



**2015/0148(COD)**

23.8.2016

# **AMENDMENTS 449 - 656**

**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 449**

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

**Proposal for a directive**

**Article 1 – point 6**

Directive 2003/87/EC

Article 10b and Article 10c

*Text proposed by the Commission*

*Amendment*

Articles 10b and 10c are ***replaced by the following:***

Articles 10b and 10c are ***deleted.***

***"Article 10b***

***Measures to support certain energy-intensive industries in the event of carbon leakage***

***1. Sectors and sub-sectors where the product exceeds 0.2 from multiplying their intensity of trade with third countries, defined as the ratio between the total value of exports to third countries plus the value of imports from third countries and the total market size for the European Economic Area (annual turnover plus total imports from third countries), by their emission intensity, measured in kgCO<sub>2</sub> divided by their gross value added (in €), shall be deemed to be at risk of carbon leakage. Such sectors and sub-sectors shall be allocated allowances free of charge for the period up to 2030 at 100% of the quantity determined in accordance with the measures adopted pursuant to Article 10a.***

***2. Sectors and sub-sectors where the product from multiplying their intensity of trade with third countries by their emission intensity is above 0.18 may be included in the group referred to in paragraph 1, on the basis of a qualitative assessment using the following criteria:***

***(a) the extent to which it is possible for individual installations in the sector or sub-sectors concerned to reduce emission***

*levels or electricity consumption;*

*(b) current and projected market characteristics;*

*(c) profit margins as a potential indicator of long-run investment or relocation decisions.*

*3. Other sectors and sub-sectors are considered to be able to pass on more of the cost of allowances in product prices, and shall be allocated allowances free of charge for the period up to 2030 at 30% of the quantity determined in accordance with the measures adopted pursuant to Article 10a.*

*4. By 31 December 2019, the Commission shall adopt a delegated act for the preceding paragraphs for activities at a 4-digit level (NACE-4 code) as concerns paragraph 1, in accordance with Article 23, based on data for the three most recent calendar years available.*

#### *Article 10c*

*Option for transitional free allocation for the modernisation of the energy sector*

*1. By derogation from Article 10a(1) to (5), Member States which had in 2013 a GDP per capita in € at market prices below 60% of the Union average may give a transitional free allocation to installations for electricity production for the modernisation of the energy sector.*

*2. The Member State concerned shall organise a competitive bidding process for projects with a total amount of investment exceeding €10 million to select the investments to be financed with free allocation. This competitive bidding process shall:*

*(a) comply with the principles of transparency, non-discrimination, equal treatment and sound financial management;*

*(b) ensure that only projects which contribute to the diversification of their*

*energy mix and sources of supply, the necessary restructuring, environmental upgrading and retrofitting of the infrastructure, clean technologies and modernisation of the energy production, transmission and distribution sectors are eligible to bid;*

*(c) define clear, objective, transparent and non-discriminatory selection criteria for the ranking of projects, so as to ensure that projects are selected which:*

*(i) on the basis of a cost-benefit analysis, ensure a net positive gain in terms of emission reduction and realise a pre-determined significant level of CO<sub>2</sub> reductions;*

*(ii) are additional, clearly respond to replacement and modernisation needs and do not supply a market-driven increase in energy demand;*

*(iii) offer best value for money;*

*By 30 June 2019, any Member State intending to make use of optional free allocation shall publish a detailed national framework setting out the competitive bidding process and selection criteria for public comment.*

*Where investments with a value of less than €10 million are supported with free allocation, the Member State shall select projects based on objective and transparent criteria. The results of this selection process shall be published for public comment. On this basis, the Member State concerned shall establish and submit a list of investments to the Commission by 30 June 2019.*

*3. The value of the intended investments shall at least equal the market value of the free allocation, while taking into account the need to limit directly linked price increases. The market value shall be the average of the price of allowances on the common auction platform in the preceding calendar year.*

**4. Transitional free allocations shall be deducted from the quantity of allowances that the Member State would otherwise auction. The total free allocation shall be no more than 40% of the allowances which the Member State concerned receives in the period 2021-30 pursuant to Article 10(2)(a) spread out in equal annual volumes over the period from 2021-30.**

**5. Allocations to operators shall be made upon demonstration that an investment selected according to the rules of the competitive bidding process has been carried out.**

**6. Member States shall require benefiting electricity generators and network operators to report by 28 February of each year on the implementation of their selected investments. Member States shall report on this to the Commission, and the Commission shall make such reports public."**

Or. en

#### **Amendment 450**

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

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

#### **Article 1 – point 6**

Directive 2003/87/EC

Article 10b – title

*Text proposed by the Commission*

Measures to support certain energy-intensive industries in the event of carbon leakage

*Amendment*

***Transitional*** measures to support certain energy-intensive industries in the event of carbon leakage

Or. en

**Amendment 451**  
**Bas Eickhout**

**Proposal for a directive**

**Article 1 – point 6**

Directive 2003/87/EC

Articles 10b and 10c

*Text proposed by the Commission*

(6) Articles 10b and 10c are replaced by the following:

1. Sectors and sub-sectors where the product exceeds **0.2** from multiplying their intensity of trade with third countries, defined as the ratio between the total value of exports to third countries plus the value of imports from third countries and the total market size for the European Economic Area (annual turnover plus total imports from third countries), by their emission intensity, measured in kgCO<sub>2</sub> divided by their gross value added (in €), shall be deemed to be at risk of carbon leakage. Such sectors and sub-sectors shall be allocated allowances free of charge for the period up to 2030 at 100% of the quantity determined in accordance with the measures adopted pursuant to Article 10a.

*Amendment*

(6) Articles 10b and 10c are replaced by the following:

1. Sectors and sub-sectors ***in which*** the product exceeds **2,5** from multiplying their intensity of trade with third countries, defined as the ratio between the total value of exports to third countries ***or subnational regions that are not implementing comparable carbon pricing or other measures in relation to the sector or subsector concerned*** plus the value of imports from third countries ***or subnational regions*** and the total market size for the European Economic Area (annual turnover plus total imports from third countries) ***that are not implementing comparable carbon pricing or other measures in relation to the sector or subsector concerned***, by their emission intensity, measured in kgCO<sub>2</sub> divided by their gross value added (in ***EUR***), shall be deemed to be at risk of carbon leakage. Such sectors and sub-sectors shall be allocated allowances free of charge for the period up to 2030 at 90% of the quantity determined in accordance with the measures adopted pursuant to Article 10a.

***Sectors and sub-sectors in which the product is below 2,5 but above 1.0 shall be deemed to be at medium risk of carbon leakage. Such sectors and sub-sectors shall be allocated allowances free of charge for the period up to 2030 at 60% of that quantity.***

***Sectors and sub-sectors in which the product is below 1,0 but above 0,2 shall be deemed to be at low risk of carbon leakage. Such sectors and sub-sectors***

*shall be allocated allowances free of charge for the period up to 2030 at 30% of that quantity.*

Or. en

*Justification*

*The deletion of proposed Article 10c is linked to an amendment on the share of allowances dedicated to Modernisation Fund and should be put to vote together with that amendment.*

**Amendment 452**

**Jytte Guteland, Matthias Groote, Jo Leinen, Seb Dance, Nicola Caputo, Gilles Pargneaux**

**Proposal for a directive**

**Article 1 – point 6**

Directive 2003/87/EC

Article 10b – paragraph 1

*Text proposed by the Commission*

1. Sectors and sub-sectors **where the product exceeds 0.2 from multiplying** their intensity of trade with third countries, defined as the ratio between the total value of exports to third countries plus the value of imports from third countries and the total market size for the European Economic Area (annual turnover plus total imports from third countries), by their emission intensity, measured in kgCO<sub>2</sub> divided by their gross value added (in €), shall be deemed to be at risk of carbon leakage. **Such** sectors and sub-sectors shall be allocated allowances free of charge for the period up to 2030 at **100%** of the quantity determined in accordance with the measures adopted pursuant to Article 10a.

*Amendment*

1. **To determine the exposure to the risk of carbon leakage for** sectors and sub-sectors **and in order to avoid windfall profits**, their intensity of trade with third countries, defined as the ratio between the total value of exports to third countries plus the value of imports from third countries and the total market size for the European Economic Area (annual turnover plus total imports from third countries), **shall be multiplied** by their emission intensity, measured in kgCO<sub>2</sub> divided by their gross value added (in EUR). **The calculated emissions intensity of sectors and sub-sectors shall not increase for any sector beyond levels registered in the third trading period.**

**If this product exceeds 2,5, these sectors and sub-sectors** shall be deemed to be at **high** risk of carbon leakage **and be allocated allowances free of charge for the period up to 2030 at 100% of the quantity determined in accordance with the measures adopted pursuant to Article**



**10a.**

***If this product exceeds 1,0, these sectors and sub-sectors shall be deemed to be at medium risk of carbon leakage and be allocated allowances free of charge for the period up to 2030 at 80% of the quantity determined in accordance with the measures adopted pursuant to Article 10a.***

***If this product exceeds 0,2, these sectors and sub-sectors shall be deemed to be at low risk of carbon leakage and be allocated allowances free of charge for the period up to 2030 at 60% of the quantity determined in accordance with the measures adopted pursuant to Article 10a.***

***If this product is below 0,2, these sectors and sub-sectors shall be deemed to be at insignificant risk of carbon leakage and shall not be allocated allowances free of charge for the period up to 2030.***

Or. en

#### *Justification*

*Free allocation is a temporary exception to the rule of auctioning of allowances and it should only be eligible to sectors at significant risk of carbon leakage. A more precise allocation system, based on the varying exposure to the risk of carbon leakage, is fair and ensures that resources are used where needed the most so as to support the sectors at greatest risk, while minimising the likelihood of the application of the Cross-Sectoral Correction Factor. Model based on the targeted approach alternative in the Commission's IA.*

#### **Amendment 453 Gerben-Jan Gerbrandy**

**Proposal for a directive  
Article 1 – point 6  
Directive 2003/87/EC  
Article 10b – paragraph 1**

*Text proposed by the Commission*

1. Sectors and sub-sectors ***where the product exceeds 0.2 from multiplying*** their

*Amendment*

1. ***To determine the exposure to the risk of carbon leakage for*** sectors and sub-

intensity of trade with third countries, defined as the ratio between the total value of exports to third countries plus the value of imports from third countries and the total market size for the European Economic Area (annual turnover plus total imports from third countries), by their emission intensity, measured in kgCO<sub>2</sub> divided by their gross value added (in €), shall be deemed **to be at** risk of carbon leakage. **Such** sectors and sub-sectors shall be allocated allowances free of charge for the period up to 2030 at **100%** of the quantity determined in accordance with the measures adopted pursuant to Article 10a.

sectors **and in view of avoiding windfall profits**, their intensity of trade with third countries, defined as the ratio between the total value of exports to third countries plus the value of imports from third countries and the total market size for the European Economic Area (annual turnover plus total imports from third countries), **shall be multiplied** by their emission intensity, measured in kgCO<sub>2</sub> **of direct emissions** divided by their gross value added (in **EUR**).

***If this product exceeds 2,5, these sectors and sub-sectors shall be deemed to be at high risk of carbon leakage and be allocated allowances free of charge for the period up to 2030 at 100% of the quantity determined in accordance with the measures adopted pursuant to Article 10a.***

***If this product exceeds 1,0, these sectors and sub-sectors shall be deemed to be at medium risk of carbon leakage and be allocated allowances free of charge for the period up to 2030 at 80% of the quantity determined in accordance with the measures adopted pursuant to Article 10a.***

***If this product exceeds 0,2, these sectors and sub-sectors shall be deemed to be at low risk of carbon leakage and be allocated allowances free of charge for the period up to 2030 at 60% of the quantity determined in accordance with the measures adopted pursuant to Article 10a.***

***If this product is below 0,2, these sectors and sub-sectors shall be deemed to be at insignificant risk of carbon leakage and shall not be allocated allowances free of charge for the period up to 2030.***

Or. en

## Justification

*Better targeting of the carbon leakage list on those sectors genuinely and most exposed to carbon leakage will minimise, or even avoid, the need to apply the cross-sectoral correction factor (CSCF). The thresholds in this amendment are based on the "targeted" approach set out in the European Commission Impact Assessment accompanying the ETS reform proposal.*

### Amendment 454

Peter Liese

#### Proposal for a directive

##### Article 1 – point 6

Directive 2003/87/EC

Article 10b – paragraph 1

#### *Text proposed by the Commission*

1. Sectors **and sub-sectors where the product exceeds 0.2** from multiplying their intensity of trade with third countries, defined as the ratio between the total value of exports to third countries plus the value of imports from third countries and the total market size for the European Economic Area (annual turnover plus total imports from third countries), by their emission intensity, measured in kgCO<sub>2</sub> divided by their gross value added (in €), **shall be deemed to be at** risk of carbon leakage. **Such** sectors and sub-sectors shall be allocated allowances free of charge for the period up to 2030 at **100%** of the quantity determined in accordance with the measures adopted pursuant to Article 10a.

#### *Amendment*

1. **The level to which** sectors **are exposed to the risk of carbon leakage shall be assessed by** multiplying their intensity of trade with third countries, defined as the ratio between the total value of exports to third countries plus the value of imports from third countries and the total market size for the European Economic Area (annual turnover plus total imports from third countries), by their emission intensity, measured in kgCO<sub>2</sub> divided by their gross value added (in **EUR**). **Considering that some sectors and subsectors exposed to the risk of carbon leakage are able to pass on more of the cost of allowances in product prices than others,** sectors and sub-sectors **exposed to the risk of carbon leakage** shall be allocated allowances free of charge for the period up to 2030 at **the following percentages** of the quantity determined in accordance with the measures adopted pursuant to Article 10a:

(a) **for sectors and sub-sectors where the result is equal to or exceeds 1,6, the percentage shall be 100%;**

(b) **for sectors and sub-sectors where the result is below 1,6, the percentage shall be allocated exactly according to the**

*level of the risk of carbon leakage calculated as a result from multiplying their intensity of trade with third countries by their emission intensity (according to a straight line).*

Or. en

#### *Justification*

*There is a problem when an industry gets 75% of free allowances instead of 100%, 50% instead of 75%, or 30% instead of 50%. As an alternative to tiering, allowances free of charge should be allocated to sectors and subsectors that are exposed to the risk of carbon leakage exactly according to their carbon risk level resulting from multiplying their intensity of trade with third countries by their emission intensity (according to a straight line). The difference between being in a different category is bigger than the difference of being on a slightly different position on a straight.*

#### **Amendment 455**

**Mireille D'Ornano, Jean-François Jalkh, Sylvie Goddyn**

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

#### **Article 1 – point 6**

Directive 2003/87/EC

Article 10b – paragraph 1

#### *Text proposed by the Commission*

1. Sectors and sub-sectors where the product exceeds **0.2** from multiplying their intensity of trade with third countries, defined as the ratio between the total value of exports to third countries plus the value of imports from third countries and the total market size for the European Economic Area (annual turnover plus total imports from third countries), by their emission intensity, measured in kgCO<sub>2</sub> divided by their gross value added (in €), shall be deemed to be at risk of carbon leakage. Such sectors and sub-sectors shall be allocated allowances free of charge for the period up to 2030 at 100% of the quantity determined in accordance with the measures adopted pursuant to Article 10a.

