of environmental regulations and ensure that competent authorities and stakeholders, including workers' representatives, representatives of civil society and local communities, have access to all relevant information (as laid down in the Aarhus Convention and implemented in Union and national law, including Directive 2003/87/EC);**

**(e b) an obligation to publish every year comprehensive information in respect of combating climate change and compliance with Union directives in the field of environment, health and safety at work; this information shall be accessible to workers' representatives and to the representatives of civil society from local communities in the vicinity of the installation.'**

Or. en

## **Amendment 210**

**Jytte Guteland, Matthias Groote, Soledad Cabezón Ruiz, Jo Leinen, Claudiu Ciprian Tănăsescu, Giorgos Grammatikakis, Seb Dance, Carlos Zorrinho, Pavel Poc, José Blanco López, Nikos Androulakis, Simona Bonafè, Massimo Paolucci, Damiano Zoffoli, Renata Briano, Elena Gentile, Christel Schaldemose, Nicola Caputo, Tibor Szanyi, Gilles Pargneaux**

**Proposal for a directive**  
**Article 1 – point 2 g (new)**  
Directive 2003/87/EC  
Article 7

*Present text*

'The operator shall inform the competent authority of any planned changes to the nature or functioning of the installation, or any extension or significant reduction of its capacity, which may require updating the greenhouse gas emissions permit. Where appropriate, the competent authority shall update the permit. Where there is a change in the identity of the installation's operator, the competent authority shall update the permit **to include the name and address** of the new operator.'

*Amendment*

**(2g) Article 7 is replaced by the following:**

**'Without undue delay**, the operator shall inform the competent authority of any planned changes to the nature or functioning of the installation, or any extension or significant reduction of its capacity, which may require updating the greenhouse gas emissions permit. Where appropriate, the competent authority shall update the permit. Where there is a change in the identity of the installation's operator, the competent authority shall update the permit **with the relevant identity and contact information** of the new operator.'

Or. en

**Amendment 211**  
**Michèle Rivasi, Bart Staes**

**Proposal for a directive**  
**Article 1 – point 3**  
Directive 2003/87/EC  
Article 9 – paragraphs 2 and 3

*Text proposed by the Commission*

Starting in 2021, the linear factor shall be 2.2%.

*Amendment*

Starting in 2021, the linear factor shall be **4.2% beginning from the allocation for 2020 or annual verified emissions of 2020, whichever is the lower.**

Or. en

*Justification*

*The proposed linear factor is inconsistent with a 2°C objective, as the trajectory would not*



even correspond to a path to economy wide 80% reductions, the low end of the EU pre-Paris 2050 objective. In order to be more consistent with the Paris Agreement, it is proposed to adjust the linear factor to 4.2 % based on 2020 verified emissions to ensure that phase 4 is not over-allocated from the start. A linear factor of 4.2% will ensure that the EU ETS emissions reach net zero by 2040.

## **Amendment 212**

**Eleonora Evi, Piernicola Pedicini, Marco Affronte, Dario Tamburrano**

### **Proposal for a directive**

#### **Article 1 – point 3**

Directive 2003/87/EC

Article 9 – paragraphs 2 and 3

*Text proposed by the Commission*

Starting in 2021, the linear factor shall **be 2.2%**.

*Amendment*

Starting in 2021, the **quantity of allowances shall decrease by a** linear factor **of 4% compared to the average annual quantity of total verified emissions for the period 2016-2018.**

***The Commission shall review the linear factor and submit a proposal, where appropriate, to the European Parliament and to the Council within six months of facilitative dialogue to be convened under the UNFCCC in 2018, within six months of the global stocktake foreseen in 2023 and on the occasion of all of subsequent global stocktakes thereafter.***

Or. en

## **Amendment 213**

**Sirpa Pietikäinen**

### **Proposal for a directive**

#### **Article 1 – point 3**

Directive 2003/87/EC

Article 9 – paragraphs 2 and 3

*Text proposed by the Commission*

Starting in 2021, the linear factor shall **be**

*Amendment*

Starting in 2021, the **quantity of allowances shall decrease by a** linear

2.2%.

*factor of 3.3% compared to the average annual total quantity of verified emissions for the period 2016 to 2018.*

*The Commission shall review the linear factor and submit a proposal, where appropriate, to the European Parliament and to the Council within six months of the facilitative dialogue to be convened under the UNFCCC in 2018, within six months of the global stocktake in 2023 and after all subsequent global stocktakes thereafter.*

Or. en

#### *Justification*

*The EU ETS proposal is currently inconsistent with the Paris Agreement's objective to hold the temperature increase well below 2°C and furthermore to pursue efforts to limit it to 1.5°C. The proposed 2.2% linear trajectory does not even put emissions on a path consistent with 80% reductions, which is the low end of the EU's longstanding 2050 objective. In order to be more consistent with the Paris Agreement's objective it is proposed to adjust the linear factor to 3.3% for the 2021-2030 period.*

#### **Amendment 214** **Bas Eickhout**

**Proposal for a directive**  
**Article 1 – point 3**  
Directive 2003/87/EC  
Article 9 – paragraphs 2 and 3

#### *Text proposed by the Commission*

Starting in 2021, the linear factor shall be 2.2%.

#### *Amendment*

Starting in 2021, the linear factor shall be **2.8% beginning from the allocation for 2020 or annual verified emissions of 2020, whichever is the lower.**

Or. en

#### *Justification*

*The proposed linear factor is inconsistent with a 2°C objective, as the trajectory would not even correspond to a path to economy wide 80% reductions, the low end of the EU pre-Paris*

*2050 objective. In order to be more consistent with the Paris Agreement, it is proposed to adjust the linear factor to 2.8%, i.e. a trajectory to economy wide 95% reductions, based on 2020 verified emissions to ensure that phase 4 is not over-allocated from the start. The linear factor of 2.8% should remain to be set on the basis of the Community-wide quantity defined in paragraph 1.*

**Amendment 215**  
**Christel Schaldemose**

**Proposal for a directive**

**Article 1 – point 3**

Directive 2003/87/EC

Article 9 – paragraphs 2 and 3

*Text proposed by the Commission*

Starting in 2021, the linear factor shall be 2.2%.

*Amendment*

Starting in 2021, the linear factor shall be **2.4% of the Union-wide quantity defined in paragraph 1, and the quantity of allocations shall decrease from the year 2021 onwards compared to the level of the average annual verified emissions for the period 2018 to 2020.**

Or. en

*Justification*

*The update of the baseline of the cap would reduce available EUAs by approximately 2 bln.*

**Amendment 216**  
**Gerben-Jan Gerbrandy, Jasenko Selimovic, José Inácio Faria**

**Proposal for a directive**

**Article 1 – point 3**

Directive 2003/87EC

Article 9 – paragraphs 2 and 3

*Text proposed by the Commission*

Starting in 2021, the linear factor shall be 2.2%.

*Amendment*

Starting in 2021, the linear factor shall be **2.4% of the quantity defined in paragraph 1, beginning from the average annual verified emissions for the period 2016 to**

2018.

Or. en

*Justification*

*The linear reduction factor must be based on recent verified data and should deliver the EU's climate objectives in a cost-efficient manner. In order to reach 80% greenhouse gas emissions reductions by 2050 (the lower end of the EU's objective of 80 to 95% by 2050) the linear reduction factor must be increased to 2.4%.*

**Amendment 217**

**Jytte Guteland, Matthias Groote, Soledad Cabezón Ruiz, Giorgos Grammatikakis, Carlos Zorrinho, José Blanco López, Simona Bonafè, Kathleen Van Brempt, Massimo Paolucci, Damiano Zoffoli, Renata Briano, Elena Gentile, Nicola Caputo, Gilles Pargneaux, Pavel Poc**

**Proposal for a directive**

**Article 1 – point 3**

Directive 2003/87/EC

Article 9 – paragraphs 2 and 3

*Text proposed by the Commission*

Starting in 2021, the linear factor shall be **2.2%**.

*Amendment*

Starting in 2021, the linear factor shall be **2.4%**.

Or. en

*Justification*

*Absolute minimum in order to reach the low end of the EU 2050 target of emission reductions of 80-95%.*

**Amendment 218**

**Seb Dance**

**Proposal for a directive**

**Article 1 – point 3**

Directive 2003/87/EC

Article 9 – paragraphs 2 and 3

*Text proposed by the Commission*

*Amendment*

Starting in 2021, the linear factor shall be 2.2%.

Starting in 2021, the linear factor shall be 2.2%. ***of the Union-wide quantity defined in paragraph 1, and the quantity of allocations shall decrease from the year 2021 onwards compared to the level of the average annual verified emissions for the period 2018 to 2020.***"

Or. en

*Justification*

*This amendment applies throughout the text in reference to LRF. If emissions remain fairly high, a 2.2% LRF can undershoot the current 2030 target and add allowances to the cap compared to the Commission proposal.*

**Amendment 219**

**Peter Liese**

**Proposal for a directive**

**Article 1 – point 3**

Directive 2003/87/EC

Article 9 – paragraphs 2 and 3

*Text proposed by the Commission*

*Amendment*

Starting in 2021, the linear factor shall be 2.2%.

Starting in 2021, the linear factor shall be 2.2% ***of the Union-wide quantity defined in paragraph 1, and the quantity of allocations shall decrease from the year 2021 onwards compared to the level of the average annual verified emissions for the period 2018 to 2020.***"

Or. en

*Justification*

*The European Union will most likely overachieve its 2020 target. To avoid a lack of ambition in the next trading period the baseline should be the average of the years between 2018 and 2020.*

## **Amendment 220**

**Andrzej Grzyb, György Hölvényi, Andrey Kovatchev, Miroslav Mikolášik**

### **Proposal for a directive**

#### **Article 1 – point 3**

Directive 2003/87/EC

Article 9 – paragraphs 2 and 3

*Text proposed by the Commission*

*Amendment*

Starting in 2021, the linear factor shall be 2.2%.

***For the period*** starting in 2021 ***and ending in 2030*** the linear factor shall be 2.2%

Or. en

## **Amendment 221**

**Claudiu Ciprian Tănăsescu, Daciana Octavia Sârbu**

### **Proposal for a directive**

#### **Article 1 – point 3**

Directive 2003/87/EC

Article 9 – paragraphs 2 and 3

*Text proposed by the Commission*

*Amendment*

***Starting in 2021***, the linear factor shall be 2.2%.

The linear factor shall be 2.2% ***for the period 2021 to 2030***.

Or. en

## **Amendment 222**

**Jadwiga Wiśniewska, Bolesław G. Piecha**

### **Proposal for a directive**

#### **Article 1 – point 3**

Directive 2003/87/EC

Article 9 – paragraphs 2 and 3

*Text proposed by the Commission*

*Amendment*

***"Starting in 2021***, the linear factor shall be 2.2 %."

***"From 2021 to 2030***, the linear factor shall be 2.2 %."

Or. pl

*Justification*

*The directive should make it clear that the linear factor will apply throughout phase 4.*

**Amendment 223**

**Massimo Paolucci, Renata Briano, Damiano Zoffoli, Simona Bonafè, Elena Gentile, Nicola Caputo**

**Proposal for a directive**

**Article 1 – point 3 a (new)**

Directive 2003/87/EC

Article 9 – paragraph 3 a (new)

*Text proposed by the Commission*

*Amendment*

***(3a) In Article 9, the following third paragraph is added:***

***'Prior to setting the cap for a Phase, the Commission shall identify and quantify the impact of Union and national policies that lead to GHG emission reductions in sectors covered by the EU ETS, in order to assess their implications on the level of demand for allowances. A report shall be transmitted to the European Parliament and to the Council well in advance before the start of a new Phase, with a view to setting the appropriate baseline for the EU ETS cap before the start of each Phase, and ensuring a central role for the EU ETS. The cap shall be set at the beginning of each Phase, to signal the overall target level of scarcity.'***

Or. en

*Justification*

*The definition of the EU ETS cap before the starting of a trading phase should incorporate the impact of complementary low-carbon policies introduced at EU and National level in order to prevent negative policy interactions and ensure the EU ETS remains the central policy instrument to deliver the decarbonisation of Europe's economy. Greater transparency and quantification of the overlap of European and national policies is necessary.*

## **Amendment 224**

**Peter Liese**

### **Proposal for a directive**

**Article 1 – point 3 a (new)**

Directive 2003/87/EC

Article 9 – paragraph 3 a (new)

*Text proposed by the Commission*

*Amendment*

***(3a) In Article 9, the following third paragraph is added:***

***'Prior to setting the cap for a Phase, the Commission shall identify and quantify the impact of Union and national policies that lead to GHG emission reductions in sectors covered by the EU ETS, in order to assess their implications on the level of demand for allowances. A report shall be transmitted to the European Parliament and to the Council well in advance before the start of a new Phase, with a view to setting the appropriate baseline for the EU ETS cap before the start of each Phase, and ensuring a central role for the EU ETS. The cap shall be set at the beginning of each Phase, to signal the overall target level of scarcity.'***

Or. en

### *Justification*

*Addressing the overlap of policies from the outset is essential, especially, before introducing energy-climate related policies, in order to ensure the EU ETS remains the central policy instrument to deliver the decarbonisation of Europe's economy. Greater transparency and quantification of overlap of European and national policies is necessary.*

## **Amendment 225**

**Peter Liese**

### **Proposal for a directive**

**Article 1 – point 3 b (new)**

Directive 2003/87/EC

Article 9 – paragraph 3 b (new)



**(3b) In Article 9, the following fourth paragraph is added:**

**'If a Union policy is introduced within a Phase that causes a material impact on the EU ETS, then an analysis of the implications on the supply-demand balance in the EU ETS shall be carried out, ex-ante, to assess whether the cap of the EU ETS may be adjusted for the following Phase. That analysis shall also assess the implications of such a change, in terms of predictability for market participants and ensuring a central role for the EU ETS.**

**On the basis of the analysis referred to in the third paragraph, the Commission shall, where appropriate, submit a legislative proposal to the European Parliament and to the Council amending this Directive reflecting the outcome of such analysis.'**

Or. en

#### *Justification*

*If despite evidence that other policies will undermine the supply-demand balance in the EU ETS, there is a political choice to introduce them, then an assessment is needed, on whether the cap of the ETS should be adjusted going forward ex-ante (i.e. before the start of a Phase). Such an assessment should take into account the extent to which such a change in the baseline risks undermining the central role for the EU ETS in driving down GHG emissions.*

#### **Amendment 226**

**Massimo Paolucci, Renata Briano, Damiano Zoffoli, Simona Bonafè, Elena Gentile, Nicola Caputo**

#### **Proposal for a directive**

**Article 1 – point 3 b (new)**

Directive 2003/87/EC

Article 9 – paragraph 3 b (new)

**(3b) In Article 9, the following fourth paragraph is added:**

**'Consistently with long term goals agreed at international level and with the timing foreseen in the Paris Agreement, the Union shall review its level of ambition in the context of global mitigation efforts following periodical global stocktake of nationally-determined contributions. Where the increase in the level of climate ambition in the Union leads to greater ambition in the EU ETS, then any tightening of the EU ETS shall take place with sufficient notice before auctioning volumes in any given year can be changed.'**

Or. en

*Justification*

*The Paris Agreement introduces ambitious long term goals for decarbonisation and a clear governance framework, setting annual MRV procedures and periodical reviews of the level of ambition undertaken by single Parties. It's important to ensure alignment between the EU ETS design and long term targets set by the Paris Agreement securing legislative stability and predictability in the review of the overall level of ambition.*

**Amendment 227**

**Peter Liese**

**Proposal for a directive**

**Article 1 – point 3 c (new)**

Directive 2003/87/EC

Article 9 – paragraph 3 c (new)

**(3c) In Article 9, the following fifth paragraph is added:**

**'Every 5 years, in line with the regular reviews foreseen in the Paris Agreement, the Union shall review its level of ambition in the context of global**

*mitigation efforts following a global stocktake of nationally-determined contributions. Where the increase in the level of climate ambition in the Union leads to greater ambition in the EU ETS, then any tightening of the EU ETS shall take place with at least 3 years advance notice before auctioning volumes in any given year can be changed.'*

Or. en

*Justification*

*Following the adoption of the Paris Agreement, and the provisions to review ambition every 5 years, it is important to spell out the process in the ETS Directive for such a review, to ensure visibility and predictability*

**Amendment 228**

**Jytte Guteland, Matthias Groote, Soledad Cabezón Ruiz, Giorgos Grammatikakis, Seb Dance, Pavel Poc, José Blanco López, Christel Schaldemose, Nicola Caputo, Gilles Pargneaux**

**Proposal for a directive**

**Article 1 – point 4 – point -a**

Directive 2003/87/EC

Article 10 – paragraph 1

*Present text*

'1. From 2019 onwards, Member States shall auction all allowances that are not allocated free of charge in accordance with Articles 10a and 10c and are not placed in the market stability reserve established by Decision (EU) 2015/1814 of the European Parliament and of the Council<sup>1</sup>.'

*Amendment*

***(-a) Paragraph 1 is replaced by the following:***

'1. From 2019 onwards, Member States shall ***either*** auction ***or cancel*** all allowances that are not allocated free of charge in accordance with Articles 10a and 10c and are not placed in the market stability reserve established by Decision (EU) 2015/1814 of the European Parliament and of the Council<sup>1</sup>.'

Or. en

*Justification*

*Possibility for Member States to cancel any unallocated allowances.*

**Amendment 229**

**Marian-Jean Marinescu**

**Proposal for a directive**

**Article 1 – point 4 – point a**

Directive 2003/87/EC

Article 10 – paragraph 1 – subparagraph 2

*Text proposed by the Commission*

*Amendment*

*From 2021 onwards, the share of allowances to be auctioned by Member States shall be 57%.*

*deleted*

Or. en

**Amendment 230**

**Matteo Salvini**

**Proposal for a directive**

**Article 1 – point 4 – point a**

Directive 2003/87/EC

Article 10 – paragraph 1 – subparagraph 2

*Text proposed by the Commission*

*Amendment*

*From 2021 onwards, the share of allowances to be auctioned by Member States shall be 57%.*

*deleted*

Or. en

**Amendment 231**

**Eleonora Evi, Marco Affronte, Piernicola Pedicini, Dario Tamburrano**

**Proposal for a directive**

**Article 1 – point 4 – point a**

Directive 2003/87/EC

Article 10 – paragraph 1 – subparagraph 2

*Text proposed by the Commission*

From **2021 onwards, the share of allowances to be auctioned by Member States shall be 57%.**

*Amendment*

From **1st January 2021**, Member States shall **auction all allowances.**

Or. en

**Amendment 232**  
**Sirpa Pietikäinen**

**Proposal for a directive**  
**Article 1 – point 4 – point a**  
Directive 2003/87/EC  
Article 10 – paragraph 1 – subparagraph 2

*Text proposed by the Commission*

From 2021 onwards, the share of allowances to be auctioned by Member States shall be 57%.

*Amendment*

From **2019** onwards, Member States shall **either** auction or cancel all **allowances that are not allocated free of charge in accordance with Articles 10a and 10c and are not placed in the MSR.**

Or. en

**Amendment 233**  
**Seb Dance**

**Proposal for a directive**  
**Article 1 – point 4 – point a**  
Directive 2003/87/EC  
Article 10 – paragraph 1 – subparagraph 2

*Text proposed by the Commission*

From 2021 onwards, the share of allowances to be auctioned by Member States shall be **57%.**

*Amendment*

From 2021 onwards, the share of allowances to be auctioned by Member States shall be **at least 63%.**

Or. en

## **Amendment 234**

**Bas Eickhout**

### **Proposal for a directive**

#### **Article 1 – point 4 – point a**

Directive 2003/87/EC

Article 10 – paragraph 1 – subparagraph 2

#### *Text proposed by the Commission*

From 2021 onwards, the share of allowances to be auctioned by Member States shall be 57%.