#### *Amendment*

1. Sectors and sub-sectors where the product exceeds **0,18** from multiplying their intensity of trade with third countries, defined as the ratio between the total value of exports to third countries plus the value of imports from third countries and the total market size for the European Economic Area (annual turnover plus total imports from third countries), by their emission intensity, measured in kgCO<sub>2</sub> divided by their gross value added (in €), shall be deemed to be at risk of carbon leakage. Such sectors and sub-sectors shall be allocated allowances free of charge for the period up to 2030 at 100% of the quantity determined in accordance with the measures adopted pursuant to Article 10a.

**Amendment 456****Matteo Salvini****Proposal for a directive****Article 1 – point 6**

Directive 2003/87/EC

Article 10b – paragraph 1

*Text proposed by the Commission*

1. Sectors and sub-sectors where the product exceeds **0.2** from multiplying their intensity of trade with third countries, defined as the ratio between the total value of exports to third countries plus the value of imports from third countries and the total market size for the European Economic Area (annual turnover plus total imports from third countries), by their emission intensity, measured in kgCO<sub>2</sub> divided by their gross value added (in €), shall be deemed to be at risk of carbon leakage. Such sectors and sub-sectors shall be allocated allowances free of charge for the period up to 2030 at 100% of the quantity determined in accordance with the measures adopted pursuant to Article 10a.

*Amendment*

1. Sectors and sub-sectors where the product exceeds **0,15** from multiplying their intensity of trade with third countries, defined as the ratio between the total value of exports to third countries plus the value of imports from third countries and the total market size for the European Economic Area (annual turnover plus total imports from third countries), by their emission intensity, measured in kgCO<sub>2</sub> divided by their gross value added (in €), shall be deemed to be at risk of carbon leakage. Such sectors and sub-sectors shall be allocated allowances free of charge for the period up to 2030 at 100% of the quantity determined in accordance with the measures adopted pursuant to Article 10a.

Or. en

**Amendment 457****Ivo Belet, Pilar Ayuso, Michel Dantin, Francesc Gambús, Jens Gieseke, Françoise Grossetête, Peter Liese, Alojz Peterle, Annie Schreijer-Pierik****Proposal for a directive****Article 1 – point 6**

Directive 2003/87/EC

Article 10b – paragraph 1

*Text proposed by the Commission*

1. Sectors and sub-sectors where the product exceeds 0.2 from multiplying their

*Amendment*

1. Sectors and sub-sectors where the product exceeds 0.2 from multiplying their

intensity of trade with third countries, defined as the ratio between the total value of exports to third countries plus the value of imports from third countries and the total market size for the European Economic Area (annual turnover plus total imports from third countries), by their emission intensity, measured in kgCO<sub>2</sub> divided by their gross value added (in €), shall be deemed to be at risk of carbon leakage. Such sectors and sub-sectors shall be allocated allowances free of charge for the period up to 2030 at 100% of the quantity determined in accordance with the measures adopted pursuant to Article 10a.

intensity of trade with third countries, defined as the ratio between the total value of exports to third countries plus the value of imports from third countries and the total market size for the European Economic Area (annual turnover plus total imports from third countries), by their emission intensity, measured in kgCO<sub>2</sub> divided by their gross value added (in €), shall be deemed to be at **high** risk of carbon leakage. Such sectors and sub-sectors shall be allocated allowances free of charge for the period up to 2030 at 100% of the quantity determined in accordance with the measures adopted pursuant to Article 10a. ***To ensure a level playing field for the production of hydrogen and syngas in refineries and chemical plants, hydrogen and syngas shall continue to be deemed to be at the same risk of carbon leakage as the refinery sector.***

Or. en

## **Amendment 458**

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

### **Proposal for a directive**

#### **Article 1 – point 6**

Directive 2003/87/EC

Article 10b – paragraph 1

#### *Text proposed by the Commission*

1. Sectors and sub-sectors where the product exceeds 0.2 from multiplying their intensity of trade with third countries, defined as the ratio between the total value of exports to third countries plus the value of imports from third countries and the total market size for the European Economic Area (annual turnover plus total imports from third countries), by their emission intensity, measured in kgCO<sub>2</sub> divided by their gross value added (in €), shall be deemed to be at risk of carbon

#### *Amendment*

1. Sectors and sub-sectors where the product exceeds 0.2 from multiplying their intensity of trade with third countries, defined as the ratio between the total value of exports to third countries plus the value of imports from third countries and the total market size for the European Economic Area (annual turnover plus total imports from third countries), by their emission intensity, measured in kgCO<sub>2</sub> divided by their gross value added (in **EUR**), ***as well as heat supplied from***

leakage. Such sectors and sub-sectors shall be allocated allowances free of charge for the period up to 2030 at 100% of the quantity determined in accordance with the measures adopted pursuant to Article 10a.

*district heating systems*, shall be deemed to be at risk of carbon leakage. Such sectors and sub-sectors shall be allocated allowances free of charge for the period up to 2030 at 100% of the quantity determined in accordance with the measures adopted pursuant to Article 10a.

Or. en

**Amendment 459**  
**Bas Eickhout**

**Proposal for a directive**  
**Article 1 – point 6**  
Directive 2003/87/EC  
Articles 10b – paragraph 1a (new)

*Text proposed by the Commission*

*Amendment*

**1a. Other sectors and sub-sectors are considered to be able to pass on more of the cost of allowances in product prices, and shall be allocated no allowances free of charge.**

Or. en

*Justification*

*The deletion of proposed Article 10c is linked to an amendment on the share of allowances dedicated to Modernisation Fund and should be put to vote together with that amendment.*

**Amendment 460**  
**Peter Liese**

**Proposal for a directive**  
**Article 1 – point 6**  
Directive 2003/87/EC  
Article 10b – paragraph 1 a (new)

*Text proposed by the Commission*

*Amendment*

**1a. After the adoption of the revision**

*of the Directive 2012/27/EU of the European Parliament and of the Council\*, the Commission shall reassess the share of emission reductions in the EU ETS and the Decision No 406/2009/EC of the European Parliament and of the Council\*\*. Additional reductions by an increased energy efficiency target shall be used to protect industry at risk of carbon or investment leakage.*

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*\* Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency, amending Directives 2009/125/EC and 2010/30/EU and repealing Directives 2004/8/EC and 2006/32/EC (OJ L 315, 14.11.2012, p. 1).*

*\*\* Decision No 406/2009/EC of the European Parliament and of the Council of 23 April 2009 on the effort of Member States to reduce their greenhouse gas emissions to meet the Community's greenhouse gas emission reduction commitments up to 2020 (OJ L 140, 5.6.2009, p. 136).*

Or. en

#### *Justification*

*President Juncker supported a target of energy efficiency of at least 30%. The majority of the EP would even like to go further. This will of course lead to more emission reductions in the effort sharing. Therefore, the cap for the effort sharing should be reduced and the space should be used for protection of industry at risk of carbon leakage.*

#### **Amendment 461**

**Marijana Petir**

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

#### **Article 1 – point 6**

Directive 2003/87/EC

Article 10 b – paragraph 1 a (new)



*Text proposed by the Commission*

*Amendment*

***1a. If a Member State on an EU external border with third countries proves that an individual sector on its territory is at risk of carbon leakage in accordance with the criteria set out in paragraph 1 of this Article, that sector and its sub-sectors in the above Member State shall be allocated allowances free of charge for the period up to 2030 at 100% of the quantity determined in accordance with the measures adopted pursuant to Article 10a.***

Or. hr

*Justification*

*When determining the risk of carbon leakage, geographical criteria must likewise be taken into account, since the fact that Member States lie on EU external borders might mean that more than one sector is vulnerable.*

**Amendment 462**  
**Andrzej Grzyb**

**Proposal for a directive**  
**Article 1 – point 6**  
Directive 2003/87/EC  
Article 10b – paragraph 1 a (new)

*Text proposed by the Commission*

*Amendment*

***1a. Sectors and sub-sectors with unavoidable process emissions shall be deemed to be at the highest risk of carbon leakage and shall be allocated free allowances for the period up to 2030 at 100% of the quantity determined in accordance with the measures adopted pursuant to Article 10a.***

Or. en

**Amendment 463**

**Jytte Guteland, Matthias Groote, Jo Leinen, Seb Dance, Pavel Poc, Christel Schaldemose, Nicola Caputo, Gilles Pargneaux**

**Proposal for a directive**

**Article 1 – point 6**

Directive 2003/87/EC

Article 10b – paragraph 2

*Text proposed by the Commission*

*Amendment*

- 2. Sectors and sub-sectors where the product from multiplying their intensity of trade with third countries by their emission intensity is above 0.18 may be included in the group referred to in paragraph 1, on the basis of a qualitative assessment using the following criteria:**
- (a) the extent to which it is possible for individual installations in the sector or sub-sectors concerned to reduce emission levels or electricity consumption;**
- (b) current and projected market characteristics;**
- (c) profit margins as a potential indicator of long-run investment or relocation decisions.**
- deleted*

Or. en

*Justification*

*Qualitative assessment administrative burdensome and not needed when using the targeted approach to carbon leakage and its differentiation between sectors.*

**Amendment 464**

**Gerben-Jan Gerbrandy**

**Proposal for a directive**

**Article 1 – point 6**

Directive 2003/87/EC

Article 10b – paragraph 2

*Text proposed by the Commission*

*Amendment*

- 2. Sectors and sub-sectors where the product from multiplying their intensity of trade with third countries by their emission intensity is above 0.18 may be included in the group referred to in paragraph 1, on the basis of a qualitative assessment using the following criteria:** *deleted*
- (a) the extent to which it is possible for individual installations in the sector or sub-sectors concerned to reduce emission levels or electricity consumption;**
- (b) current and projected market characteristics;**
- (c) profit margins as a potential indicator of long-run investment or relocation decisions.**

Or. en

*Justification*

*As the targeted approach will better differentiate sectors based on genuine exposure to carbon leakage an additional qualitative assessment is no longer necessary. Removing the qualitative assessment will also significantly reduce the administrative complexity of the ETS.*

**Amendment 465**

**Bas Eickhout**

**Proposal for a directive**

**Article 1 – point 6**

Directive 2003/87/EC

Article 10b – paragraph 2

*Text proposed by the Commission*

*Amendment*

- 2. Sectors and sub-sectors where the product from multiplying their intensity of trade with third countries by their emission intensity is above 0.18 may be included in the group referred to in paragraph 1, on the basis of a qualitative assessment using the following criteria:** *deleted*

(a) *the extent to which it is possible for individual installations in the sector or sub-sectors concerned to reduce emission levels or electricity consumption;*

(b) *current and projected market characteristics;*

(c) *profit margins as a potential indicator of long-run investment or relocation decisions.*

Or. en

#### **Amendment 466**

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

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

##### **Article 1 – point 6**

Directive 2003/87/EC

Article 10b – paragraph 2 – introductory sentence

#### *Text proposed by the Commission*

2. Sectors and sub-sectors *where the product from multiplying their intensity of trade with third countries by their emission intensity is above 0.18* may be included in the group referred to in paragraph 1, on the basis of a qualitative assessment using the following criteria:

#### *Amendment*

2. Sectors and sub-sectors may be included in the group referred to in paragraph 1, on the basis of a qualitative assessment using the following criteria:

Or. en

#### **Amendment 467**

**Tibor Szanyi**

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

##### **Article 1 – point 6**

Directive 2003/87/EC

Article 10b – paragraph 2 – introductory sentence

#### *Text proposed by the Commission*

2. Sectors and sub-sectors *where the product from multiplying their intensity of*

#### *Amendment*

2. Sectors and sub-sectors may be included in the group referred to in

*trade with third countries by their emission intensity is above 0.18* may be included in the group referred to in paragraph 1, on the basis of a qualitative assessment using the following criteria:

paragraph 1, on the basis of a qualitative assessment using the following criteria:

Or. en

#### **Amendment 468**

**Elisabetta Gardini, Massimiliano Salini, Antonio Tajani, Giovanni La Via, Adina-Ioana Vălean, Alberto Cirio, Krišjānis Kariņš**

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

##### **Article 1 – point 6**

Directive 2003/87/EC

Article 10b – paragraph 2 – introductory sentence

#### *Text proposed by the Commission*

2. Sectors and sub-sectors *where the product from multiplying their intensity of trade with third countries by their emission intensity is above 0.18* may be included in the group referred to in paragraph 1, on the basis of a qualitative assessment using the following criteria:

#### *Amendment*

2. Sectors and sub-sectors may be included in the group referred to in paragraph 1, on the basis of a qualitative assessment using the following criteria:

Or. en

#### **Amendment 469**

**Matteo Salvini**

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

##### **Article 1 – point 6**

Directive 2003/87/EC

Article 10b – paragraph 2 – introductory sentence

#### *Text proposed by the Commission*

2. Sectors and sub-sectors *where the product from multiplying their intensity of trade with third countries by their emission intensity is above 0.18* may be included in the group referred to in paragraph 1, on the basis of a qualitative

#### *Amendment*

2. **Other** sectors and sub-sectors may be included in the group referred to in paragraph 1, on the basis of a qualitative assessment using the following criteria:

assessment using the following criteria:

Or. en

#### **Amendment 470**

**Mireille D'Ornano, Sylvie Goddyn, Jean-François Jalkh**

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

##### **Article 1 – point 6**

Directive 2003/87/EC

Article 10b – paragraph 2 – introductory sentence

#### *Text proposed by the Commission*

2. Sectors and sub-sectors ***where the product from multiplying their intensity of trade with third countries by their emission intensity is above 0.18*** may be included in the group referred to in paragraph 1, on the basis of a qualitative assessment using the following criteria:

#### *Amendment*

2. ***Other*** sectors and sub-sectors may be included in the group referred to in paragraph 1, on the basis of a qualitative assessment using the following criteria:

Or. en

#### **Amendment 471**

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

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

##### **Article 1 – point 6**

Directive 2003/87/EC

Article 10b – paragraph 2 – introductory sentence

#### *Text proposed by the Commission*

2. Sectors and sub-sectors where the product from multiplying their intensity of trade with third countries by their emission intensity is ***above 0.18*** may be included in the group referred to in paragraph 1, on the basis of a qualitative assessment using the following criteria:

#### *Amendment*

2. Sectors and sub-sectors where the product from multiplying their intensity of trade with third countries by their emission intensity is ***below 0,2*** may be included in the group referred to in paragraph 1, on the basis of a qualitative assessment, ***based on a detailed impact assessment and taking into account sectors and sub-sectors at the relevant level, either at PRODCOM or NACE codes***, using the following criteria:

*Justification*

*Sectors and sub-sectors should be able to present their characteristics and ask for a possible qualification in the carbon leakage list. The current official procedure to decide whether this sector or sub-sector should be added to the carbon leakage list must then remain as it is.*

**Amendment 472****Albert Deß****Proposal for a directive****Article 1 – point 6**

Directive 2003/87/EC

Article 10b – paragraph 2 – introductory sentence

*Text proposed by the Commission*

2. Sectors and sub-sectors where the product from multiplying their intensity of trade with third countries by their emission intensity is above **0.18** may be included in the group referred to in paragraph 1, on the basis of a qualitative assessment using the following criteria:

*Amendment*

2. Sectors and sub-sectors where the product from multiplying their intensity of trade with third countries by their emission intensity is above **0,12 based on public or sector specific data as well as sectors that were deemed at risk of carbon leakage between 2013 and 2020 and that have a trade intensity of at least 40%**, may be included in the group referred to in paragraph 1, on the basis of a qualitative assessment using the following criteria:

Or. en

**Amendment 473****Ivo Belet, Pilar Ayuso, Francesc Gambús, Peter Liese, Alojz Peterle, Annie Schreijer-Pierik****Proposal for a directive****Article 1 – point 6**

Directive 2003/87/EC

Article 10b – paragraph 2 – introductory sentence

*Text proposed by the Commission*

2. Sectors and sub-sectors where the product from multiplying their intensity of

*Amendment*

2. Sectors and sub-sectors where the product from multiplying their intensity of

trade with third countries by their emission intensity is above **0.18** may be included in the group referred to in paragraph 1, on the basis of a qualitative assessment using the following criteria:

trade with third countries by their emission intensity is above **0,12 as well as sectors that were deemed at risk of carbon leakage between 2013 and 2020 and that have a trade intensity of at least 40 %**, may be included in the group referred to in paragraph 1, on the basis of a qualitative assessment using the following criteria:

Or. en

#### **Amendment 474**

**Jens Gieseke**

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

##### **Article 1 – point 6**

Directive 2003/87/EC

Article 10b – paragraph 2 – introductory sentence

#### *Text proposed by the Commission*

2. Sectors and sub-sectors where the product from multiplying their intensity of trade with third countries by their emission intensity is **above 0.18** may be included in the group referred to in paragraph 1, on the basis of a qualitative assessment using the following criteria:

#### *Amendment*

2. Sectors and sub-sectors where the product from multiplying their intensity of trade with third countries by their emission intensity is **below 0,2 or their emission intensity exceeds 12 % or their trade intensity exceeds 30%** may be included in the group referred to in paragraph 1, on the basis of a qualitative assessment using the following criteria:

Or. en

#### **Amendment 475**

**György Hölvényi, András Gyürk**

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

##### **Article 1 – point 6**

Directive 2003/87/EC

Article 10b – paragraph 2 – introductory sentence

#### *Text proposed by the Commission*

2. Sectors and sub-sectors where the product from multiplying their intensity of

#### *Amendment*

2. Sectors and sub-sectors where the product from multiplying their intensity of



trade with third countries by their emission intensity is above **0.18** may be included in the group referred to in paragraph 1, on the basis of a qualitative assessment using the following criteria:

trade with third countries by their emission intensity is above **0,12** may be included in the group referred to in paragraph 1, on the basis of a qualitative assessment using the following criteria:

Or. en

#### **Amendment 476**

**Jadwiga Wiśniewska, Bolesław G. Piecha**

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

##### **Article 1 – point 6**

Directive 2003/87/EC

Article 10b – paragraph 2 – introductory sentence

#### *Text proposed by the Commission*

2. Sectors and sub-sectors where the product from multiplying their intensity of trade with third countries by their emission intensity is above **0.18** may be included in the group referred to in paragraph 1, on the basis of a qualitative assessment using the following criteria:

#### *Amendment*

2. Sectors and sub-sectors where the product from multiplying their intensity of trade with third countries by their emission intensity is above **0.12** may be included in the group referred to in paragraph 1, on the basis of a qualitative assessment using the following criteria:

Or. pl

#### *Justification*

*The 0.18 threshold would limit this opportunity to a small number of sectors. Although it is possible to understand the Commission's view that such an assessment would be exceptionally difficult for all sectors below 0.18, its scope should nonetheless be broadened.*

#### **Amendment 477**

**Jadwiga Wiśniewska, Bolesław G. Piecha**

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

##### **Article 1 – point 6**

Directive 2003/87/EC

Article 10b – paragraph 2 – point a

*Text proposed by the Commission*

(a) the extent to which it is possible for individual installations in the sector or sub-sectors concerned to reduce emission levels or electricity consumption;

*Amendment*

(a) the extent to which it is possible for individual installations in the sector or sub-sectors concerned to reduce emission levels or electricity consumption ***without risking a loss of competitiveness in view of the associated growth in costs***;

Or. pl

*Justification*

*The assessment must take the issue of costs into account.*

**Amendment 478**

**Jens Gieseke**

**Proposal for a directive**

**Article 1 – point 6**

Directive 2003/87/EC

Article 10b – paragraph 2 – point a a (new)

*Text proposed by the Commission*

*Amendment*

***(aa) Sectors where a large majority of installations belong to small emitters, as defined in Article 27, shall be allocated allowances free of charge for the period up to 2030 at 100% of the quantity determined in accordance with the measures adopted pursuant to Article 10a.***

Or. en

*Justification*

*Due to the disproportionately higher compliance and administrative costs borne by sectors composed mainly of SMEs and labour-intensive companies, sectors composed by large majority of small emitters shall be deemed as exposed to risk of carbon leakage. Their carbon leakage risk, when measures quantitatively, is underestimated.*

## **Amendment 479**

**Jadwiga Wiśniewska, Bolesław G. Piecha**

### **Proposal for a directive**

#### **Article 1 – point 6**

Directive 2003/87/EC

Article 10b – paragraph 2 – point a a (new)

*Text proposed by the Commission*

*Amendment*

*(aa) possible market disruptions resulting from the differences in the level of allocations granted between sectors and subsectors;*

Or. pl

#### *Justification*

*A qualitative assessment must also take account of the consequences that granting allocations could have for the situation of sectors producing potentially competing products that do not receive the same level of allocations.*

## **Amendment 480**

**Ivo Belet, Michel Dantin, Francesc Gambús, Françoise Grossetête, Krišjānis Kariņš, Andrey Kovatchev, Peter Liese, Alojz Peterle**

### **Proposal for a directive**

#### **Article 1 – point 6**

Directive 2003/87/EC

Article 10b – paragraph 2 – point c

*Text proposed by the Commission*

*Amendment*

(c) profit margins as a potential indicator of long-run investment or relocation decisions.

(c) profit margins *or the inability to pass on carbon costs* as a potential indicator of long-run investment or relocation decisions.

Or. en

## **Amendment 481**

**Annie Schreijer-Pierik**

**Proposal for a directive**

**Article 1 – point 6**

Directive 2003/87/EC

Article 10b – paragraph 2 – point c

*Text proposed by the Commission*

(c) profit margins as a potential indicator of long-run investment or relocation decisions.

*Amendment*

(c) profit margins *or the inability to pass on carbon costs in a respective sectoral chain* as a potential indicator of long-run investment or relocation decisions.

Or. en

**Amendment 482**

**Jens Gieseke**

**Proposal for a directive**

**Article 1 – point 6**

Directive 2003/87/EC

Article 10b – paragraph 2 – point c a (new)

*Text proposed by the Commission*

*Amendment*

(ca) *the extent to which undertakings operate in two or more sectors which may lead to insufficient data base because data collected in relation to those undertakings are not aligned in terms of the deemed risk of carbon leakage and subsequently a distortion of competition may arise.*

Or. en

**Amendment 483**

**Jadwiga Wiśniewska, Bolesław G. Piecha**

**Proposal for a directive**

**Article 1 – point 6**

Directive 2003/87/EC

Article 10b – paragraph 2 – point c b (new)

*Text proposed by the Commission*

*Amendment*

***(cb) exposure to competition due to the proximity of the Union's external borders, taking into account the geographical distribution of installations in a given sector or subsector.***

Or. pl

*Justification*

*A qualitative assessment should take account of the average exposure to competition due to the direct geographical proximity to installations that are not subject to analogous systems.*

**Amendment 484**

**Marian-Jean Marinescu**

**Proposal for a directive**

**Article 1 – point 6**

Directive 2003/87/EC

Article 10b – paragraph 2 – point c c (new)

*Text proposed by the Commission*

*Amendment*

***(cc) the extent to which distance from Union external borders affect installations;***

Or. en

**Amendment 485**

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

**Proposal for a directive**

**Article 1 – point 6**

Directive 2003/87/EC

Article 10b – paragraph 2 – point c d (new)

*Text proposed by the Commission*

*Amendment*

***(cd) level of potential competition distortion among sectors and sub-sectors***

**Amendment 486**

**Matteo Salvini**

**Proposal for a directive**

**Article 1 – point 6**

Directive 2003/87/EC

Article 10b – paragraph 2 – point c d (new)

*Text proposed by the Commission*

*Amendment*

*(cd) level of potential competition  
distortion among sectors and sub-sectors.*

Or. en

**Amendment 487**

**Tibor Szanyi**

**Proposal for a directive**

**Article 1 – point 6**

Directive 2003/87/EC

Article 10b – paragraph 2 – point c d (new)

*Text proposed by the Commission*

*Amendment*

*(cd) level of potential competition  
distortion among sectors and sub-sectors.*

Or. en

**Amendment 488**

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

**Proposal for a directive**

**Article 1 – point 6**

Directive 2003/87/EC

Article 10b – paragraph 2 – point c d (new)

*Text proposed by the Commission*

*Amendment*

*(cd) level of potential competition*

**Amendment 489**

**Jens Gieseke**

**Proposal for a directive**

**Article 1 – point 6**

Directive 2003/87/EC

Article 10b – paragraph 2 – point c e (new)

*Text proposed by the Commission*

*Amendment*

*(ce) price taker, commodities which are traded on worldwide markets for a common reference price.*

Or. en

*Justification*

*Additionally to the two criteria trade and energy intensity a qualitative criteria "price taker" needs to be added for sectors that are commodities which are traded on worldwide markets for a unique reference price. This price taker criteria is already used to identify carbon leakage companies in the context of the environmental state aid guidelines EEAG and it helps to circumnavigate the methodological weakness of a trade and energy intensity indicator multiplication. The actual quantitative assessment is a multiplication of a non-linear factor (trade intensity) and a linear factor (emission intensity) which leads to a distortion of the carbon leakage risks. For price taker companies it is not possible to pass through regional costs to customers, therefore these costs have an immediate impact on their competitiveness.*

**Amendment 490**

**Bas Eickhout**

**Proposal for a directive**

**Article 1 – point 6**

Directive 2003/87/EC

Article 10b – paragraph 3

*Text proposed by the Commission*

*Amendment*

**3. Other sectors and sub-sectors are considered to be able to pass on more of** *deleted*

*the cost of allowances in product prices, and shall be allocated allowances free of charge for the period up to 2030 at 30% of the quantity determined in accordance with the measures adopted pursuant to Article 10a.*

Or. en

*Justification*

*Sectors and sub-sectors that are not exposed to carbon leakage risk should not receive allowances free of charge.*

**Amendment 491**

**Gerben-Jan Gerbrandy, José Inácio Faria**

**Proposal for a directive**

**Article 1 – point 6**

Directive 2003/87/EC

Article 10b – paragraph 3

*Text proposed by the Commission*

3. Other sectors and sub-sectors are considered to be able to pass on more of the cost of allowances in product prices, and shall be allocated allowances free of charge *for the period up to 2030 at 30% of the quantity determined in accordance with the measures adopted pursuant to Article 10a.*

*Amendment*

3. Other sectors and sub-sectors are considered to be able to pass on more of the cost of allowances in product prices, and shall **not** be allocated allowances free of charge.

Or. en

*Justification*

*There is no rationale to allocate free allowances to those sectors not deemed to be at risk of carbon leakage. These allowances should be made available for sectors genuinely exposed.*

**Amendment 492**

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



**Proposal for a directive**  
**Article 1 – point 6**  
Directive 2003/87/EC  
Article 10b – paragraph 3

*Text proposed by the Commission*

3. Other sectors and sub-sectors are considered to be able to pass on more of the cost of allowances in product prices, and shall be allocated allowances free of charge for the period up to 2030 **at 30% of the quantity determined in accordance with the measures adopted pursuant to Article 10a.**

*Amendment*

3. Other sectors and sub-sectors are considered to be able to pass on more of the cost of allowances in product prices, and shall **not** be allocated allowances free of charge for the period up to 2030.

Or. en

*Justification*

*Sectors that are not at risk of carbon leakage should not receive free allocation.*

**Amendment 493**  
**Mireille D'Ornano, Sylvie Goddyn, Jean-François Jalkh**

**Proposal for a directive**  
**Article 1 – point 6**  
Directive 2003/87/EC  
Article 10b – paragraph 3

*Text proposed by the Commission*

3. **Other** sectors and sub-sectors are considered to be able to pass on more of the cost of allowances in product prices, and shall be allocated allowances free of charge for the period up to 2030 at 30% of the quantity determined in accordance with the measures adopted pursuant to Article 10a.