#### *Amendment*

From 2021 onwards, the share of allowances to be auctioned by Member States shall be 57% **increasing in a linear manner with a view to reach 100% auctioning by 2035.**

Or. en

#### *Justification*

*In order to implement the TFEU principle of polluter pays the transitional free allocation should be phased out over time.*

## **Amendment 235**

**Christel Schaldemose**

### **Proposal for a directive**

#### **Article 1 – point 4 – point a**

Directive 2003/87/EC

Article 10 – paragraph 1 – subparagraph 2

#### *Text proposed by the Commission*

**From 2021 onwards**, the share of allowances to be auctioned by Member States shall be 57%.

#### *Amendment*

The share of allowances to be auctioned by Member States shall be 57% **in 2021 and increase in a linear manner with a view to reach 100% auctioning by 2035.**

Or. en

#### *Justification*

*Sets end-date for when transition to 100% allocation is to be made.*

## Amendment 236

Jytte Guteland, Matthias Groote, Giorgos Grammatikakis, Seb Dance, Massimo Paolucci, Damiano Zoffoli, Renata Briano, Elena Gentile, Nicola Caputo, Gilles Pargneaux

### Proposal for a directive

#### Article 1 – point 4 – point a

Directive 2003/87/EC

Article 10 – paragraph 1 – subparagraph 2

#### *Text proposed by the Commission*

From 2021 onwards, the share of allowances to be auctioned by Member States shall be 57%.

#### *Amendment*

From 2021 onwards, the share of allowances to be auctioned by Member States shall be 57% ***with a view to increase to 100% after 2030.***

Or. en

#### *Justification*

*Free allocation is a temporary exception to the rule of auctioning.*

## Amendment 237

Kateřina Konečná

### Proposal for a directive

#### Article 1 – point 4 – point a

Directive 2003/87/EC

Article 10 – paragraph 1 – subparagraph 2

#### *Text proposed by the Commission*

From 2021 onwards, the share of allowances to be auctioned by Member States shall be 57%.

#### *Amendment*

From 2021 onwards, the share of allowances to be auctioned by Member States shall be 57%, ***and that share shall decrease by up to three percentage points up to 2030 pursuant to Article 10a(5). Such an adjustment shall take place solely in the form of a reduction of allowances auctioned pursuant to point (a) of the first subparagraph of paragraph 2.***

Or. en

### *Justification*

*The report states that the auctioning share of 57% should not be changed unless the CSCF is applied. In such a case, it would be reduced by up to 2%. In order to ensure that sufficient amount of free allowances is distributed to the industries and undertakings in risk of carbon leakage, the auctioning share should be reduced by up to 3% points so that CSCF is not applied. The extent of the safeguard measure should be enough to cover the needs of two carbon leakage categories in the Commission's draft. This is in line with the latest calculations.*

#### **Amendment 238**

**Pavel Poc, Claudiu Ciprian Tănăsescu**

#### **Proposal for a directive**

#### **Article 1 – point 4 – point a**

Directive 2003/87/EC

Article 10 – paragraph 1 – subparagraph 2

#### *Text proposed by the Commission*

From 2021 onwards, the share of allowances to be auctioned by Member States shall **be** 57%.

#### *Amendment*

From 2021 onwards, the share of allowances to be auctioned by Member States shall **not decline under** 57%.

Or. en

### *Justification*

*EU Member States decided that the current share of auctioned allowances (57%) should not decline after 2020.*

#### **Amendment 239**

**Christofer Fjellner**

#### **Proposal for a directive**

#### **Article 1 – point 4 – point a**

Directive 2003/87/EC

Article 10 – paragraph 1 – subparagraph 2

#### *Text proposed by the Commission*

From 2021 onwards, the share of allowances **to be auctioned by Member States shall be** 57%.

#### *Amendment*

From 2021 onwards, the share of **free** allowances **shall be enough to ensure that the most efficient installations in sectors at risk of carbon leakage do not face**



*undue carbon costs in order to maintain international competitiveness and avoid carbon leakage;*

Or. en

**Amendment 240**

**Soledad Cabezón Ruiz, José Blanco López**

**Proposal for a directive**

**Article 1 – point 4 – point a**

Directive 2003/87/EC

Article 10 – paragraph 1 – subparagraph 2

*Text proposed by the Commission*

From 2021 onwards, the share of allowances to be auctioned by Member States shall be **57%**.

*Amendment*

From 2021 onwards, the share of allowances to be auctioned by Member States shall be **52%**, *and that share shall decrease by up to two percentage points up to 2030 pursuant to Article 10a(5). Such an adjustment shall take place solely in the form of a reduction of allowances auctioned pursuant to point (a) of the first subparagraph of paragraph 2.*

Or. en

**Amendment 241**

**Françoise Grossetête, Elisabetta Gardini, Massimiliano Salini, Angélique Delahaye, Michel Dantin**

**Proposal for a directive**

**Article 1 – point 4 – point a**

Directive 2003/87/EC

Article 10 – paragraph 1 – subparagraph 2

*Text proposed by the Commission*

From 2021 onwards, the share of allowances to be auctioned by Member States shall be **57%**.

*Amendment*

From 2021 onwards, the share of allowances to be auctioned by Member States shall be **52%**, *which includes the 400 million allowances for the innovation fund.*

*Justification*

*The 57% rate is based on trends and general assumptions presented in the impact assessment study, instead of the real need of best performing installations. It must be ensured that the 10% best performing installations from each industrial sector will get 100% of free allowances up to their benchmark.*

**Amendment 242**

**Ivo Belet, Pilar Ayuso, Francesc Gambús, Elisabeth Köstinger, Andrey Kovatchev, Giovanni La Via, Annie Schreijer-Pierik, Alojz Peterle**

**Proposal for a directive**

**Article 1 – point 4 – point a**

Directive 2003/87/EC

Article 10 – paragraph 1 – subparagraph 2

*Text proposed by the Commission*

From 2021 onwards, the share of allowances to be auctioned **by Member States** shall be **57%**.

*Amendment*

From 2021 onwards, the share of allowances to be auctioned shall be **52%**.

**Amendment 243**

**Jens Gieseke, Ulrike Müller, Gesine Meissner, Peter Jahr, Birgit Collin-Langen**

**Proposal for a directive**

**Article 1 – point 4 – point a**

Directive 2003/87/EC

Article 10 – paragraph 1 – subparagraph 2

*Text proposed by the Commission*

From 2021 onwards, the share of allowances to be auctioned by Member States shall be **57%**.

*Amendment*

From 2021 onwards, the share of allowances to be auctioned by Member States shall be **44%**.

## Amendment 244

Pilar Ayuso

### Proposal for a directive

#### Article 1 – point 4 – point a

Directive 2003/87/EC

Article 10 – paragraph 1 – subparagraph 3

#### *Text proposed by the Commission*

2% of the total quantity of allowances between 2021 and 2030 shall be auctioned to establish a fund to improve energy efficiency and modernise the energy systems of certain Member States as set out in Article 10d of this Directive (“the Modernisation Fund”).

#### *Amendment*

2% of the total quantity of allowances between 2021 and 2030 shall be auctioned to establish a fund to improve energy efficiency and modernise the energy systems of certain Member States as set out in Article 10d of this Directive (“the Modernisation Fund”). ***This share shall be available from the auctioning volume.***

Or. en

## Amendment 245

Jens Gieseke, Ulrike Müller, Gesine Meissner

### Proposal for a directive

#### Article 1 – point 4 – point a

Directive 2003/87/EC

Article 10 – paragraph 1 – subparagraph 3

#### *Text proposed by the Commission*

2% of the total quantity of allowances between 2021 and 2030 shall be ***auctioned*** to establish a fund to improve energy efficiency and modernise the energy systems of certain Member States as set out in Article 10d of this Directive (“the Modernisation Fund”).

#### *Amendment*

2% of the total quantity of allowances ***to be auctioned*** between 2021 and 2030 shall be ***made available from the auctioning volume*** to establish a fund to improve energy efficiency and modernise the energy systems of certain Member States as set out in Article 10d of this Directive (“the Modernisation Fund”).

Or. en

## Amendment 246

Bas Eickhout

**Proposal for a directive**

**Article 1 – point 4 – point a**

Directive 2003/87/EC

Article 10 – paragraph 1 – subparagraph 3

*Text proposed by the Commission*

2% of the total quantity of allowances between 2021 and 2030 shall be auctioned to establish a fund to improve energy efficiency and modernise the energy systems of certain Member States as set out in Article 10d of this Directive (“the Modernisation Fund”).

*Amendment*

3% of the total quantity of allowances between 2021 and 2030 shall be auctioned to establish a fund to improve energy efficiency and modernise the energy systems of certain Member States as set out in Article 10d of this Directive (“the Modernisation Fund”).

Or. en

*Justification*

*The increase in the share for the Modernisation Fund reflects the proposal to streamline mechanisms designed to support modernisation of the electricity systems in low-income Member States in one instrument, i.e. the Modernisation Fund.*

**Amendment 247**

**Giorgos Grammatikakis**

**Proposal for a directive**

**Article 1 – point 4 – point a**

Directive 2003/87/EC

Article 10 – paragraph 1 – subparagraph 3

*Text proposed by the Commission*

2% of the total quantity of allowances between 2021 and 2030 shall be auctioned to establish a fund to **improve energy efficiency and modernise the energy systems of certain Member States** as set out in Article 10d of this Directive (“the **Modernisation** Fund”).

*Amendment*

2% of the total quantity of allowances between 2021 and 2030 shall be auctioned to establish a fund to **support local communities and workers in regions impacted most strongly by the ongoing transition to a decarbonised economy** as set out in Article 10d of this Directive (“the **Just Transition** Fund”).

Or. en

**Amendment 248**  
**Seb Dance**

**Proposal for a directive**

**Article 1 – point 4 – point a**

Directive 2003/87/EC

Article 10 – paragraph 1 – subparagraph 3

*Text proposed by the Commission*

2% of the total quantity of allowances between 2021 and 2030 shall be auctioned to establish a fund *to improve energy efficiency and modernise the energy systems of certain Member States as set out in Article 10d of this Directive (“the Modernisation Fund”)*.

*Amendment*

2% of the total quantity of allowances between 2021 and 2030 shall be auctioned to establish a fund *to support local communities and workers in regions impacted most strongly by the ongoing transition to a decarbonised economy (“Just Transition Fund”)*. *The fund's resources shall be used for investments aiming at creating jobs, financing job training and other employment and health services in alternative economic activities in regions where traditional carbon intensive sectors will lose a large number of jobs as a result of decarbonisation. A specific plan shall be developed by each Member State applying to utilise resources from this fund, in close partnership with the municipal and local authorities of the regions under transformation as well as the social partners and civil society organisations.*

Or. en

*Justification*

*The Commission should;- Institute a Just Transition Fund as a strong EU-wide support mechanism for workers and regions that will lose out in the low-carbon transition.- Institute an International Climate Action Fund that would directly replenish the Green Climate Fund and would help put a stop to relying on aid budgets alone for the provision of international climate finance. The share of allowances for the Modernisation fund, Just Transition fund, and International Climate Action Fund should be added to the auctioned allowances.*

**Amendment 249**  
**Jo Leinen**

**Proposal for a directive**

**Article 1 – point 4 – point a**

Directive 2003/87/EC

Article 10 – paragraph 1 – subparagraph 3

*Text proposed by the Commission*

**2%** of the total quantity of allowances between 2021 and 2030 shall be auctioned to ***establish a fund to improve energy efficiency and modernise the energy systems of certain Member States*** as set out in Article ***10d*** of this Directive (***“the Modernisation Fund”***).

*Amendment*

**1%** of the total quantity of allowances between 2021 and 2030 shall be auctioned ***for additional support to innovation in low-carbon technologies and processes in industrial sectors*** as set out in Article ***10a, paragraph 8*** in this Directive.

Or. en

**Amendment 250**

**Matteo Salvini**

**Proposal for a directive**

**Article 1 – point 4 – point a**

Directive 2003/87/EC

Article 10 – paragraph 1 – subparagraph 3

*Text proposed by the Commission*

**2% of the total quantity of** allowances between 2021 and 2030 shall be auctioned to ***establish a fund to improve energy efficiency and modernise the energy systems of certain Member States*** as set out in Article ***10d*** of this Directive (***“the Modernisation Fund”***).

*Amendment*

**Up to 400 million** allowances shall be auctioned to establish a fund to ***support innovation in low-carbon technologies*** as set out in Article ***10a(8)*** of this Directive (***“the Innovation Fund”***).

Or. en

**Amendment 251**

**Françoise Grossetête, Angélique Delahaye, Michel Dantin**

**Proposal for a directive**

**Article 1 – point 4 – point a**

Directive 2003/87/EC

Article 10 – paragraph 1 – subparagraph 3

*Text proposed by the Commission*

*Amendment*

2% of the total quantity of allowances between 2021 and 2030 shall be auctioned to establish a fund to improve energy efficiency and modernise the energy systems of certain Member States as set out in Article 10d of this Directive (**“the Modernisation Fund”**).

**Up to 19%** of the auctioning volume between 2021 and 2030 shall be auctioned to establish **a harmonised compensation scheme** as set out in Article 10a, **paragraph 6**, of this Directive.

Or. en

*Justification*

*The current situation creates distortions regarding indirect costs on the internal and international markets. A more systematic and harmonised indirect costs compensation scheme need to be centralised. One should set up a withholding of auction revenues that would compensate a harmonised amount of financial aid to all eligible industrials in the European Union.*

**Amendment 252**

**Marian-Jean Marinescu**

**Proposal for a directive**

**Article 1 – point 4 – point a**

Directive 2003/87/EC

Article 10 – paragraph 1 – subparagraph 3

*Text proposed by the Commission*

*Amendment*

2% of the total quantity of allowances between 2021 and 2030 shall be auctioned to establish a fund to improve energy efficiency and modernise the energy systems of certain Member States as set out in Article 10d of this Directive (“the Modernisation Fund”).

**[X%]** of the total quantity of allowances between 2021 and 2030 shall be auctioned to establish a **common compensation scheme** as set out in Article 10a, **paragraph 6**, of this Directive.

Or. en

**Amendment 253**

**Soledad Cabezón Ruiz, José Blanco López**

**Proposal for a directive**

**Article 1 – point 4 – point a**

Directive 2003/87/EC

Article 10 – paragraph 1 – subparagraph 3

*Text proposed by the Commission*

2% of the total quantity of allowances between 2021 and 2030 shall be auctioned to establish a ***fund to improve energy efficiency and modernise the energy systems of certain Member States*** as set out in Article ***10d*** of this Directive (***“the Modernisation Fund”***).

*Amendment*

***Up to 3%*** of the total quantity of allowances between 2021 and 2030 shall be auctioned to establish a ***harmonised compensation scheme*** as set out in Article ***10a, paragraph 6***, of this Directive.

Or. en

**Amendment 254**

**Jytte Guteland, Matthias Groote, Soledad Cabezón Ruiz, Jo Leinen, Giorgos Grammatikakis, Caterina Chinnici, Seb Dance, Carlos Zorrinho, José Blanco López, Nikos Androulakis, Simona Bonafè, Massimo Paolucci, Damiano Zoffoli, Renata Briano, Elena Gentile, Christel Schaldemose, Nicola Caputo, Gilles Pargneaux**

**Proposal for a directive**

**Article 1 – point 4 – point a**

Directive 2003/87/EC

Article 10 – paragraph 1 – subparagraph 3

*Text proposed by the Commission*

2% of the total quantity of allowances between 2021 and 2030 shall be auctioned to establish a fund to improve energy efficiency and modernise the energy systems of certain Member States as set out in Article ***10d*** of this Directive (***“the Modernisation Fund”***).

*Amendment*

***Up to 2%*** of the total quantity of allowances between 2021 and 2030 shall be auctioned to establish a ***harmonised compensation scheme*** as set out in Article ***10a, paragraph 6***, of this Directive.

Or. en

*Justification*

*Funding of the harmonised EU-level mechanism for the compensation of indirect costs.*



## **Amendment 255**

**Bas Eickhout**

### **Proposal for a directive**

#### **Article 1 – point 4 – point a**

Directive 2003/87/EC

Article 10 – paragraph 1 – subparagraph 3 a (new)

*Text proposed by the Commission*

*Amendment*

***An additional 2% of the total quantity of allowances between 2021 and 2030 shall be auctioned to finance climate action in Least Developed Countries, in particular for adaptation to the impacts of climate change, through the United Nations Green Climate Fund.***

Or. en

*Justification*

*LDCs are especially vulnerable to the effects of climate change and are responsible only for a very low level of greenhouse gas emissions. Therefore, particular priority should be given to addressing the needs of LDCs through the use of EU ETS allowances to fund climate action, in particular adaptation to the impacts of climate change. Collective pledging by the EU would increase EU influence in the UNFCCC negotiations while contribution through the Green Climate Fund would also encourage others to contribute a portion of their own carbon pricing schemes to the Fund.*

## **Amendment 256**

**Seb Dance**

### **Proposal for a directive**

#### **Article 1 – point 4 – point a**

Directive 2003/87/EC

Article 10 – paragraph 1 – subparagraph 3 a (new)

*Text proposed by the Commission*

*Amendment*

***An additional 2% of the total quantity of allowances between 2021 and 2030 shall be auctioned to establish a fund (International Climate Action Fund) to support climate action in vulnerable developing countries with low capacity,***

*especially the Least Developed Countries, Small Island Development States and countries in Africa, in particular for adaptation to the impacts of climate change. Financial resources from the Fund will be used to replenish the United Nations Green Climate Fund on an annual basis, which has a goal to allocate 50% for adaptation, with half destined to highly vulnerable countries.*

Or. en

#### *Justification*

*The Commission should;- Institute a Just Transition Fund as a strong EU-wide support mechanism for workers and regions that will lose out in the low-carbon transition.- Institute an International Climate Action Fund that would directly replenish the Green Climate Fund and would help put a stop to relying on aid budgets alone for the provision of international climate finance. The share of allowances for the Modernisation fund, Just Transition fund, and International Climate Action Fund should be added to the auctioned allowances.*

#### **Amendment 257**

**Luděk Niedermayer, Bendt Bendtsen**

#### **Proposal for a directive**

**Article 1 – point 4 – point a (new)**

Directive 2003/87/EC

Article 10 – paragraph 1 – subparagraph 4 a (new)

*Text proposed by the Commission*

*Amendment*

*(a a) the following subparagraph is added to paragraph 1:*

*'The Commission shall monitor such notable results of policy related factors that can lead to increase of oversupply of allowances (like impact of subsidized renewable energy sources or substantial energy efficiency measures triggered by government programs). If the combination of such factors leads to decrease of functionality of the EU ETS, the Commission shall propose the*

*following legislative measures:*

- *in order to restore supply-demand balance in EU ETS, propose the deduction of relevant volume of allowances from auctions by Member States under Article 10(2) and place them in the market stability reserve established by Decision (EU) 2015/1814*
- *propose appropriate downward correction of the linear factor, in order to reach neutrality of previous measures within the existing EU ETS period'*

Or. en

#### *Justification*

*Different policies can adversely affect the supply/demand balance after 2020 and decrease the ETS functionality. The drop of demand for allowances is partly caused by overlaps with other climate policy, leading to over supply of allowances. This threatens the objectives to incentivise the long term decarbonisation of the economy and neither the MSR nor an LRF increase can correct the situation. The negative effect of overlapping climate policies should be neutralized by placing allowances into MSR. The drop of supply of allowances should be compensated by correcting the LRF.*

#### **Amendment 258**

**Pavel Poc**

#### **Proposal for a directive**

**Article 1 – point 4 – point a a (new)**

Directive 2003/87/EC

Article 10 – paragraph 1 – subparagraph 4 a (new)