*Amendment*

3. Sectors and sub-sectors **which do not fall under paragraphs 1 and 2** are considered to be able to pass on more of the cost of allowances in product prices, and shall be allocated allowances free of charge for the period up to 2030 at 30% of the quantity determined in accordance with the measures adopted pursuant to Article 10a.

Or. en

**Amendment 494**  
**Matteo Salvini**

**Proposal for a directive**

**Article 1 – point 6**

Directive 2003/87/EC

Article 10b – paragraph 3

*Text proposed by the Commission*

3. Other sectors and sub-sectors are considered to be able to pass on more of the cost of allowances in product prices, and shall be allocated allowances free of charge for the period up to 2030 at 30% of the quantity determined in accordance with the measures adopted pursuant to Article 10a.

*Amendment*

3. Other sectors and sub-sectors ***not falling under paragraphs 1 or 2*** are considered to be able to pass on more of the cost of allowances in product prices, and shall be allocated allowances free of charge for the period up to 2030 at 30% of the quantity determined in accordance with the measures adopted pursuant to Article 10a.

Or. en

**Amendment 495**

**Ivo Belet, Francesc Gambús, Elisabetta Gardini, Krišjānis Kariņš, Giovanni La Via, Peter Liese, Massimiliano Salini, Antonio Tajani, Alojz Peterle, Annie Schreijer-Pierik**

**Proposal for a directive**

**Article 1 – point 6**

Directive 2003/87/EC

Article 10b – paragraph 3

*Text proposed by the Commission*

3. Other sectors and sub-sectors are considered to be able to pass on more of the cost of allowances in product prices, and shall be allocated allowances free of charge for the period up to 2030 at 30% of the quantity determined in accordance with the measures adopted pursuant to Article 10a.

*Amendment*

3. Other sectors and sub-sectors are considered to be able to pass on more of the cost of allowances in product prices ***without losing market share***, and shall be allocated allowances free of charge for the period up to 2030 at 30% of the quantity determined in accordance with the measures adopted pursuant to Article 10a.

Or. en

## **Amendment 496**

**Peter Liese**

### **Proposal for a directive**

#### **Article 1 – point 6**

Directive 2003/87/EC

Article 10b – paragraph 3

#### *Text proposed by the Commission*

3. Other sectors and sub-sectors are considered to be able to pass on more of the cost of allowances in product prices, and shall be allocated allowances free of charge for the period up to 2030 at 30% of the quantity determined in accordance with the measures adopted pursuant to Article 10a.

#### *Amendment*

3. Other sectors and sub-sectors **at risk of carbon leakage** are considered to be able to pass on more of the cost of allowances in product prices, and shall be allocated allowances free of charge for the period up to 2030 at 30% of the quantity determined in accordance with the measures adopted pursuant to Article 10a.

Or. en

#### *Justification*

*There is no justification to allocate free allowances to all sectors if they are not at risk of carbon leakage, particularly in light of the limited amount of free allowances for Phase IV.*

## **Amendment 497**

**Peter Liese**

### **Proposal for a directive**

#### **Article 1 – point 6**

Directive 2003/87/EC

Article 10b – paragraph 3 a (new)

#### *Text proposed by the Commission*

#### *Amendment*

**3a. Any global agreement or measures which lead to global greenhouse gas emission reductions of the magnitude required to effectively address climate change, and which are monitorable, verifiable, and subject to mandatory enforcement arrangements shall also be taken into account when considering what measures are appropriate for the protection from the risk of carbon**

*leakage.*

Or. en

*Justification*

*Reintroduction of Art10b, paragraph 1 of the ETS Directive, to take into account global efforts to reduce GHG emissions when discussing the risk of carbon leakage*

**Amendment 498**

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

**Proposal for a directive**

**Article 1 – point 6**

Directive 2003/87/EC

Article 10b – paragraph 3 a (new)

*Text proposed by the Commission*

*Amendment*

**3a. The Commission shall keep under review the development of carbon pricing mechanisms, or equivalent measures, outside the European Economic Area. The Commission may on this basis revise the carbon leakage provisions, or the list of third countries taken into account in the definition of exposure to the risk of carbon leakage. The Commission shall be empowered to adopt such changes in accordance with Article 23.**

Or. en

*Justification*

*A growing group of countries, including notably China, is using carbon pricing for achieving its climate objectives. At the same time, others have opted for taxation schemes or other more prescriptive approaches (e.g. carbon emission limits imposed by the Environmental Protection Agency in the United States). Future developments could significantly reduce the risk of carbon leakage for industrial installations participating in the EU ETS.*

**Amendment 499**

**Ivo Belet, Francesc Gambús, Elisabetta Gardini, Giovanni La Via, Peter Liese, Massimiliano Salini, Alojz Peterle, Annie Schreijer-Pierik**

**Proposal for a directive**  
**Article 1 – point 6**  
Directive 2003/87/EC  
Article 10b – paragraph 4

*Text proposed by the Commission*

4. By 31 December 2019, the Commission shall adopt a delegated act for the preceding paragraphs for activities at a 4-digit level (NACE-4 code) as concerns paragraph 1, in accordance with Article 23, based on data for the three most recent calendar years available.

*Amendment*

4. By 31 December 2019, the Commission shall adopt a delegated act for the preceding paragraphs for activities at a 4-digit level (NACE-4 code) ***or activities which are at the relevant level of disaggregation based on public and sector specific data as appropriate to comprise those activities covered by the EU ETS***, as concerns paragraph 1, in accordance with Article 23. ***The assessment of the intensity of trade shall be*** based on data for the three most recent calendar years available. ***For the calculation of the emission intensity the lowest value of kgCO<sub>2</sub> since the establishment of the EU ETS shall be used.***

Or. en

**Amendment 500**  
**Soledad Cabezón Ruiz, José Blanco López, Clara Eugenia Aguilera García**

**Proposal for a directive**  
**Article 1 – point 6**  
Directive 2003/87/EC  
Article 10b – paragraph 4

*Text proposed by the Commission*

4. By 31 December 2019, the Commission shall adopt a delegated act for the preceding paragraphs ***for activities at a 4-digit level (NACE-4 code)*** as concerns paragraph 1, ***in accordance with Article 23***, based on data for the three most recent calendar years available.

*Amendment*

4. By 31 December 2019, the Commission shall adopt a delegated act for the preceding paragraphs ***in accordance with Article 23***. As concerns paragraph 1, ***the product calculated shall be*** based on data for the three most recent calendar years available ***using for each sector or sub-sector the 4-, 6- or 8-digit level code (NACE-4, CPA or Prodcom), or the most appropriated level of disaggregation based***

**Amendment 501**

**György Hölvényi, András Gyürk**

**Proposal for a directive**

**Article 1 – point 6**

Directive 2003/87/EC

Article 10b – paragraph 4

*Text proposed by the Commission*

4. By 31 December **2019**, the Commission shall adopt a delegated act for the preceding paragraphs for activities at a 4-digit level (NACE-4 code) as concerns paragraph 1, in accordance with Article 23, based on data for the three most recent calendar years available.

*Amendment*

4. By 31 December **2018**, the Commission shall adopt a delegated act for the preceding paragraphs for activities at a 4-digit level (NACE-4 code) ***or at the relevant level of disaggregation based on public and sector specific data*** as concerns paragraph 1, in accordance with Article 23, based on data for the three most recent calendar years available.

**Amendment 502**

**Jens Gieseke, Norbert Lins, Birgit Collin-Langen**

**Proposal for a directive**

**Article 1 – point 6**

Directive 2003/87/EC

Article 10b – paragraph 4

*Text proposed by the Commission*

4. By 31 December 2019, the Commission shall adopt a delegated act for the preceding paragraphs for activities at a 4-digit level (NACE-4 code) as concerns paragraph 1, in accordance with Article 23, based on data for the three most recent calendar years available.

*Amendment*

4. By 31 December 2019, the Commission shall adopt a delegated act for the preceding paragraphs for activities at a 4-digit level ***or activities which are at the relevant level of disaggregation based on public and sector specific data as appropriate*** (NACE-4 code ***or Prodcom 6 or 8 codes***) as concerns paragraph 1, in accordance with Article 23, based on data

for the three most recent calendar years available.

Or. en

*Justification*

*This amendment ensures that the required delegated act allows sectors and sub sectors to be assessed for carbon leakage.*

**Amendment 503**  
**Damiano Zoffoli**

**Proposal for a directive**  
**Article 1 – point 6**  
Directive 2003/87/EC  
Article 10b – paragraph 4

*Text proposed by the Commission*

4. By 31 December 2019, the Commission shall adopt a delegated act for the preceding paragraphs for activities at a 4-digit level (NACE-4 code) as concerns paragraph 1, in accordance with Article 23, based on data for the three most recent calendar years available.

*Amendment*

4. By 31 December 2019, the Commission shall adopt a delegated act for the preceding paragraphs for activities at a 4-digit level (NACE-4 code) ***or at the relevant level of disaggregation (i.e. PRODCOM) based on public and sector specific data*** as concerns paragraph 1, in accordance with Article 23, based on data for the three most recent calendar years available.

Or. en

*Justification*

*In defining Carbon Leakage list, it is important to have a clear definition at the appropriate level of detail. It is therefore necessary to maintain the current level of disaggregation including codes at 6 or 8 digit level.*

**Amendment 504**  
**Matteo Salvini**

**Proposal for a directive**  
**Article 1 – point 6**

*Text proposed by the Commission*

4. By 31 December 2019, the Commission shall adopt a delegated act for the preceding paragraphs for activities at a 4-digit level (NACE-4 code) as concerns paragraph 1, in accordance with Article 23, based on data for the three most recent calendar years available.

*Amendment*

4. By 31 December 2019, the Commission shall adopt a delegated act for the preceding paragraphs for activities at a 4-digit level (NACE-4 code) **or at the relevant level of disaggregation based on public and sector-specific data** as concerns paragraph 1, in accordance with Article 23, based on data for the three most recent calendar years available.

Or. en

**Amendment 505**

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

**Proposal for a directive**

**Article 1 – point 6**

Directive 2003/87/EC

Article 10b – paragraph 4

*Text proposed by the Commission*

4. By 31 December 2019, the Commission shall adopt a delegated act for the preceding paragraphs for activities at **a 4-digit level (NACE-4 code)** as concerns paragraph 1, in accordance with Article 23, based on data for the three most recent calendar years available.

*Amendment*

4. By 31 December 2019, the Commission shall adopt a delegated act for the preceding paragraphs for activities at **an appropriate NACE or PRODCOM code level for the relevant sector** as concerns paragraph 1, in accordance with Article 23, based on data for the three most recent calendar years available.

Or. en

*Justification*

*This amendment ensures that a level of sector aggregation for determining exposure to carbon leakage is not only mandated at NACE 4 level, but at the relevant level.*



**Amendment 506**  
**Carlos Zorrinho**

**Proposal for a directive**

**Article 1 – point 6**

Directive 2003/87/EC

Article 10b – paragraph 4

*Text proposed by the Commission*

4. By 31 December 2019, the Commission shall adopt a delegated act for the preceding paragraphs for activities at **a 4-digit level (NACE-4 code)** as concerns paragraph 1, in accordance with Article 23, based on data for the three most recent calendar years available.

*Amendment*

4. By 31 December 2019, the Commission shall adopt a delegated act for the preceding paragraphs for activities at **the most appropriate aggregation level** as concerns paragraph 1, in accordance with Article 23, based on data for the three most recent calendar years available.

Or. en

*Justification*

*In order to avoid distortions amongst sectors, it is necessary to allow for flexibility of the most appropriate aggregation level. While in some cases it may be the NACE 4-digit level, PRODCOM levels should also be possible whenever justified.*

**Amendment 507**

**Jadwiga Wiśniewska, Bolesław G. Piecha**

**Proposal for a directive**

**Article 1 – point 6**

Directive 2003/87/EC

Article 10b – paragraph 4

*Text proposed by the Commission*

4. By 31 December 2019, the Commission shall adopt a delegated act for the preceding paragraphs for activities at **a 4-digit level (NACE-4 code)** as concerns paragraph 1, in accordance with Article 23, based on data for the **three** most recent calendar years available.

*Amendment*

4. By 31 December 2019, the Commission shall adopt a delegated act for the preceding paragraphs for activities at **the appropriate level (NACE or PRODCOM)** as concerns paragraph 1, in accordance with Article 23, based on data for the **five** most recent calendar years available.