*Text proposed by the Commission*

*Amendment*

*(aa) the following subparagraph is added to paragraph 1:*

*'In each year beginning in 2023, a number of allowances equal to emissions saved by the electricity production from subsidized renewable energy sources commissioned after 2020 and by energy efficiency measures taking effect after 2020 in year x-2, shall be deducted from the volume of allowances auctioned by*

***Member States under Article 10(2) and shall be placed in the MSR. The Commission shall calculate emissions saved by the electricity production from renewable energy sources and by energy efficiency measures using data reported by Member States and publish them by 30 September each year.'***

Or. en

### *Justification*

*The negative effect of overlapping climate policies should be neutralized by placing into the market stability reserve the volume of allowances equivalent to the emission savings achieved outside the EU ETS market by means of the renewable energy sources and energy efficiency support schemes.*

### **Amendment 259**

**Jytte Guteland, Matthias Groote, Miriam Dalli, Soledad Cabezón Ruiz, Jo Leinen, Claudiu Ciprian Tănăsescu, Caterina Chinnici, Seb Dance, Carlos Zorrinho, Pavel Poc, José Blanco López, Nikos Androulakis, Simona Bonafè, Kathleen Van Brempt, Massimo Paolucci, Damiano Zoffoli, Renata Briano, Elena Gentile, Christel Schaldemose, Nicola Caputo, Gilles Pargneaux**

### **Proposal for a directive**

**Article 1 – point 4 – point b – point ii**

Directive 2003/87/EC

Article 10 – paragraph 2 – point b

*Text proposed by the Commission*

'(b) 10% of the total quantity of allowances to be auctioned being ***distributed amongst certain Member States for the purpose of solidarity and growth within the Community, thereby increasing the amount of allowances that those Member States auction under point (a) by the percentages specified in Annex IIa.'***; and'

*Amendment*

'(b) 10% of the total quantity of allowances to be auctioned being ***set aside for the creation of a Just Transition Fund as a complement to the European Regional Development Fund and the European Social Fund.***

***The revenues of these auctions shall remain at the Union level, with the goal to use them for cushioning the social impact of the climate policies required in order to enable the necessary transition to a low-***

*carbon society in regions which combine a high share of workers in carbon-dependent sectors and a GDP per capita well below the Union-average.*

*These auctioning revenues aimed at just transition shall be used in one or several of the following ways, while fully complying with the fundamental rights of non-discrimination and gender-equality:*

- *creating redeployments and/or mobility cells;*
- *education/training initiatives to re-skill or upskill workers;*
- *support in job search, including paid time-off to search for jobs;*
- *social protection measures;*
- *subsistence allowances;*
- *business creation; and*
- *monitoring and pre-emptive measures to avoid or minimise the negative impact of restructuring process on physical and mental health.*

*The core activities to be financed by the Just Transition Fund are strongly related to the labour market and therefore social partners shall be actively involved in the fund management – on the model of the ESF committee – and the participation of local social partners shall be a key requirement for projects to receive funding.'*

Or. en

### *Justification*

*Funding for Just Transition Fund.*

**Amendment 260**  
**Gerben-Jan Gerbrandy**

**Proposal for a directive**  
**Article 1 – point 4 – point b – point ii**  
Directive 2003/87/EC  
Article 10 – paragraph 2 – point b

*Text proposed by the Commission*

'(b) 10% of the total quantity of allowances to be auctioned being ***distributed amongst certain Member States for the purpose of solidarity and growth within the Community, thereby increasing the amount of allowances that those Member States auction under point (a)*** by the percentages specified in Annex IIa."; and'

*Amendment*

'(b) 10% of the total quantity of allowances to be auctioned being ***added to the Modernisation Fund as set out in Article 10d of this Directive, the additional funds in the Modernisation Fund shall be distributed*** by the percentages specified in Annex IIa."; and'

Or. en

*Justification*

*The Commission proposes to redistribute 10% of allowances for auctions for solidarity purposes and growth in lower-income Member States, at the expense of the auctioning share of higher-income Member States. Adding these allowances to the Modernisation Fund instead would keep the same level of support for lower-income MS, but strengthen the governance for the use of the additional auctioning revenues. This arrangement would ensure that the 10% redistribution of allowances truly supports low-emissions economic development, in line with EU long-term climate objectives.*

**Amendment 261**  
**Gilles Pargneaux**

**Proposal for a directive**  
**Article 1 – point 4 – point b a (new)**  
Directive 2003/87/EC  
Article 10 – paragraphs 2 a and 2 b (new)

*Text proposed by the Commission*

*Amendment*

***(ba) The following paragraphs are inserted:***

***'2 a. From 1 January [Start date], each auction shall be conducted with an auction reserve price. No allowances shall be sold at bids lower than the auction reserve price. The minimum price of***

*allowances shall be set as follows :*

*(a) for all auctions conducted in [Start date], at [the average price over the 3 years previous to [Start date]] per allowance emitted*

*(b) for all auctions conducted after [Start date], at a price set annually according to the auction reserve price set for the previous year , which shall be increased by [10%].*

*2 b. Each quarter from 1 January [Start date], 100 million allowances shall be auctioned at a price of [ceiling price] EUR per allowance in [Start date]. For each following year, the prices shall be annually increased by 10%.*

*100 million allowances placed in the market stability reserve pursuant to Article 1(3) of Decision (EU) 2015/1814 may be set aside for the purpose of the previous sub-paragraph.*

*By [ .././....], the Commission shall adopt an implementing act in accordance with Article 22a. The Commission shall be empowered to adopt a delegated act for this purpose in accordance with Article 23.'*

Or. en

## **Amendment 262**

**Matteo Salvini**

### **Proposal for a directive**

**Article 1 – point 4 – point b b (new)**

Directive 2003/87/EC

Article 10 – paragraph 3 – introductory part

*Present text*

*'3. Member States shall determine the use of revenues generated from the*

*Amendment*

*(bb) In paragraph 3, the introductory part is replaced by the following:*

*'3. 'In addition, these revenues may be used for one or more of the following:'*

*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, should be used for one or more of the following:*

Or. en

### **Amendment 263**

**Eleonora Evi, Piernicola Pedicini, Marco Affronte, Dario Tamburrano**

#### **Proposal for a directive**

**Article 1 – point 4 – point b b (new)**

Directive 2003/87/EC

Article 10 – paragraph 3 – introductory part

#### *Present text*

'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, *should be* used for one or more of the following:'

#### *Amendment*

*(bb) In paragraph 3, the introductory part is replaced by the following:*

'3. Member States shall determine the use of revenues generated from auctioning of allowances. *100%* 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, *shall be* used for one or more of the following:'

Or. en

### **Amendment 264**

**Jytte Guteland, Matthias Groote, Soledad Cabezón Ruiz, Jo Leinen, Giorgos Grammatikakis, Seb Dance, Pavel Poc, José Blanco López, Nikos Androulakis, Simona Bonafè, Kathleen Van Brempt, Massimo Paolucci, Damiano Zoffoli, Renata Briano, Elena Gentile, Christel Schaldemose, Nicola Caputo, Gilles Pargneaux**

#### **Proposal for a directive**

**Article 1 – point 4 – point b b (new)**



*Present text*

'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, **should** be used for one or more of the following:'

*Amendment*

**(bb) In paragraph 3, the introductory part is replaced by the following:**

'3. **No less than 100% of all** revenues generated from the auctioning of allowances **referred to in paragraph 2, with the exemption of revenues from the auctioning** referred to in paragraph 2, point (b), or the equivalent in financial value of these revenues, **shall** be used for one or more of the following:'

Or. en

*Justification*

*100% earmarking of auctioning revenues for climate action.*

**Amendment 265**  
**Sirpa Pietikäinen**

**Proposal for a directive**  
**Article 1 – point 4 – point b a (new)**  
Directive 2003/87/EC  
Article 10 – paragraph 3 – introductory part

*Present text*

'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, **should** be used for one or

*Amendment*

**(ba) In paragraph 3, the introductory part is replaced by the following:**

'3. Member States shall determine the use of revenues generated from the auctioning of allowances. **100 % 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, **shall** be used for one or

more of the following:'

more of the following:'

Or. en

## **Amendment 266**

**Peter Liese**

### **Proposal for a directive**

#### **Article 1 – point 4 – point b b (new)**

Directive 2003/87/EC

Article 10 – paragraph 3 – introductory part

#### *Present text*

'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, **should** be used for one or more of the following:'

#### *Amendment*

**(bb) In paragraph 3, the introductory part is replaced by the following:**

'3. Member States shall determine the use of revenues generated from the auctioning of allowances. At least **85%** 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), or the equivalent in financial value of these revenues, **shall** be used for one or more of the following:'

Or. en

#### *Justification*

*Ear-marking of auctioning revenues represents an important source of revenues to help the transition towards a low-carbon economy in Europe, and the funds should be redirected to help achieve this long-term ambition. The share of auctioning revenues used towards efforts to decarbonise the European economy should increase beyond 50%, for example to 85%. Other jurisdictions such as Quebec, California and the US's RGGI programme reallocate auction proceeds to help with the transition to a low-carbon economy*

## **Amendment 267**

**Ivo Belet, Michel Dantin, Francesc Gambús, Françoise Grossetête, Peter Liese, Annie Schreijer-Pierik, Alojz Peterle**

### **Proposal for a directive**

#### **Article 1 – point 4 – point b b (new)**

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*Present text*

'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, **should** be used for one or more of the following:'

*Amendment*

**(bb) In paragraph 3, the introductory part is replaced by the following:**

'3. Member States shall determine the use of revenues generated from the auctioning of allowances. At least **75%** of the **total** 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 **those** revenues, **shall** be used for one or more of the following:'

Or. en

**Amendment 268**  
**Bas Eickhout**

**Proposal for a directive**  
**Article 1 – point 4 – point b b (new)**  
Directive 2003/87/EC  
Article 10 – paragraph 3 – introductory part

*Present text*

'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, **should** be used for one or more of the following:'