Or. pl

*Justification*

*The Commission must carefully examine the situation in individual sectors and subsectors, as their situations may differ greatly. The data should cover five years in order to provide a better image of the situation in a given sector or subsector.*

**Amendment 508**

**Jytte Guteland, Matthias Grootte, Giorgos Grammatikakis, Seb Dance, Pavel Poc, Massimo Paolucci, Damiano Zoffoli, Renata Briano, Elena Gentile, Christel Schaldemose, Nicola Caputo, Gilles Pargneaux**

**Proposal for a directive**

**Article 1 – point 6**

Directive 2003/87/EC

Article 10b – paragraph 4 a (new)

*Text proposed by the Commission*

*Amendment*

***4a. Free allocations distributed to the industrial sectors concerned by paragraph 1 and 2 constitute a temporary adaptation measure for the modernisation of the Union energy intensive industries until 2030. After Phase IV, all allocations shall be auctioned.***

Or. en

*Justification*

*Free allocation is a temporary exception.*

**Amendment 509**

**Peter Liese**

**Proposal for a directive**

**Article 1 – point 6**

Directive 2003/87/EC

Article 10b – paragraph 4 a (new)

*Text proposed by the Commission*

*Amendment*

***4a. An extra amount of free allowances shall be allocated to the 5% most efficient installations in a sector in***

*order to prevent investment leakage. The Commission is empowered to adopt a delegated act in accordance with Article 23 to supplement this Directive concerning the implementation this paragraph.*

Or. en

*Justification*

*It is important not only to address the question of carbon leakage but also the question of investment leakage. Companies that invest in very modern technology and that are even more ambitious than the benchmarks should be rewarded by getting an extra amount of free allowances. A similar system of super credits has been proved successful in the CO2 regulation. Details shall be elaborated by the commission in a delegated act.*

**Amendment 510**

**Jadwiga Wiśniewska, Bolesław G. Piecha**

**Proposal for a directive**

**Article 1 – point 6**

Directive 2003/87/EC

Article 10b – paragraph 4 a (new)

*Text proposed by the Commission*

*Amendment*

**4a.** *At the request of the sector or subsector, the Commission shall reassess the situation of a given sector or subsector every five years, taking account of the changes in relation to the factors referred to in paragraphs 1 and 2 that have occurred since the last assessment.*

Or. pl

*Justification*

*Both the quantitative (paragraph 1) and qualitative (paragraph 2) assessments may change significantly over several years. The Directive should therefore provide for the possibility of including specific sectors or subsectors in the group assessed to be the most exposed to risk.*

## **Amendment 511**

**Matteo Salvini**

### **Proposal for a directive**

#### **Article 1 – point 6**

Directive 2003/87/EC

Article 10b – paragraph 4 a (new)

*Text proposed by the Commission*

*Amendment*

**4a. Every year the Commission may, at its own initiative or at the request of a Member State, add a sector or a sub-sector to the group referred to in paragraph 1, if it is demonstrated, in an analytical report, that such a sector or sub-sector satisfies the criteria laid down in paragraphs 1 or 2, following a change having a substantial impact on its activities.**

Or. en

## **Amendment 512**

**György Hölvényi, András Gyürk**

### **Proposal for a directive**

#### **Article 1 – point 6**

Directive 2003/87/EC

Article 10b – paragraph 4 a (new)

*Text proposed by the Commission*

*Amendment*

**4a. Every year the Commission may, at the request of a Member State, add a sector or sub-sector to the group referred to in paragraph 1 if it is demonstrated, in an analytical report, that this sector or subsector satisfies the criteria laid down in paragraphs 1 or 2, following a change that has a substantial impact on that sector or subsector's activities.**

Or. en

**Amendment 513**  
**Tibor Szanyi**

**Proposal for a directive**

**Article 1 – point 6**

Directive 2003/87/EC

Article 10b – paragraph 4 a (new)

*Text proposed by the Commission*

*Amendment*

**4a.** *Every year the Commission may, at its own initiative or at the request of a Member State, add a sector or subsector to the group referred to in paragraph 1 if it is demonstrated, in an analytical report, that this sector or subsector satisfies the criteria laid down in paragraphs 1 or 2, following a change that has a substantial impact on the sector or subsector's activities.*

Or. en

**Amendment 514**  
**Bas Eickhout**

**Proposal for a directive**

**Article 1 – point 6**

Directive 2003/87/EC

Article 10b a (new)

*Text proposed by the Commission*

*Amendment*

**'Article 10ba**

***Allowance Import Requirement***

***The Commission is empowered to adopt delegated acts in accordance with Article 23 to supplement this Directive concerning harmonised measures to require importers to surrender allowances in respect of imported cement, clinker, or other energy-intensive goods where those sectors receive no free allocation within the EU ETS. The Commission shall adopt such delegated acts by 30 June 2019.***

*The measures referred to in the first paragraph shall, to the extent feasible, ensure that installations in the EU ETS that receive no free allocation and which are at significant risk of carbon leakage are on a comparable footing with those in third countries.*

*The Commission shall keep the measures under regular review so as to ensure that an allowance import requirement is imposed only where it is fully justified.'*

Or. en

#### *Justification*

*Cement sector should not receive any free allocation but should be protected from any eventual unfair competition through an obligation for any importers to surrender ETS allowances.*

#### **Amendment 515** **Marian-Jean Marinescu**

**Proposal for a directive**  
**Article 1 – point 6**  
Directive 2003/87/EC  
Article 10c – title

*Text proposed by the Commission*

Option for *transitional* free allocation for the modernisation of the energy sector

*Amendment*

Option for free allocation for the modernisation of the energy sector

Or. en

#### **Amendment 516** **Andrzej Grzyb, György Hölvényi, Andrey Kovatchev, Miroslav Mikolášik**

**Proposal for a directive**  
**Article 1 – point 6**  
Directive 2003/87/EC  
Article 10c – title

*Text proposed by the Commission*

*Amendment*

Option for *transitional* free allocation for the modernisation of the energy sector

Option for free allocation for the modernisation of the energy sector

Or. en

### **Amendment 517**

**Peter Liese, Giovanni La Via**

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

##### **Article 1 – point 6**

Directive 2003/87/EC

Article 10c – paragraph 1

*Text proposed by the Commission*

*Amendment*

**1. By derogation from Article 10a(1) to (5), Member States which had in 2013 a GDP per capita in € at market prices below 60% of the Union average may give a transitional free allocation to installations for electricity production for the modernisation of the energy sector.**

*deleted*

Or. en

#### *Justification*

*This amendment seeks to increase the resources available for the Modernization Fund. This is a much better instrument to bring forward the much needed investment in the relevant countries. With the removal of Article 10c free allowances would be more than balanced by an increase of the total allocation for the Modernization Fund going from 2 to 4% of the quantity of allowances between 2021 and 2030.*

### **Amendment 518**

**Matthias Groote**

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

##### **Article 1 – point 6**

Directive 2003/87/EC

Article 10c – paragraph 1

*Text proposed by the Commission*

1. By derogation from Article 10a(1) to (5), Member States which had in 2013 a GDP per capita in **EUR** at market prices below 60% of the Union average may give a transitional free allocation to installations for electricity **production** for the modernisation of the energy sector.

*Amendment*

1. By derogation from Article 10a(1) to (5), Member States which had in 2013 a GDP per capita **expressed in purchasing power standards** in **EUR** at market prices below 60% of the Union average may give a transitional free allocation to installations for electricity **generators** for the modernisation **and diversification** of the energy sector. ***This derogation shall end after 2030.***

Or. en

**Amendment 519**

**Jytte Guteland, Soledad Cabezón Ruiz, Jo Leinen, 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 6**

Directive 2003/87/EC

Article 10c – paragraph 1

*Text proposed by the Commission*

1. By derogation from Article 10a(1) to (5), Member States which had in 2013 a GDP per capita in **€** at market prices below 60% of the Union average may give a transitional free allocation to **installations for** electricity **production** for the modernisation of the energy sector.

*Amendment*

1. By derogation from Article 10a(1) to (5), Member States which had in 2013 a GDP per capita in **EUR** at market prices below 60% of the Union average may give a transitional free allocation to electricity **generators** for the modernisation **and diversification** of the energy sector. ***This derogation shall end after 2030.***

Or. en

**Amendment 520**

**Claudiu Ciprian Tănăsescu, Daciana Octavia Sârbu**

**Proposal for a directive**

**Article 1 – point 6**



*Text proposed by the Commission*

1. By derogation from Article 10a(1) to (5), Member States which had in 2013 a GDP per capita in € at market prices below 60% of the Union average may give a transitional free allocation to **installations for electricity production** for the modernisation of the energy sector.

*Amendment*

1. By derogation from Article 10a(1) to (5), Member States which had in 2013 a GDP per capita in **EUR** at market prices below 60% of the Union average may give a transitional free allocation to electricity **generators** for the modernisation **and diversification** of the energy sector. **This derogation shall be reconsidered for the period after 2030.**

Or. en

**Amendment 521**

**Gerben-Jan Gerbrandy, José Inácio Faria**

**Proposal for a directive**

**Article 1 – point 6**

Directive 2003/87/EC

Article 10c – paragraph 1

*Text proposed by the Commission*

1. By derogation from Article 10a(1) to (5), Member States which had in 2013 a GDP per capita in € at market prices below 60% of the Union average may give a transitional free allocation to installations for electricity production for the modernisation of the energy sector.

*Amendment*

1. By derogation from Article 10a(1) to (5), Member States which had in 2013 a GDP per capita in **EUR** at market prices below 60% of the Union average **and have fully transposed and implemented the Third Energy Package<sup>1a</sup>** may give a transitional free allocation to installations for electricity production for the modernisation of the energy sector.

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<sup>1a</sup> **The Third Energy Package contains two Directives and three Regulations: Directive 2009/72/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in electricity and repealing Directive 2003/54/EC (OJ L 211, 14.8.2009, p. 55); Directive 2009/73/EC of the European Parliament**

*and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC (OJ L 211, 14.8.2009, p. 94); Regulation (EC) No 714/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the network for cross-border exchanges in electricity and repealing Regulation (EC) No 1228/2003 (OJ L 211, 14.8.2009, p. 15); Regulation (EC) No 715/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the natural gas transmission networks and repealing Regulation (EC) No 1775/2005 (OJ L 211, 14.8.2009, p. 36) and Regulation (EC) No 713/2009 of the European Parliament and of the Council of 13 July 2009 establishing an Agency for the Cooperation of Energy Regulators (OJ L 211, 14.8.2009, p. 1).*

Or. en

#### *Justification*

*In case a Member State does not ensure that the energy market operates in accordance with EU rules, the use of transitional free allocation may exacerbate market distortions and undermine cost-efficient delivery of the EU's climate objectives.*

#### **Amendment 522** **Francesc Gambús**

**Proposal for a directive**  
**Article 1 – point 6**  
Directive 2003/87/EC  
Article 10c – paragraph 1

#### *Text proposed by the Commission*

1. By derogation from Article 10a(1) to (5), Member States which had in 2013 a GDP per capita in **€ at market prices** below 60% of the Union average may give a transitional free allocation to installations

#### *Amendment*

1. By derogation from Article 10a(1) to (5), Member States which had in 2013 a GDP per capita in **EUR in purchasing power standards** below 60% of the Union average may give a transitional free

for electricity production for the modernisation of the energy sector.

allocation to installations for electricity production for the modernisation of the energy sector.

Or. en

*Justification*

*GDP per capita in purchasing power standards is commonly used to compare the situation in different countries as it allows comparing the GDP per capita taking into account the economy of the country and that there are different price levels.*

**Amendment 523**  
**Marian-Jean Marinescu**

**Proposal for a directive**  
**Article 1 – point 6**  
Directive 2003/87/EC  
Article 10c – paragraph 1

*Text proposed by the Commission*

1. By derogation from Article 10a(1) to (5), Member States which had in 2013 a GDP per capita in € at market prices below 60% of the Union average may give a transitional free allocation to installations for electricity production for the modernisation of the energy sector.

*Amendment*

1. By derogation from Article 10a(1) to (5), Member States which had in 2013 a GDP per capita in **EUR** at market prices below 60% of the Union average may give a transitional free allocation to installations for electricity production, **district heating and high efficiency cogeneration**, for the modernisation of the energy sector.

Or. en

**Amendment 524**  
**Eleonora Evi, Piernicola Pedicini, Marco Affronte, Dario Tamburrano**

**Proposal for a directive**  
**Article 1 – point 6**  
Directive 2003/87/EC  
Article 10c – paragraph 1

*Text proposed by the Commission*

1. By derogation from Article 10a(1)

*Amendment*

1. By derogation from Article 10a(1)

to (5), Member States which had in 2013 a GDP per capita in € at market prices below 60% of the Union average may give a transitional free allocation to installations for electricity production *for* the modernisation of the energy sector.

to (5), Member States which had in 2013 a GDP per capita in **EUR** at market prices below 60% of the Union average may give a transitional free allocation to **boost large-scale renewable energy** installations for **clean** electricity production **through** the modernisation of the energy sector.

Or. en

### Amendment 525

Andrzej Grzyb, György Hölvényi, Andrey Kovatchev, Miroslav Mikolášik

#### Proposal for a directive

##### Article 1 – point 6

Directive 2003/87/EC

Article 10c – paragraph 1

#### *Text proposed by the Commission*

1. By derogation from Article 10a(1) to (5), Member States which had in 2013 a GDP per capita in € at market prices below 60% of the Union average may give a **transitional** free allocation to **installations for electricity production** for the modernisation of the energy sector.

#### *Amendment*

1. By derogation from Article 10a(1) to (5), Member States which had in 2013 a GDP per capita in **EUR** at market prices below 60% of the Union average may give a free allocation to **electricity generation (including co-generation of heat and electricity)** for the modernisation of the energy sector.

Or. en

### Amendment 526

Jadwiga Wiśniewska, Bolesław G. Piecha

#### Proposal for a directive

##### Article 1 – point 6

Directive 2003/87/EC

Article 10c – paragraph 1

#### *Text proposed by the Commission*

1. By derogation from Article 10a(1) to (5), Member States which had in 2013 a GDP per capita in € at market prices below 60 % of the Union average may give a

#### *Amendment*

1. By derogation from Article 10a(1) to (5), Member States which had in 2013 a GDP per capita in € at market prices below 60 % of the Union average may give a

transitional free allocation to installations for electricity production for the modernisation of the energy sector.

transitional free allocation to installations for electricity production (*including in the cogeneration process*) for the modernisation of the energy sector.

Or. pl

### *Justification*

*Cogeneration, as an effective method of producing energy, should not be excluded from this system.*

### **Amendment 527** **Biljana Borzan**

**Proposal for a directive**  
**Article 1 – point 6**  
Directive 2003/87/EC  
Article 10c – paragraph 1

#### *Text proposed by the Commission*

1. By derogation from Article 10a(1) to (5), Member States which had in 2013 a GDP per capita in € at market prices below 60% of the Union average may give a transitional free allocation to *installations for* electricity *production* for the modernisation of the energy sector.

#### *Amendment*

1. By derogation from Article 10a(1) to (5), Member States which had in 2013 a GDP per capita in *EUR* at market prices below 60% of the Union average may give a transitional free allocation to electricity *generators* for the modernisation of the energy sector.

Or. en

### **Amendment 528** **Nikos Androulakis**

**Proposal for a directive**  
**Article 1 – point 6**  
Directive 2003/87/EC  
Article 10c – paragraph 1

#### *Text proposed by the Commission*

1. By derogation from Article 10a(1) to (5), Member States which had in 2013 a

#### *Amendment*

1. By derogation from Article 10a(1) to (5), Member States which had in 2013

GDP per capita in € at market prices below 60% of the Union average may give a transitional free allocation to installations for electricity production for the modernisation of the energy sector.

*or in 2014 or in 2015* a GDP per capita in **EUR** at market prices below 60% of the Union average may give a transitional free allocation to installations for electricity production for the modernisation of the energy sector.

Or. en

#### *Justification*

*The use of more than one year as reference years helps to better reflect current economic conditions in Member States and thus is fully in line with the spirit of the European Council Conclusions of October 2014*

#### **Amendment 529**

**Ivo Belet, Francesc Gambús, Jens Gieseke, Andrey Kovatchev, Peter Liese, Alojz Peterle, Annie Schreijer-Pierik**

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

##### **Article 1 – point 6**

Directive 2003/87/EC

Article 10c – paragraph 1

#### *Text proposed by the Commission*

1. By derogation from Article 10a(1) to (5), Member States which had in 2013 a GDP per capita in € at market prices below 60% of the Union average may give a transitional free allocation to ***installations for electricity production*** for the modernisation of the energy sector.

#### *Amendment*

1. By derogation from Article 10a(1) to (5), Member States which had in 2013 a GDP per capita in **EUR** at market prices below 60% of the Union average may give a transitional free allocation to ***electricity and heat generators, including district heating***, for the modernisation of the energy sector.

Or. en

#### **Amendment 530**

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

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

##### **Article 1 – point 6**

Directive 2003/87/EC

Article 10c – paragraph 1 a (new)

**1a. Member States shall be allowed to choose the most preferable free allowances allocation method in line with the following options and investments shall be selected on the basis of:**

- (a) a competitive bidding process,**
- (b) the National Investment Plans allocation which shall be based on criteria and rules referred to in paragraph 2a (new), or**
- (c) a combination of both methods mentioned in point (a) and (b).**

**Any Member State that is allowed to allocate allowances on the basis of this Article shall, by 31 December 2017, submit to the Commission an application containing the proposed allocation methodology.**

Or. en

### **Amendment 531**

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

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

##### **Article 1 – point 6**

Directive 2003/87/EC

Article 10c – paragraph 2 – introductory part

**2. The Member State concerned shall organise a competitive bidding process for projects with a total amount of investment exceeding €10 million to select the investments to be financed with free allocation. This competitive bidding process shall:**

**2. The competitive bidding process referred to in point (a) of paragraph 1a shall:**

Or. en

## Amendment 532

Jadwiga Wiśniewska, Bolesław G. Piecha

### Proposal for a directive

#### Article 1 – point 6

Directive 2003/87/EC

Article 10c – paragraph 2 – introductory part

#### *Text proposed by the Commission*

2. The Member State concerned shall organise a competitive bidding process **for projects with a total amount of investment exceeding €10 million** to select the investments **to** be financed with free allocation. **This competitive bidding process shall:**

#### *Amendment*

2. The Member State concerned shall organise a competitive bidding process **or prepare a National Investment Plan** to select the investments **that will** be financed with free allocation. **The Member State concerned may make use of both instruments. When a bidding process is selected, it shall meet the following standards:**

Or. pl

#### *Justification*

*National Investment Plans are a more transparent instrument that provide greater investment security. Therefore, they should not be excluded owing to the size of the investment.*

## Amendment 533

Marian-Jean Marinescu

### Proposal for a directive

#### Article 1 – point 6

Directive 2003/87/EC

Article 10c – paragraph 2 – introductory part

#### *Text proposed by the Commission*

2. The Member State concerned **shall** organise a competitive bidding process for projects with a total amount of investment exceeding **€10** million to select the investments to be financed with free allocation. This competitive bidding process shall:

#### *Amendment*

2. The Member State concerned **may** organise a competitive bidding process **or prepare National Investment Plans or mix these two instruments** for projects with a total amount of investment exceeding **EUR 20** million to select the investments to be financed with free allocation. This competitive bidding process shall:



**Amendment 534**

**Gerben-Jan Gerbrandy, José Inácio Faria**

**Proposal for a directive**

**Article 1 – paragraph 1 – point 6**

Directive 2003/87/EC

Article 10c – paragraph 2 – introductory part

*Text proposed by the Commission*

2. The Member State concerned shall organise a competitive bidding process **for projects with a total amount of investment exceeding €10 million** to select the investments to be financed with free allocation. This competitive bidding process shall:

*Amendment*

2. The Member State concerned shall organise a competitive bidding process to select the investments to be financed with free allocation. This competitive bidding process shall:

Or. en

*Justification*

*The €10 million threshold creates a severe risk of arbitrage by project developers. Modernisation investments above the threshold could be distributed over subprojects falling below the threshold, which would reduce transparency and increase the risk of energy market distortions. Therefore the threshold should be removed.*

**Amendment 535**

**Peter Liese**

**Proposal for a directive**

**Article 1 – point 6**

Directive 2003/87/EC

Article 10c – paragraph 2 – introductory part

*Text proposed by the Commission*

2. The Member State concerned shall organise a competitive bidding process **for projects with a total amount of investment exceeding €10 million** to select the investments to be financed with free allocation. This competitive bidding

*Amendment*

2. **The minimum total amount for eligible investments is EUR 10 million.** The Member State concerned shall organise a competitive bidding process to select the investments to be financed with free allocation. This competitive bidding

process shall:

process shall:

Or. en

*Justification*

*Only projects beyond € 10 million should be eligible. Investments aiming at truly modernizing CEE's energy sector are usually above this threshold. Furthermore, small-scale projects will already be eligible for funding under the Innovation Fund and the Modernisation Fund.*

**Amendment 536**

**Jadwiga Wiśniewska, Bolesław G. Piecha**

**Proposal for a directive**

**Article 1 – point 6**

Directive 2003/87/EC

Article 10c – paragraph 2 – subparagraph 1 – point a

*Text proposed by the Commission*

*Amendment*

(a) comply with the principles of transparency, non-discrimination, equal treatment and sound financial management;

(a) (a) comply with the principles of transparency, non-discrimination, ***technological neutrality***, equal treatment and sound financial management;

Or. pl

*Justification*

*No technology can be excluded a priori if it also fulfils the remaining criteria.*

**Amendment 537**

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

**Proposal for a directive**

**Article 1 – point 6**

Directive 2003/87/EC

Article 10c – paragraph 2 – subparagraph 1 – point a

*Text proposed by the Commission*

*Amendment*

(a) comply with the principles of transparency, non-discrimination, equal treatment and sound financial

(a) comply with the principles of transparency, non-discrimination, equal treatment, ***technological neutrality*** and

management;

sound financial management;

Or. en

### **Amendment 538**

**Gerben-Jan Gerbrandy, José Inácio Faria**

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

##### **Article 1 – point 6**

Directive 2003/87/EC

Article 10c – paragraph 2 – subparagraph 1 – point b

#### *Text proposed by the Commission*

(b) ensure that only *projects which contribute to the diversification of their energy mix and sources of supply, the necessary restructuring, environmental upgrading and retrofitting of the infrastructure, clean technologies and modernisation of the energy production*, transmission and distribution sectors are eligible to bid;

#### *Amendment*

(b) ensure that only *renewable energy, energy storage*, upgrading *heat distribution networks and upgrading electricity* transmission and distribution sectors are eligible to bid;

Or. en

#### *Justification*

*Investments in the context of transitional free allocation should support a leapfrog in the development of modern and low-emissions energy systems. Investment categories should be specified more clearly so to exclude a lock-in in high-emission technologies. For the 2013-2020 phase, a large share of the Article 10c investments is related to coal and high-emissions infrastructure.*

### **Amendment 539**

**Jadwiga Wiśniewska, Boleslaw G. Piecha**

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

##### **Article 1 – point 6**

Directive 2003/87/EC

Article 10c – paragraph 2 – subparagraph 1 – point b

*Text proposed by the Commission*

(b) ensure that only projects which contribute to the diversification of their energy mix and sources of supply, the necessary restructuring, environmental upgrading and retrofitting of the infrastructure, clean technologies and modernisation of the energy production, transmission and distribution sectors **are eligible to bid**;

*Amendment*

(b) ensure that only projects which contribute to **at least one of the following goals are eligible to bid**: the diversification of their energy mix and sources of supply, **the strengthening of energy security, the reduction of energy poverty**, the necessary restructuring, environmental upgrading and retrofitting of the infrastructure, clean technologies and modernisation of the energy production, transmission and distribution sectors;

Or. pl

*Justification*

*A single project will not fulfil all of the requirements. Climate policy, in the event of a significant increase in electricity production costs, may pose a danger to electricity supplies. Given the compensatory nature of this mechanism, it should also be permitted to support investments aimed at increasing energy security or eliminating energy poverty.*

**Amendment 540**

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

**Proposal for a directive**

**Article 1 – point 6**

Directive 2003/87/EC

Article 10c – paragraph 2 – subparagraph 1 – point b

*Text proposed by the Commission*

(b) ensure that only projects which contribute to the diversification of their energy mix and sources of supply, the necessary restructuring, environmental upgrading and retrofitting of the infrastructure, clean technologies **and** modernisation of the energy production, transmission and distribution sectors **are eligible to bid**;

*Amendment*

(b) ensure that **are eligible to bid** only projects which contribute to:

- the diversification of their energy mix and sources of supply,

- the necessary restructuring, environmental upgrading and retrofitting of the infrastructure,
- clean technologies,
- *use of cogeneration and/or*
- modernisation of the energy production, transmission and distribution sectors (*including district heating systems*);

Or. en

**Amendment 541**  
**Gilles Pargneaux**

**Proposal for a directive**

**Article 1 – point 6**

Directive 2003/87/EC

Article 10 c – paragraph 2 – subparagraph 1– point b

*Text proposed by the Commission*

(b) ensure that only projects which contribute to the diversification of their energy mix and sources of supply, the necessary restructuring, environmental upgrading and retrofitting of the infrastructure, clean technologies and modernisation of the energy production, transmission and distribution sectors are eligible to bid;

*Amendment*

(b) ensure that only projects *compatible with EU greenhouse gas emission reduction targets and the Paris Agreement and* which contribute to the diversification of their energy mix and sources of supply, the necessary restructuring, environmental upgrading and retrofitting of the infrastructure, clean technologies and modernisation of the energy production, transmission and distribution sectors are eligible to bid;

Or. fr

**Amendment 542**

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

**Proposal for a directive**

**Article 1 – point 6**

Directive 2003/87/EC

Article 10c – paragraph 2 – subparagraph 1– point b

*Text proposed by the Commission*

(b) ensure that only projects which contribute to the diversification of their **energy mix** and sources of supply, the necessary restructuring, environmental upgrading and retrofitting of the infrastructure, clean technologies and modernisation of the energy production, transmission and distribution sectors are eligible to bid;

*Amendment*

(b) ensure that only projects which contribute to the diversification of their **renewable energy-related technologies** and sources of supply, the necessary restructuring, environmental upgrading and retrofitting of the infrastructure, clean technologies and modernisation of the **clean** energy production, transmission and distribution sectors are eligible to bid;

Or. en

**Amendment 543**

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

**Proposal for a directive**

**Article 1 – point 6**

Directive 2003/87/EC

Article 10c – paragraph 2 – subparagraph 1– point b

*Text proposed by the Commission*

(b) ensure that only projects which contribute to the diversification of their energy mix and sources of supply, the necessary restructuring, environmental upgrading and retrofitting of the infrastructure, clean technologies and modernisation of the energy production, transmission and distribution sectors are eligible to bid;

*Amendment*

(b) ensure that only projects which contribute to the diversification of their energy mix and sources of supply, the necessary restructuring, environmental upgrading and retrofitting of the infrastructure, clean technologies and modernisation of the energy production, **including district heating**, transmission and distribution sectors are eligible to bid;

Or. en

**Amendment 544**

**Ivo Belet, Francesc Gambús, Krišjānis Kariņš, Andrey Kovatchev, Peter Liese, Alojz Peterle, Annie Schreijer-Pierik**

**Proposal for a directive**

**Article 1 – point 6**

Directive 2003/87/EC

Article 10c – paragraph 2 – subparagraph 1 – point b

*Text proposed by the Commission*

(b) ensure that only projects which contribute to the diversification of their energy mix and sources of supply, the necessary restructuring, environmental upgrading and retrofitting of the infrastructure, clean technologies and modernisation of the energy production, transmission and distribution sectors are eligible to bid;

*Amendment*

(b) ensure that only projects which contribute to the diversification of their energy mix and sources of supply, the necessary restructuring, environmental upgrading and retrofitting of the infrastructure, clean technologies and modernisation of the energy production (***electricity and heat***), transmission and distribution sectors are eligible to bid;

Or. en

**Amendment 545**

**Peter Liese, Giovanni La Via**

**Proposal for a directive**

**Article 1 – point 6**

Directive 2003/87/EC

Article 10c – paragraph 2 – subparagraph 1 – point b a (new)

*Text proposed by the Commission*

*Amendment*

***(ba) ensure that modernisation projects benefiting electricity generation facilities:***

***(i) are economically justified based on a cost benefit analysis – including a carbon price which reflects the marginal damage of each unit of harmful emissions (e.g. CO<sub>2</sub>, NO<sub>x</sub>, Sox and fine particulate matter);***

***(ii) have CO<sub>2</sub> emissions of less than 550gCO<sub>2</sub>/kWh.***

Or. en

*Justification*

*Projects for power generation should at least be in line with the EIB's investment selection*

*criteria and ensure the investments comply with the broader EU objectives on energy and climate.*

**Amendment 546**  
**Francesc Gambús**

**Proposal for a directive**  
**Article 1 – point 6**

Directive 2003/87/EC

Article 10c – paragraph 2 – subparagraph 1 – point b a (new)

*Text proposed by the Commission*

*Amendment*

***(ba) ensure that electricity generation projects emit less than 550gCO<sub>2</sub>/kWh.***

Or. en

*Justification*

*The projects that receive free allocation should be aligned with the overall target of this directive: to enhance low-carbon investments.*

**Amendment 547**  
**Gerben-Jan Gerbrandy**

**Proposal for a directive**  
**Article 1 – point 6**

Directive 2003/87/EC

Article 10c – paragraph 2 – subparagraph 1 – point c – point i

*Text proposed by the Commission*

*Amendment*

(i) on the basis of a cost-benefit analysis, ensure a net positive gain in terms of emission reduction and realise a pre-determined significant level of CO<sub>2</sub> reductions;

(i) on the basis of a cost-benefit analysis, ensure a net positive gain in terms of emission reduction and realise a pre-determined significant level of CO<sub>2</sub> reductions; ***where projects relate to electricity production, total CO<sub>2</sub> emissions per kilowatt hour of electricity produced in the installation shall not exceed 350 grams;***

Or. en



## Justification

*Investments in the context of transitional free allocation should help to leapfrog the development of low-emission technologies in Central and Eastern Europe. Investment categories should be specified more clearly so to exclude investments in unabated coal-fired power plants and other high-emission projects. For the 2013-2020 phase, a large share of the Article 10c investments is related to coal.*