*Amendment*

**(bb) In paragraph 3, the introductory part 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, **shall** be used for **financing climate action in vulnerable developing countries, including to reduce greenhouse gas emissions, and to adaptation to the impact of climate change. The rest shall** be used for one or more of the following:'

*Justification*

*In line with the EP position for the 2008 climate package, all revenues (or the equivalent in financial value) from EU ETS should be earmarked for climate action and 50% should be dedicated to EU's collective contribution to international climate finance. Collective pledging by the EU and its Member States would increase EU influence in UNFCCC negotiations and effectiveness of EU climate finance.*

**Amendment 269****Gerben-Jan Gerbrandy****Proposal for a directive****Article 1 – point 4 – point b b (new)**

Directive 2003/87/EC

Article 10 – paragraph 3 – introductory part

*Present text*

'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, should be used* for one or more of the following:'

*Amendment*

*(bb) in paragraph 3, the introductory part is replaced by the following:*

'3. *Member States shall use the revenues generated from the auctioning of allowances referred to in paragraph 2, or the equivalent in financial value of these revenues, for one or more of the following:*'

Or. en

*Justification*

*All ETS auctioning revenues must be used for the compensation of indirect carbon costs incurred and the climate purposes as set out in this Article. The use of auctioning revenues can have major benefits for innovation, low-emissions economic development and jobs.*

**Amendment 270****Jytte Guteland, Matthias Groote, Miriam Dalli, Soledad Cabezón Ruiz, Jo Leinen, Giorgos Grammatikakis, Seb Dance, Carlos Zorrinho, Pavel Poc, José Blanco López,**

**Simona Bonafè, Kathleen Van Brempt, Massimo Paolucci, Damiano Zoffoli, Renata Briano, Elena Gentile, Christel Schaldemose, Nicola Caputo, Gilles Pargneaux**

**Proposal for a directive**

**Article 1 – point 4 – point b c (new)**

Directive 2003/87/EC

Article 10 – paragraph 3 – point b

*Present text*

'(b) to develop renewable energies to meet the ***commitment of the Community*** to using **20 %** renewable energies by **2020**, as well as to develop other technologies contributing to the transition to a safe and sustainable low-carbon economy and to help meet the ***commitment of the Community*** to increase energy efficiency by **20 %** by **2020**;

*Amendment*

***(bc) In paragraph 3, point (b) is replaced by the following:***

'(b) to develop renewable energies to meet the ***engagements*** of using ***at least 30 %*** renewable energies by **2030**, as well as to develop other technologies contributing to the transition to a safe and sustainable low-carbon economy and to help meet the ***engagements*** to increase energy efficiency by ***at least 40 %*** by **2030**;

Or. en

**Amendment 271**

**Matteo Salvini**

**Proposal for a directive**

**Article 1 – point 4 – point b d (new)**

Directive 2003/87/EC

Article 10 – paragraph 3 – point c

*Present text*

'(c) measures to avoid deforestation and increase afforestation and reforestation in developing countries that have ratified the international agreement on climate change, ***to transfer technologies and to facilitate adaptation to the adverse effects of climate change in these countries***;

*Amendment*

***(bd) In paragraph 3, point (c) is replaced by the following:***

'(c) measures to avoid deforestation and increase afforestation and reforestation in developing countries that have ratified the international agreement on climate change;

Or. en

**Amendment 272**  
**Sirpa Pietikäinen**

**Proposal for a directive**  
**Article 1 – point 4 – point b e (new)**  
Directive 2003/87/EC  
Article 10 – paragraph 3 – point e

*Present text*

*Amendment*

*(be) In paragraph 3, point (e) is deleted.*

*'(e) the environmentally safe capture and geological storage of CO<sub>2</sub>, in particular from solid fossil fuel power stations and a range of industrial sectors and subsectors, including in third countries;'*

Or. en

**Amendment 273**  
**Eleonora Evi, Piernicola Pedicini, Marco Affronte, Dario Tamburrano**

**Proposal for a directive**  
**Article 1 – point 4 – point b e (new)**  
Directive 2003/87/EC  
Article 10 – paragraph 3 – point e

*Present text*

*Amendment*

*(be) In paragraph 3, point (e) is deleted.*

*'(e) the environmentally safe capture and geological storage of CO<sub>2</sub>, in particular from solid fossil fuel power stations and a range of industrial sectors and subsectors, including in third countries;'*

Or. en

#### **Amendment 274**

**Ivo Belet, Michel Dantin, Francesc Gambús, Françoise Grossetête, Andrey Kovatchev, Peter Liese, Alojz Peterle, Annie Schreijer-Pierik**

#### **Proposal for a directive**

#### **Article 1 – point 4 – point b f (new)**

Directive 2003/87/EC

Article 10 – paragraph 3 – point f

#### *Present text*

'(f) to encourage a shift to low-emission and public forms of transport;'

#### *Amendment*

**(bf) In paragraph 3, point (f) is replaced by the following:**

'(f) to encourage a shift to low-emission and public forms of transport **and compensate electrified transport modes such as railways for their indirect EU ETS costs unless measures with an equivalent effect on other surface transport modes are taken.**'

Or. en

#### **Amendment 275**

**Jadwiga Wiśniewska, Bolesław G. Piecha**

#### **Proposal for a directive**

#### **Article 1 – point 4 – point b g (new)**

Directive 2003/87/EC

Article 10 – paragraph 3 – point h

#### *Present text*

(h) measures intended to increase energy efficiency and insulation or to provide financial support in order to address social aspects in lower and middle income households; "

#### *Amendment*

**(bg) Article 10(3), point (h) is replaced by the following:**

"(h) measures intended to increase energy efficiency, **district heating systems** and insulation or to provide financial support in order to address social aspects in lower and middle income households;"

Or. pl

*Justification*

*District heating systems are an effective means of supplying heat to households and should be included on the list of investments supported.*

**Amendment 276**

**Jytte Guteland, Matthias Groote, Soledad Cabezón Ruiz, Jo Leinen, Giorgos Grammatikakis, Caterina Chinnici, Seb Dance, Pavel Poc, José Blanco López, Simona Bonafè, Kathleen Van Brempt, Massimo Paolucci, Damiano Zoffoli, Renata Briano, Elena Gentile, Christel Schaldemose, Nicola Caputo, Gilles Pargneaux**

**Proposal for a directive**

**Article 1 – point 4 – point c**

Directive 2003/87/EC

Article 10 – paragraph 3 – point j

*Text proposed by the Commission*

*Amendment*

*'(j) to fund financial measures in favour of sectors or subsectors that are exposed to a genuine risk of carbon leakage due to significant indirect costs that are actually incurred from greenhouse gas emission costs passed on in electricity prices, provided that these measures meet the conditions set out in Article 10a(6);'*

*deleted*

Or. en

**Amendment 277**

**Bas Eickhout**

**Proposal for a directive**

**Article 1 – point 4 – point c**

Directive 2003/87/EC

Article 10 – paragraph 3 – point j

*Text proposed by the Commission*

*Amendment*

*'(j) to fund financial measures in favour of sectors or subsectors that are exposed to a genuine risk of carbon leakage due to significant indirect costs that are actually incurred from greenhouse gas emission costs passed on*

*deleted*



*in electricity prices, provided that these measures meet the conditions set out in Article 10a(6);'*

Or. en

*Justification*

*State aid support schemes to compensate indirect costs for electricity intensive industries should not be mandated by the Directive. Current schemes reward industry for buying electricity from carbon-intensive power generators, distort the electricity market, reward polluters and are a source of windfall profits.*

**Amendment 278**

**Massimo Paolucci, Renata Briano, Damiano Zoffoli, Simona Bonafè, Elena Gentile, Nicola Caputo**

**Proposal for a directive**

**Article 1 – point 4 – point c**

Directive 2003/87/EC

Article 10 – paragraph 3 – point j

*Text proposed by the Commission*

*Amendment*

*'(j) to fund financial measures in favour of sectors or subsectors that are exposed to a genuine risk of carbon leakage due to significant indirect costs that are actually incurred from greenhouse gas emission costs passed on in electricity prices, provided that these measures meet the conditions set out in Article 10a(6);'*

*deleted*

Or. en

**Amendment 279**

**Eleonora Evi, Piernicola Pedicini, Dario Tamburrano, Marco Affronte**

**Proposal for a directive**

**Article 1 – point 4 – point c**

Directive 2003/87/EC

Article 10 – paragraph 3 – point j

*Text proposed by the Commission*

'(j) to fund **financial measures in favour of** sectors or subsectors **that are** exposed to a genuine risk of carbon leakage due to significant indirect costs **that are actually incurred from greenhouse gas emission costs passed on in electricity prices, provided that these measures meet the conditions set out in Article 10a(6);'**

*Amendment*

'(j) to fund **the dissemination of renewable energies and to support** sectors or subsectors **conventionally defined as** exposed to a genuine risk of carbon leakage due to **their** significant indirect costs, **determined by the use of an increased share of renewables-generated power and by the reduction of the costs incurred from greenhouse gas emissions costs passed on in electricity prices;'**

Or. en

**Amendment 280**  
**Sirpa Pietikäinen**

**Proposal for a directive**  
**Article 1 – point 4 – point c**  
Directive 2003/87/EC  
Article 10 – paragraph 3 – point j

*Text proposed by the Commission*

'(j) to fund **financial measures in favour of** sectors or subsectors that are exposed to a genuine risk of carbon leakage due to significant indirect costs **that are actually** incurred from greenhouse gas emission costs passed on in electricity prices, **provided that these measures meet the conditions set out in Article 10a(6);'**

*Amendment*

'(j) to fund **renewable energies and aid** sectors or subsectors that are exposed to a genuine risk of carbon leakage due to significant indirect costs **to use renewable power and reduce costs** incurred from greenhouse gas emission costs passed on in electricity prices;'

Or. en

**Amendment 281**  
**Matteo Salvini**

**Proposal for a directive**  
**Article 1 – point 4 – point c**  
Directive 2003/87/EC  
Article 10 – paragraph 3 – point k

*Text proposed by the Commission*

*Amendment*

'(k) *for climate financing actions in vulnerable third countries, including adaptation to the impacts of climate change;*'

*deleted*

Or. en

### **Amendment 282**

**Ivo Belet, Pilar Ayuso, Michel Dantin, Francesc Gambús, Françoise Grossetête, Krišjānis Kariņš, Elisabeth Köstinger, Peter Liese, Alojz Peterle, Annie Schreijer-Pierik**

#### **Proposal for a directive**

##### **Article 1 – point 4 – point c**

Directive 2003/87/EC

Article 10 – paragraph 3 – point 1

*Text proposed by the Commission*

*Amendment*

'(l) to promote skill formation and reallocation of labour affected by the transition of jobs *in a decarbonising economy* in close coordination with the social partners.'

'(l) to *create a just transition fund in order to cushion the social impact of the decarbonisation of their economies and* promote skill formation and reallocation of labour affected by the transition of jobs in close coordination with the social partners.'

Or. en

### **Amendment 283**

**Matteo Salvini**

#### **Proposal for a directive**

##### **Article 1 – point 4 – point c**

Directive 2003/87/EC

Article 10 – paragraph 3 – point 1

*Text proposed by the Commission*

*Amendment*

'(l) to promote skill formation and reallocation of labour affected by the transition of jobs in a decarbonising economy in close coordination with the social partners.'

'(l) to promote skill formation, reallocation and *social protection schemes* of labour affected by the transition of jobs in a decarbonising economy in close coordination with the social partners.'

**Amendment 284**  
**Inés Ayala Sender**

**Proposal for a directive**  
**Article 1 – point 4 – point c a (new)**  
Directive 2003/87/EC  
Article 10 – paragraph 3 – subparagraph 1 a (new)

*Text proposed by the Commission*

*Amendment*

**(ca) in paragraph 3, the following subparagraph is inserted:**

***'For the purpose of point (f), Member State shall compensate sustainable electrified transport mode such a as railways for their indirect EU ETS cost from EU ETS allowances. This compensation shall be earmarked for the deployment of the compulsory on board European Rail Traffic Management System along the TEN-T corridors.'***

Or. en

*Justification*

*It appears appropriate for Member States to promote the development of rail as a low-emission form of transport and to use ETS revenues to help railways bearing their extra charges caused at least by ETS. In order that this compensation is used to further promote the railways, the compensation should be used to deploy the ERTMS which be beneficial to rail and its share with other less environmental transport modes.*

**Amendment 285**  
**Gerben-Jan Gerbrandy**

**Proposal for a directive**  
**Article 1 – point 4 – point c b (new)**  
Directive 2003/87/EC  
Article 10 – paragraph 3 – subparagraph 1 b (new)

*Text proposed by the Commission*

*Amendment*

**(cb) in paragraph 3, the following subparagraph is inserted:**

**'This information shall be provided through a standardised template prepared by the Commission, including information on the use of auctioning revenues for the different categories and the additionality of the use of the funds. The Commission shall make this information public on its website.'**

Or. en

*Justification*

*The current quality of reporting by Member States of the use of their auctioning revenues varies significantly between Member States. A standardised template will improve transparency and comparability.*

#### **Amendment 286**

**Eleonora Evi, Piernicola Pedicini, Marco Affronte, Dario Tamburrano**

#### **Proposal for a directive**

**Article 1 – point 4 – point c b (new)**

Directive 2003/87/EC

Article 10 – paragraph 3 – subparagraph 1 b (new)

*Text proposed by the Commission*

*Amendment*

**(cb) in paragraph 3 the following subparagraph is inserted:**

**'This information shall be provided through a standardised template elaborated by the Commission, featured by a minimum level of detail allowing for transparency, accountability and comparability, including information on the additionality of the funds and the allocation of funds for all the spending categories listed above. The Commission shall make this information publicly available.'**

**Amendment 287**  
**Sirpa Pietikäinen**

**Proposal for a directive**  
**Article 1 – point 4 – point c b (new)**  
Directive 2003/87/EC  
Article 10 – paragraph 3 – subparagraph 1 b (new)

*Text proposed by the Commission*

*Amendment*

**(cb) in paragraph 3, the following subparagraph is inserted:**

***'This information shall be provided through a standardised template provided by the Commission, with a minimum level of detail allowing for transparency and comparability, including information on additionality of the funds and the allocation of funds for each spending category listed above. The Commission shall make this information public on its website.'***

Or. en

**Amendment 288**  
**Gerben-Jan Gerbrandy**

**Proposal for a directive**  
**Article 1 – point 4 – point c b (new)**  
Directive 2003/87/EC  
Article 10 – paragraph 3 – subparagraph 2

*Present text*

*Amendment*

'Member States shall be deemed to have fulfilled the provisions of this paragraph if they have in place and implement fiscal or financial support policies, including in particular in developing countries, or

**(cb) in paragraph 3, subparagraph 2 is replaced by the following:**

'Member States shall be deemed to have fulfilled the provisions of this paragraph if they have in place and implement fiscal or financial support policies, including in particular in developing countries, or

domestic regulatory policies, which leverage financial support, established for the purposes set out in the first subparagraph and which have a value equivalent to **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).**'

domestic regulatory policies, which leverage **additional** financial support, established for the purposes set out in the first subparagraph and which have a value equivalent to the revenues generated from the auctioning of allowances referred to in paragraph 2, **and have reported these policies through a standardised template provided by the Commission.**'

Or. en

### *Justification*

*The current quality of reporting by Member States of the use of their auctioning revenues varies significantly between Member States. A standardised template will improve transparency and comparability.*

### **Amendment 289**

**Eleonora Evi, Piernicola Pedicini, Marco Affronte, Dario Tamburrano**

#### **Proposal for a directive**

#### **Article 1 – point 4 – point d**

Directive 2003/87/EC

Article 10 – paragraph 4

#### *Present text*

'4. By 30 June **2010**, the Commission shall adopt a regulation on timing, administration and other aspects of auctioning to ensure that it is conducted in an open, transparent, harmonised and non-discriminatory manner. To this end, the process should be predictable, in particular as regards the timing and sequencing of auctions and the estimated volumes of allowances to be made available.

Auctions shall be designed to ensure that:

#### *Amendment*

**(d) paragraph 4 is replaced by the following:**

'4. By 30 June **2018**, the Commission shall adopt a regulation on timing, administration and other aspects of auctioning to ensure that it is **exclusively accessible to operators of installation covered by this Directive and is** conducted in an open, transparent, harmonised and non-discriminatory manner. To this end, the process should be predictable, in particular as regards the timing and sequencing of auctions and the estimated volumes of allowances to be made available.

Auctions shall be designed to ensure that:

- (a) operators, and in particular any SMEs covered by the Community scheme, have full, fair and equitable access;
- (b) all *participants* have access to the same information at the same time and that participants do not undermine the operation of the auction;
- (c) the organisation and participation in auctions is cost-efficient and undue administrative costs are avoided; and
- (d) access to allowances is granted for small emitters.'

- (a) operators, and in particular any SMEs covered by the Community scheme, have full, fair and equitable access;
- (b) all *operators* have access to the same information at the same time and that participants do not undermine the operation of the auction;
- (c) the organisation and participation in auctions is cost-efficient and undue administrative costs are avoided; and
- (d) access to allowances is granted for small emitters.'

Or. en

#### **Amendment 290**

**Jytte Guteland, Matthias Groote, Soledad Cabezón Ruiz, Seb Dance, Pavel Poc, José Blanco López, Simona Bonafè, Massimo Paolucci, Damiano Zoffoli, Renata Briano, Elena Gentile, Christel Schaldemose, Nicola Caputo, Gilles Pargneaux, Jo Leinen**

#### **Proposal for a directive**

#### **Article 1 – point 4 – point d a (new)**

Directive 2003/87/EC

Article 10 – paragraph 4 – subparagraph 4 a (new)

*Text proposed by the Commission*

*Amendment*

**(da) In paragraph 4, the following subparagraph is added:**

***'If Member States decide on national measures for early closure of electricity generation capacity, Member States shall report this to the Commission and other Member States, and may retire a share of the auctioning volume with a level equal to the related emissions.'***

Or. en

#### **Amendment 291**

**Kateřina Konečná**



**Proposal for a directive**

**Article 1 – point 4 – point d a (new)**

Directive 2003/87/EC

Article 10 – paragraph 4 – subparagraph 4 a (new)

*Text proposed by the Commission*

*Amendment*

*(da) in paragraph 4, the following subparagraph is added:*

*'Every two years Member States shall communicate to the Commission the closures of electricity generation capacity due to national measures. The Commission shall calculate the equivalent number of allowances that these closures represent. Member States shall surrender a corresponding volume of allowances and place them into the MSR.'*

Or. en

*Justification*

*According to the Duncan report, Member States should be entitled to surrender their allowances not used for electricity generation as a result of nationally induced plant closures. This is a positive proposal but the adjustment should be mandatory and it should be done automatically by the Commission. Otherwise it will not be effective.*

**Amendment 292**

**Ivo Belet, Pilar Ayuso, Michel Dantin, Francesc Gambús, Françoise Grossetête, Peter Liese, Alojz Peterle, Annie Schreijer-Pierik**

**Proposal for a directive**

**Article 1 – point 4 – point d a (new)**

Directive 2003/87/EC

Article 10 – paragraph 4 – subparagraph 4 a (new)

*Text proposed by the Commission*

*Amendment*

*(da) In paragraph 4, the following subparagraph is added:*

*'In that report Member States shall also communicate to the Commission the closures of electricity generation capacity as a result of national measures.'*

**Amendment 293**

**Bart Staes, Michèle Rivasi**

**Proposal for a directive**

**Article 1 – point 4 – point d b (new)**

Directive 2003/87/EC

Article 10 – paragraph 4 a (new)

*Text proposed by the Commission*

*Amendment*

**(db) the following paragraph is inserted:**

**'4a. If the clearance price at any auction is lower than EUR 30 per allowance, the auction shall be cancelled. Any unauctioned allowances for year X shall be cancelled on 1 May of year X+1.'**

Or. en

*Justification*

*The carbon price was expected to be at least at around 30€ by 2020. Given the past experience, it makes sense to establish a floor price for auctions to support the carbon price in the market.*

**Amendment 294**

**Jytte Guteland, Matthias Groote, Soledad Cabezón Ruiz, Jo Leinen, Giorgos Grammatikakis, Seb Dance, Carlos Zorrinho, Pavel Poc, José Blanco López, Nikos Androulakis, Simona Bonafè, Kathleen Van Brempt, Massimo Paolucci, Damiano Zoffoli, Renata Briano, Elena Gentile, Christel Schaldemose, Nicola Caputo, Gilles Pargneaux**

**Proposal for a directive**

**Article 1 – point 4 – point d c (new)**

Directive 2003/87/EC

Article 10 – paragraph 5

*Present text*

*Amendment*

**(dc) paragraph 5 is replaced by the following:**

'5. The Commission shall monitor the functioning of the European carbon market. Each year, it shall submit a report to the European Parliament and to the Council on the functioning of the carbon market including the implementation of the auctions, liquidity and the volumes traded. If necessary, Member States shall ensure that any relevant information is submitted to the Commission at least two months before the Commission adopts the report.'