### Amendment 548

**Jadwiga Wiśniewska, Bolesław G. Piecha**

#### Proposal for a directive

##### Article 1 – point 6

Directive 2003/87/EC

Article 10c – paragraph 2 – subparagraph 1 – point c – point i

#### *Text proposed by the Commission*

(i) on the basis of a cost-benefit analysis, ensure a net positive gain in terms of emission reduction ***and realise a pre-determined significant level of CO2 reductions;***

#### *Amendment*

(i) on the basis of a cost-benefit analysis, ensure a net positive gain in terms of emission reduction ***in proportion to the size of the project; or***

Or. pl

### Amendment 549

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

#### Proposal for a directive

##### Article 1 – point 6

Directive 2003/87/EC

Article 10c – paragraph 2 – subparagraph 1 – point c – point i

#### *Text proposed by the Commission*

(i) on the basis of a cost-benefit analysis, ensure a net positive gain in terms of emission reduction ***and realise a pre-determined significant level of CO2 reductions;***

#### *Amendment*

(i) on the basis of a cost-benefit analysis, ensure a net positive gain in terms of emission reduction;

Or. en

**Amendment 550**

**Jytte Guteland, Matthias Groote, Soledad Cabezón Ruiz, Jo Leinen, 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 6**

Directive 2003/87/EC

Article 10c – paragraph 2 – subparagraph 1 – point c – point i

*Text proposed by the Commission*

(i) on the basis of a cost-benefit analysis, ensure a net positive gain in terms of emission reduction and realise a pre-determined significant level of CO2 reductions;

*Amendment*

(i) on the basis of a cost-benefit analysis, ensure a net positive gain in terms of emission reduction and realise a pre-determined significant level of CO2 reductions, ***while fully complying with Annexes I and II of the European Investment Bank Climate Strategy;***

Or. en

*Justification*

*Strengthens selection criteria for projects funded through Art.10c.*

**Amendment 551**

**Jadwiga Wiśniewska, Bolesław G. Piecha**

**Proposal for a directive**

**Article 1 – point 6**

Directive 2003/87/EC

Article 10c – paragraph 2 – subparagraph 1 – point c – point i a (new)

*Text proposed by the Commission*

*Amendment*

***(ia) were begun after 24 October 2014, obtaining all of the necessary administrative decisions after this date;***

Or. pl

### *Justification*

*The moment when the Council Conclusions were adopted was the moment when investors in the energy sector in countries under the scope of this article could start to plan their next investments while making use of the derogation.*

#### **Amendment 552**

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

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

##### **Article 1 – point 6**

Directive 2003/87/EC

Article 10c – paragraph 2 – subparagraph 1– point c – point ii

#### *Text proposed by the Commission*

(ii) ***are additional***, clearly respond to replacement and modernisation needs ***and do not supply a market-driven increase in energy demand***;

#### *Amendment*

(ii) clearly respond to replacement and modernisation needs;

Or. en

#### **Amendment 553**

**Jadwiga Wiśniewska, Bolesław G. Piecha**

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

##### **Article 1 – point 6**

Directive 2003/87/EC

Article 10c – paragraph 2 – subparagraph 1– point c – point ii

#### *Text proposed by the Commission*

(ii) ***are additional***, clearly respond to replacement and modernisation needs and do not supply a market-driven increase in energy demand;

#### *Amendment*

(ii) clearly respond to replacement and modernisation needs ***or are necessary investments aimed at preventing threats to electricity supplies or at reducing energy poverty***, and do not supply a market-driven increase in energy demand;

Or. pl

## Amendment 554

Gerben-Jan Gerbrandy, Jasenko Selimovic, José Inácio Faria

### Proposal for a directive

#### Article 1 – point 6

Directive 2003/87/EC

Article 10c – paragraph 2 – subparagraph 1 – point c – point ii

#### *Text proposed by the Commission*

(ii) are additional, clearly respond to replacement and modernisation needs **and** do not supply a market-driven increase in energy demand;

#### *Amendment*

(ii) are additional, clearly respond to replacement and modernisation needs, do not supply a market-driven increase in energy demand, **are not included in the first national investment plan and are supplementary to the investments required to comply with the Best Available Techniques Reference Document and BAT conclusions for Large Combustion Plants and other requirements in accordance with Directive 2010/75/EU<sup>1a</sup>**;

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<sup>1a</sup>. Directive 2010/75/EU of the European Parliament and of the Council of 24 November 2010 on industrial emissions (integrated pollution prevention and control) (OJ L 334, 17.12.2010, p. 17).

Or. en

#### *Justification*

*Investments should not have been listed already in the Article 10c investment plan for the 2013-2020 phase. Moreover, the European Bank for Reconstruction and Development (EBRD) already provides financial assistance to power plant retrofitting in order to assist meeting the requirements under the Industrial Emissions Directive. Article 10c should not provide double support for these investments.*

## Amendment 555

Andrzej Grzyb, Andrey Kovatchev, Miroslav Mikolášik, György Hölvényi, András Gyürk

### Proposal for a directive

#### Article 1 – point 6

Directive 2003/87/EC  
Article 10c – paragraph 2 – subparagraph 1 – point c – point iii

*Text proposed by the Commission*

*Amendment*

**(iii) offer best value for money;** *deleted*

Or. en

**Amendment 556**  
**Jo Leinen**

**Proposal for a directive**  
**Article 1 – point 6**

Directive 2003/87/EC  
Article 10c – paragraph 2 – subparagraph 1 – point c – point iii a (new)

*Text proposed by the Commission*

*Amendment*

**(iiia) do not contribute to any nuclear energy generation capacity nor prevent or delay the dismantling of nuclear power capacities.**

Or. en

**Amendment 557**

**Jytte Guteland, Matthias Groote, Soledad Cabezón Ruiz, Jo Leinen, Caterina Chinnici, Seb Dance, Carlos Zorrinho, 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 6**

Directive 2003/87/EC  
Article 10c – paragraph 2 – subparagraph 1 – point c – point iii b (new)

*Text proposed by the Commission*

*Amendment*

**(iiib) do not contribute to any coal-fired energy generation capacity nor increase coal-dependency.**

Or. en

**Amendment 558**  
**Francesc Gambús**

**Proposal for a directive**

**Article 1 – point 6**

Directive 2003/87/EC

Article 10c – paragraph 2 – subparagraph 2

*Text proposed by the Commission*

By 30 June 2019, any Member State intending to make use of optional free allocation shall publish a detailed national framework setting out the competitive bidding process and selection criteria for public comment.

*Amendment*

By 30 June 2019, any Member State intending to make use of optional free allocation shall publish a detailed national framework setting out the competitive bidding process and selection criteria for public comment. ***Within 6 months after its publication, the Commission shall check that the national framework complies with the criteria set out in this paragraph and may reject such national framework if it is not aligned.***

***The Member State shall publish a report, and submit it to the Commission, on the contribution of the investments towards emission reductions.***

Or. en

*Justification*

*The projects that receive free allocation should be aligned with the overall target of this directive: to enhance low-carbon investments.*

**Amendment 559**

**Jadwiga Wiśniewska, Bolesław G. Piecha**

**Proposal for a directive**

**Article 1 – point 6**

Directive 2003/87/EC

Article 10c – paragraph 2 – subparagraph 2

*Text proposed by the Commission*

By **30 June 2019**, any Member State

*Amendment*

By **31 December 2018**, any Member State

intending to make use of optional free allocation shall publish a detailed national framework setting out the competitive bidding process and selection criteria for public comment.

intending to make use of optional free allocation ***through a bidding process*** shall publish a detailed national framework setting out the competitive bidding process and selection criteria for public comment.

Or. pl

*Justification*

*The earlier date is more beneficial to potential investors.*

**Amendment 560**  
**Gerben-Jan Gerbrandy**

**Proposal for a directive**  
**Article 1 – point 6**  
Directive 2003/87/EC  
Article 10c – paragraph 2 – subparagraph 3

*Text proposed by the Commission*

*Amendment*

***Where investments with a value of less than €10 million are supported with free allocation, the Member State shall select projects based on objective and transparent criteria. The results of this selection process shall be published for public comment. On this basis, the Member State concerned shall establish and submit a list of investments to the Commission by 30 June 2019.***

***deleted***

Or. en

*Justification*

*All projects should be selected through a competitive bidding process.*

**Amendment 561**  
**Andrzej Grzyb, Andrey Kovatchev, Miroslav Mikolášik, György Hölvényi, András Gyürk**

**Proposal for a directive**

**Article 1 – point 6**

Directive 2003/87/EC

Article 10c – paragraph 2 – subparagraph 3

*Text proposed by the Commission*

*Amendment*

*Where investments with a value of less than €10 million are supported with free allocation, the Member State shall select projects based on objective and transparent criteria. The results of this selection process shall be published for public comment. On this basis, the Member State concerned shall establish and submit a list of investments to the Commission by 30 June 2019.*

*deleted*

Or. en

**Amendment 562**

**Peter Liese**

**Proposal for a directive**

**Article 1 – point 6**

Directive 2003/87/EC

Article 10c – paragraph 2 – subparagraph 3

*Text proposed by the Commission*

*Amendment*

*Where investments with a value of less than €10 million are supported with free allocation, the Member State shall select projects based on objective and transparent criteria. The results of this selection process shall be published for public comment. On this basis, the Member State concerned shall establish and submit a list of investments to the Commission by 30 June 2019.*

*deleted*

Or. en

**Amendment 563**

**Marian-Jean Marinescu**



**Proposal for a directive**

**Article 1 – point 6**

Directive 2003/87/EC

Article 10c – paragraph 2 – subparagraph 3

*Text proposed by the Commission*

Where investments with a value of less than **€10** million are supported with free allocation, the Member State shall select projects based on objective and transparent criteria. The results of this selection process shall be published for public comment. On this basis, the Member State concerned shall establish and submit a list of investments to the Commission by 30 June 2019.

*Amendment*

Where investments with a value of less than **EUR 20** million are supported with free allocation, the Member State shall select projects based on objective and transparent criteria. ***The Member State intending to make use of optional free allocation via National Investment Plans shall select project investments based on objective and transparent criteria taking into account:***

- (a) ***technological neutrality;***
- (b) ***retrofitting and upgrading of the energy infrastructure including electricity storage;***
- (c) ***clean technologies;***
- (d) ***diversification of the energy mix and sources of supply;***
- (e) ***modernisation of the energy production, transmission and distribution sectors;***
- (f) ***GHG reductions.***

The results of this selection process shall be published for public comment. On this basis, the Member State concerned shall establish and submit a list of investments to the Commission by 30 June 2019.

Or. en

**Amendment 564**

**Jadwiga Wiśniewska, Bolesław G. Piecha**

**Proposal for a directive**

**Article 1 – point 6**

Directive 2003/87/EC

Article 10c – paragraph 2 – subparagraph 3

*Text proposed by the Commission*

Where investments ***with a value of less than €10 million*** are supported with free allocation, the Member State shall select projects based on ***objective and transparent criteria***. The results of this selection process shall be published for public comment. On this basis, the Member State concerned shall establish and submit a list of investments to the Commission by ***30 June 2019***.

*Amendment*

Where investments are supported with free allocation ***under a National Investment Plan***, the Member State shall select projects based on ***the criteria applied in the bidding process, which shall apply mutatis mutandis***. The results of this selection process shall be published for public comment. On this basis, the Member State concerned shall establish and submit a list of investments to the Commission by ***31 December 2018 and every five years subsequently***.

Or. pl

*Justification*

*If the measures are delayed until a bidding process is held and are not used, it should be possible to continue to dispose of them under the National Investment Plan.*

**Amendment 565**

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

**Proposal for a directive**

**Article 1 – point 6**

Directive 2003/87/EC

Article 10c – paragraph 2 – subparagraph 3

*Text proposed by the Commission*

Where investments with a value of less than €10 million are supported with free allocation, the Member State shall select projects based on objective and transparent criteria. The results of this selection process shall be published for public ***comment***. On this basis, the Member State concerned shall establish and submit a list of investments to the Commission by 30 June 2019.

*Amendment*

Where investments with a value of less than ***EUR*** 10 million are supported with free allocation, the Member State shall select projects based on objective and transparent criteria. ***Those criteria shall be subject to public consultation, ensuring full transparency and accessibility of relevant documents, and fully take into account comments raised by stakeholders.*** The results of this selection process shall be published for public ***consultation***. On this basis, the Member State concerned

shall establish and submit a list of investments to the Commission by 30 June 2019.

Or. en

**Amendment 566**

**Jadwiga Wiśniewska, Bolesław G. Piecha**

**Proposal for a directive**

**Article 1 – point 6**

Directive 2003/87/EC

Article 10c – paragraph 2 – subparagraph 3 a (new)

*Text proposed by the Commission*

*Amendment*

*The Commission shall present its assessment of the National Investment Plans within six months from the moment the list is submitted to the Commission by the Member State concerned. If the Commission rejects funding for specific investments, it shall justify its decision by indicating how the investment violates the criteria set out in paragraph 2.*

Or. pl

**Amendment 567**

**Jadwiga Wiśniewska, Bolesław G. Piecha**

**Proposal for a directive**

**Article 1 – point 6**

Directive 2003/87/EC

Article 10c – paragraph 2 – subparagraph 3 a (new)

*Text proposed by the Commission*

*Amendment*

*If the entitlements provided for by the National Investment Plan remain unused during the reference period, the Member State concerned may use them through a bidding process.*

Or. pl

**Amendment 568**

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

**Proposal for a directive**

**Article 1 – point 6**

Directive 2003/87/EC

Article 10c – paragraph 2 – subparagraph 3 a (new)

*Text proposed by the Commission*

*Amendment*

*The eligible Member States intending to make use of optional free allocation via the National Investment Plans (NIPs) referred to in point (b) of paragraph 1a shall select investments fulfilling the following criteria:*

- *the diversification of their energy mix and sources of supply,*
- *the necessary restructuring, environmental upgrading and retrofitting of the infrastructure,*
- *investment in clean technologies,*
- *use of cogeneration and/or*
- *modernisation of the energy production, transmission and distribution sectors (including district heating systems)*

*While selecting investments for the purpose of NIPs, Member States shall take into account technological neutrality and ensure net positive gain in terms of emissions reduction.*

*Only investments that have obtained all relevant corporate decisions after 24 October 2014 may be counted for this purpose. The method of this selection process and the final results shall be published for public consultation. On this basis, the Member State concerned shall establish and submit a list of investments to the Commission by 30 September 2019.*

*The Commission shall assess the list of investments by 31 March 2020. Within 9*

*months from the receipt of the list of investments, the Commission may request additional information concerning individual projects. The lack of decision by the Commission within the abovementioned period date means approval of the list of investments as submitted.*

*The list of investments selected under the method referred to in this paragraph may be updated in 2023 and 2027, and submitted to the Commission. This paragraph shall be applied in case of any update.*

Or. en

**Amendment 569**  
**Kateřina Konečná**

**Proposal for a directive**  
**Article 1 – point 6**  
Directive 2003/87/EC  
Article 10c – paragraph 3

*Text proposed by the Commission*

3. The value of the intended investments shall at least equal the market value of the free allocation, while taking into account the need to limit directly linked price increases. The market value shall be the average of the price of allowances on the common auction platform in the preceding calendar year.