'5. The Commission shall monitor the functioning of the European carbon market. Each year, it shall submit a report to the European Parliament and to the Council on the functioning of the carbon market including the implementation of the auctions, liquidity and the volumes traded. ***The report shall address the interaction of the EU ETS and other climate-energy policies at the Union and national levels, and shall transparently analyse the implications of various policies on the level of demand for EU ETS allowances and its consequences on the supply-demand balance in the carbon market as well as the compliance with the Union's 2030 and 2050 climate and energy goals.*** If necessary, Member States shall ensure that any relevant information is submitted to the Commission at least two months before the Commission adopts the report.'

Or. en

#### *Justification*

*The Directive must explicitly include the process for assessment and reviews in order to address the question of interaction between the ETS and other policies. Hence the annual report on the functioning of the European carbon market.*

#### **Amendment 295**

**Luděk Niedermayer, Bendt Bendtsen**

#### **Proposal for a directive**

**Article 1 – point 4 – point d c (new)**

Directive 2003/87/EC

Article 10 – paragraph 5

#### *Text proposed by the Commission*

'5. The Commission shall monitor the functioning of the European carbon market. Each year, it shall submit a report to the European Parliament and to the

#### *Amendment*

***(dc) paragraph 5 is replaced by the following:***

'5. The Commission shall monitor the functioning of the European carbon market. Each year, it shall submit a report to the European Parliament and to the

Council on the functioning of the carbon market including the implementation of the auctions, liquidity and the volumes traded. *If necessary, Member States shall ensure that any relevant information is submitted to the Commission at least two months before the Commission adopts the report.'*

Council on the functioning of the carbon market including the implementation of the auctions, liquidity and the volumes traded. *The report shall also address the interaction between the EU ETS and other climate and energy policies at Union and national level, and shall analyse the implications of various policy instruments on the functioning of EU ETS market, especially on the supply-demand balance in the carbon market. Member States shall ensure that any relevant information is submitted to the Commission at an appropriate time.*

*On the basis of the report referred to in the first subparagraph, the Commission shall, if appropriate, submit a legislative proposal to the European Parliament and to the Council amending this Directive reflecting outcomes of the report in order to preserve the functionality of the EU ETS market.'*

Or. en

#### *Justification*

*The ETS is the key tool to reach environmental targets. But there are also other measures adopted at EU or MS level that have significant impact on carbon market. Interaction of policy instruments should be analysed to avoid undermining of the EU ETS system. Because of national measures in the ETS sector, emissions decrease nationally but there is strong temporary downward pressure on the carbon price. The Commission needs therefore to describe and analyse this in the yearly carbon market report, with a proposal for reaction, if the overall functionality of the system is in danger.*

#### **Amendment 296**

**Ivo Belet, Pilar Ayuso, Francesc Gambús, Elisabetta Gardini, Jens Gieseke, Françoise Grossetête, Krišjānis Kariņš, Andrey Kovatchev, Giovanni La Via, Peter Liese, Markus Pieper, Massimiliano Salini, Antonio Tajani, Alojz Peterle, Annie Schreijer-Pierik**

#### **Proposal for a directive**

**Article 1 – point 4 – point d c (new)**

Directive 2003/87/EC

Article 10 – paragraph 5

*Present text*

*Amendment*

'5. The Commission shall monitor the functioning of the European carbon market. Each year, it shall submit a report to the European Parliament and to the Council on the functioning of the carbon market including the implementation of the auctions, liquidity and the volumes traded. If necessary, Member States shall ensure that any relevant information is submitted to the Commission at least two months before the Commission adopts the report.'

***(dc) paragraph 5 is replaced by the following:***

'5. The Commission shall monitor the functioning of the European carbon market. Each year, it shall submit a report to the European Parliament and to the Council on the functioning of the carbon market including the implementation of the auctions, liquidity and the volumes traded. ***In its monitoring report, the Commission shall give particular attention to the risk of carbon and investment leakage. The report shall also address the interaction between the EU ETS, non-ETS and other climate and energy measures at Union and national level, and shall analyse the effects of various policy instruments on the level of demand for Union allowances and its consequences on the supply-demand balance in the carbon market. The Commission shall calculate the equivalent number of allowances for closures that are reported by Member States.*** If necessary, Member States shall ensure that any relevant information is submitted to the Commission at least two months before the Commission adopts the report.'

Or. en

#### **Amendment 297**

**Françoise Grossetête, Angélique Delahaye, Michel Dantin**

#### **Proposal for a directive**

**Article 1 – point 4 – point d c (new)**

Directive 2003/87/EC

Article 10 – paragraph 5

*Present text*

*Amendment*

***(dc) paragraph 5 is replaced by the following:***

'5. The Commission shall monitor the functioning of the European carbon market. Each year, it shall submit a report to the European Parliament and to the Council on the functioning of the carbon market including the implementation of the auctions, liquidity and the volumes traded. If necessary, Member States shall ensure that any relevant information is submitted to the Commission at least two months before the Commission adopts the report.'

'5. The Commission shall monitor the functioning of the European carbon market. Each year, it shall submit a report to the European Parliament and to the Council on the functioning of the carbon market including the implementation of the auctions, liquidity and the volumes traded. If necessary, Member States shall ensure that any relevant information is submitted to the Commission at least two months before the Commission adopts the report. *The Commission shall analyse, before the fourth trading period, the possibility to introduce a carbon price corridor that would create a strong incentive for low-carbon investments while preserving our industries from carbon leakage risk.'*

Or. en

#### **Amendment 298**

**Luděk Niedermayer, Bendt Bendtsen**

#### **Proposal for a directive**

**Article 1 – point 4 – point d d (new)**

Directive 2003/87/EC

Article 10 – paragraph 5 – subparagraph 1 a (new)

*Text proposed by the Commission*

*Amendment*

***(dd) In paragraph 5, the following subparagraph is added:***

***'If the price development of the allowance gets into contradiction with the EU ETS goals, especially if it is too high and threatens the competitiveness of the Union industry or too low and does not provide incentives for gradual decarbonisation of the economy and stimulates the reemployment of technologies generating high carbon emissions, the Commission shall be empowered to adopt a delegated act, after consultation with the European parliament and Council, that shall adjust temporarily the function of the MSR and***

*auctioning mechanism as follows:*

- *for every auction of allowances, there shall be a transparent and preannounced limit for the lowest accepted price. Allowances that are not sold, shall be transferred to the MSR, free allocation of allowances and limits for them shall not be affected;*
- *for every auction of allowances, there shall be a transparent and preannounced limit for the maximum allowance price. Allowances that are not demanded above the offered volume, shall be deducted from the MSR. If there is not a sufficient volume of allowances in the MSR, the orders at the highest price shall be accepted proportionally up to available allowances in the MSR.'*

Or. en

*Justification*

*Too high, too low or too volatile allowance price undermines the functionality of EU ETS system and increases the cost of reaching the goals. If such a price development occurs, the Commission can propose measures that will temporarily set a corridor for the auction price and link auction results with MSR established by the European Parliament and the Commission.*

**Amendment 299**

**Ivo Belet, Pilar Ayuso, Francesc Gambús, Peter Liese, Alojz Peterle, Annie Schreijer-Pierik**

**Proposal for a directive**

**Article 1 – point 4 – point d e (new)**

Directive 2003/87/EC

Article 10 – paragraph 5 a (new)

*Text proposed by the Commission*

*Amendment*

*(de) the following paragraph is added:*

*'5a. After assessment by the Commission, Member States may surrender a corresponding volume of allowances and place them into the*

*Market Stability Reserve or retire them.'*

Or. en

**Amendment 300**

**Jytte Guteland, Matthias Groote, Soledad Cabezón Ruiz, Jo Leinen, Giorgos Grammatikakis, Seb Dance, Carlos Zorrinho, Pavel Poc, José Blanco López, Simona Bonafè, Kathleen Van Brempt, Massimo Paolucci, Damiano Zoffoli, Renata Briano, Elena Gentile, Christel Schaldemose, Nicola Caputo, Gilles Pargneaux**

**Proposal for a directive**

**Article 1 – point 4 – point d e (new)**

Directive 2003/87/EC

Article 10 – paragraph 5 b (new)

*Text proposed by the Commission*

*Amendment*

*(de) the following paragraph is added:*

*'5b The Commission shall publish every two years a report on the pass-through of the costs of allowances in the product prices. This shall be done for the sectors and subsectors for which the Commission finds that there are good reasons to assess whether a non-negligible share of pass-through is possible, also in relation to the evolution of their market shares.'*

Or. en

*Justification*

*The ability to pass-through of costs is an important factor in the justification of free allocation. More data and transparency is needed on the abilities of different sectors to pass on costs to consumers.*