*Amendment*

3. The value of the intended investments shall at least equal the market value of the free allocation, while taking into account the need to limit directly linked price increases. The market value shall be the average of the price of allowances on the common auction platform in the preceding calendar year.  
***Free allocations to operators shall be based on the ex-ante benchmark determined as the emissions from electricity production divided by electricity production of electricity generators in the Member State concerned.***

Or. en

## *Justification*

*A set of clear rules for calculation of free allocation at the installation level needs to be established. It is proposed a calculation based on benchmark value according to weighted average of emission levels of electricity production from electricity generators in the Member States concerned. This approach should ensure that efficiency of electricity generators is duly taken into account when determining free allocation.*

### **Amendment 570**

**Marian-Jean Marinescu**

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

##### **Article 1 – point 6**

Directive 2003/87/EC

Article 10c – paragraph 3

#### *Text proposed by the Commission*

3. The value of the intended investments shall at least equal the market value of the free allocation, while taking into account the need to limit directly linked price increases. The market value shall be the average of the price of allowances on the common auction platform in the preceding calendar year.

#### *Amendment*

3. The value of the intended investments shall at least equal the market value of the free allocation, while taking into account the need to limit directly linked price increases. The market value shall be the average of the price of allowances on the common auction platform in the preceding calendar year. ***At least 75% of the relevant costs of the intended investments shall be supported.***

Or. en

### **Amendment 571**

**Gerben-Jan Gerbrandy, Jasenko Selimovic**

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

##### **Article 1 – point 6**

Directive 2003/87/EC

Article 10c – paragraph 3

#### *Text proposed by the Commission*

3. The value of the intended investments shall at least equal the market value of the free allocation, while taking into account the need to limit directly

#### *Amendment*

3. The value of the intended investments shall at least equal the market value of the free allocation, while taking into account the need to limit directly

linked price increases. The market value shall be the average of the price of allowances on the common auction platform in the preceding calendar year.

linked price increases. The market value shall be the average of the price of allowances on the common auction platform in the preceding calendar year. ***Up to 60% of the relevant costs of an investment may be supported with free allocation.***

Or. en

#### *Justification*

*The investment support should leverage private investments but the projects should not fully depend on public support, in order to get the best value for money. Makes the level of funding consistent with the Innovation Fund.*

#### **Amendment 572**

**Gerben-Jan Gerbrandy, José Inácio Faria**

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

#### **Article 1 – point 6**

Directive 2003/87/EC

Article 10c – paragraph 4

#### *Text proposed by the Commission*

4. Transitional free allocations shall be deducted from the quantity of allowances that the Member State would otherwise auction. The total free allocation shall be no more than 40% of the allowances which the Member State concerned receives in ***the period 2021-30*** pursuant to Article 10(2)(a) ***spread out in equal annual volumes*** over the period from 2021-30.

#### *Amendment*

4. Transitional free allocations shall be deducted from the quantity of allowances that the Member State would otherwise auction. The total free allocation shall be no more than 40% of the allowances which the Member State concerned receives in ***2021*** pursuant to Article 10(2)(a) ***and shall decrease linearly*** over the period from 2021 ***to 2030, reaching zero free allocation in 2030.***

Or. en

#### *Justification*

*A gradual decline of Article 10c free allocation is consistent with the current approach (in the 2013-2020 phase of ETS). Moreover, a gradual decrease of free allocation is necessary to ensure the derogation from the general rule of full auctioning for the power sector is of a transitional nature.*

**Amendment 573**

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

**Proposal for a directive**

**Article 1 – point 6**

Directive 2003/87/EC

Article 10c – paragraph 4

*Text proposed by the Commission*

4. **Transitional** free allocations shall be deducted from the quantity of allowances that the Member State would otherwise auction. The total free allocation shall be no more than 40% of the allowances which the Member State concerned receives in the period 2021-30 pursuant to Article 10(2)(a) spread out in equal annual volumes over the period from 2021-30.

*Amendment*

4. Free allocations shall be deducted from the quantity of allowances that the Member State would otherwise auction. The total free allocation shall be no more than 40% of the allowances which the Member State concerned receives in the period 2021-30 pursuant to Article 10(2)(a) spread out in equal annual volumes over the period from 2021-30.

*Free allocation that is not covered by the necessary expenditure in any given year shall be carried over and claimed during following years of the period between 2021 and 2030 when appropriate expenditure is incurred. Other ways of distributing the total number of allowances dedicated for the free allocation over the period between 2021 and 2030 shall be allowed provided that they are duly justified.*

Or. en

**Amendment 574**

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

**Proposal for a directive**

**Article 1 – point 6**

Directive 2003/87/EC

Article 10c – paragraph 5

*Text proposed by the Commission*

5. Allocations to operators shall be

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*Amendment*

5. **Free** allocations to operators shall

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*made* upon demonstration *that an investment selected according to the rules of the competitive bidding process has been carried out.*

be *allowed* upon demonstration of *incurred expenditure, at the level of a capital group.*

*The free allocations to individual electricity generators (including co-generation of heat and electricity) for the period between 2021 and 2030 shall be determined and published by each of the Member States concerned by 30 September 2019. The allocations along with the list of electricity generators shall be updated in 2023 and 2027. The updated list of electricity generators shall be submitted to the Commission by 1 January 2024 and 2028 respectively.*

Or. en

#### **Amendment 575**

**Jadwiga Wiśniewska, Bolesław G. Piecha**

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

##### **Article 1 – point 6**

Directive 2003/87/EC

Article 10c – paragraph 5

#### *Text proposed by the Commission*

5. Allocations to operators shall be made upon demonstration that an investment selected according to the rules *of the competitive bidding process* has been carried out.

#### *Amendment*

5. Allocations to operators shall be made upon demonstration that an investment selected according to the rules *set out in paragraph 2* has been carried out.

Or. pl

#### **Amendment 576**

**Jadwiga Wiśniewska, Bolesław G. Piecha**

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

##### **Article 1 – point 6**

Directive 2003/87/EC

Article 10c – paragraph 5 a (new)

*Text proposed by the Commission*

*Amendment*

**5a.** *Allocations to operators shall be made on the basis of ex-ante benchmarks which are based on the weighted average of emission levels from the most efficient installations producing electricity. The weighted average shall take account of the share of different fuels in the production of electricity in the Member States concerned.*

Or. pl

**Amendment 577**

**Marian-Jean Marinescu**

**Proposal for a directive**

**Article 1 – point 6**

Directive 2003/87/EC

Article 10c – paragraph 5 a (new)

*Text proposed by the Commission*

*Amendment*

**5a.** *Every year the Commission may, at its own initiative or at the request of a Member State, add a new sector or subsector, if it is demonstrated that this sector or subsector complies with the criteria in paragraphs 1 and 3.*

Or. en

**Amendment 578**

**Marian-Jean Marinescu**

**Proposal for a directive**

**Article 1 – point 6**

Directive 2003/87/EC

Article 10c – paragraph 5 b (new)

*Text proposed by the Commission*

*Amendment*

**5b.** *The Commission shall keep under*

*assessment the international context and the development of carbon pricing mechanisms outside the Union. Based on this assessment and in view of the implementation of the Paris Agreement, the Commission shall, if appropriate, adjust and submit a legislative proposal to the European Parliament and to the Council.*

Or. en

**Amendment 579**

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

**Proposal for a directive**

**Article 1 – point 6**

Directive 2003/87/EC

Article 10c – paragraph 6

*Text proposed by the Commission*

6. Member States shall require benefiting electricity generators and network operators to report **by 28 February of** each year on the implementation of their selected investments. Member States shall report **on this** to the Commission, and the Commission shall make such reports public.

*Amendment*

6. Member States shall require benefiting electricity generators and network operators to report each year on the implementation of their selected investments. Member States shall report **annually by 31 March** to the Commission **on the balance of free allocation and investment expenditure incurred**, and the Commission shall make such reports public.

Or. en

**Amendment 580**

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

**Proposal for a directive**

**Article 1 – point 6**

Directive 2003/87/EC

Article 10c – paragraph 6

*Text proposed by the Commission*

6. Member States shall require benefiting electricity generators and network operators to report by 28 February of each year on the implementation of their selected investments. Member States shall report on this to the Commission, and the Commission shall make such reports public.

*Amendment*

6. Member States shall require benefiting electricity generators and network operators to report by 28 February of each year on the implementation of their selected investments. Member States shall **annually** report on this to the Commission, and the Commission shall make such reports public.

Or. en

*Justification*

*Technical clarification to ensure that Member States do not only collect data annually, but also report annually to the Commission.*

**Amendment 581**

**Jadwiga Wiśniewska, Bolesław G. Piecha**

**Proposal for a directive**

**Article 1 – point 6**

Directive 2003/87/EC

Article 10c – paragraph 6

*Text proposed by the Commission*

6. Member States shall require benefiting electricity generators and network operators to report by **28 February** of each year on the implementation of their selected investments. Member States shall report on this to the Commission, and the Commission shall make such reports public.

*Amendment*

6. Member States shall require benefiting electricity generators and network operators to report by **31 March** of each year on the implementation of their selected investments. Member States shall report on this to the Commission, and the Commission shall make such reports public.

Or. pl

*Justification*

*31 March is a more realistic deadline.*

**Amendment 582**  
**Gerben-Jan Gerbrandy**

**Proposal for a directive**

**Article 1 – point 6**

Directive 2003/87/EC

Article 10c – paragraph 6 a (new)

*Text proposed by the Commission*

*Amendment*

**6a. In case of a reasonable suspicion of irregularities or a failure by a Member State to report according to the provisions set out in paragraphs 2 to 6, the European Commission may undertake an independent investigation, where necessary assisted by a contracted third party. The Member State shall provide all investment information and access necessary for the investigation, including access to installations and building sites. The Commission shall publish a report on that investigation.**

Or. en

*Justification*

*Under current provisions the European Commission fully depends on the information provided by the Member State. However, in case reporting is incorrect or other irregularities occur, a violation of the provisions of Article 10c may significantly distort level playing field in the increasingly integrated electricity market. In this context it is justified to give the Commission the possibility to collect information independently.*

**Amendment 583**  
**Francesc Gambús**

**Proposal for a directive**

**Article 1 – point 6**

Directive 2003/87/EC

Article 10c – paragraph 6 a (new)

*Text proposed by the Commission*

*Amendment*

**6a. Member States which are eligible, according to this Article, to grant free**

*allocation to installations for electricity production, may choose to transfer the allowances to the Modernisation Fund.*

Or. en

*Justification*

*The modernization fund can provide further benefits that the free allocation to the power sector. Member States should have this flexibility.*

**Amendment 584**

**Andrzej Grzyb, Miroslav Mikolášik**

**Proposal for a directive**

**Article 1 – point 6**

Directive 2003/87/EC

Article 10c – paragraph 6 a (new)

*Text proposed by the Commission*

*Amendment*

**6a.** *The eligible Member States shall be allowed to transfer unused allowances allocated under paragraph 1a to the Modernisation Fund as well as for auctioning.*

Or. en

**Amendment 585**

**Gerben-Jan Gerbrandy, José Inácio Faria**

**Proposal for a directive**

**Article 1 – point 6**

Directive 2003/87/EC

Article 10c – paragraph 6 b (new)

*Text proposed by the Commission*

*Amendment*

**6b.** *In the situation of infringement of Union climate and energy law, including the Third Energy Package, or the criteria set out above, the Commission may require the Member State to withhold free*

*allocation.*

Or. en

*Justification*

*In case a Member State does not ensure that the energy market operates in accordance with EU rules, the use of transitional free allocation may exacerbate market distortions and undermine cost-efficient delivery of the EU's climate objectives. In case Member States must withhold free allocation, electricity producers remain in the position to obtain emission allowances at auctions or on the secondary allowance market.*

**Amendment 586**

**Gerben-Jan Gerbrandy**

**Proposal for a directive**

**Article 1 – point 6**

Directive 2003/87/EC

Article 10c – paragraph 6 c (new)

*Text proposed by the Commission*

*Amendment*

**6c. The Commission is empowered to adopt a delegated act in accordance with Article 23 to supplement this directive concerning the implementation this article.**

Or. en

*Justification*

*In the final design of the post 2020 rules for transitional free allocation, the Commission should be able to take into account further experience gained with the use of transitional free allocation during the next years in phase 3.*

**Amendment 587**

**Giorgos Grammatikakis**

**Proposal for a directive**

**Article 1 – point 7**

Directive 2003/87/EC

Article 10d

**(7) The following Article 10d is inserted:** **deleted**

**"Article 10d**

**Modernisation Fund**

**1. A fund to support investments in modernising energy systems and improving energy efficiency in Member States with a GDP per capita below 60% of the Union average in 2013 shall be established for the period 2021-30 and financed as set out in Article 10.**

**The investments supported shall be consistent with the aims of this Directive and the European Fund for Strategic Investments.**

**2. The fund shall also finance small-scale investment projects in the modernisation of energy systems and energy efficiency. To this end, the investment board shall develop guidelines and investment selection criteria specific to such projects.**

**3. The funds shall be distributed based on a combination of a 50% share of verified emissions and a 50% share of GDP criteria, leading to the distribution set out in Annex IIb.**

**4. The fund shall be governed by an investment board and a management committee, which shall be composed of representatives from the beneficiary Member States, the Commission, the EIB and three representatives elected by the other Member States for a period of 5 years. The investment board shall be responsible to determine a Union-level investment policy, appropriate financing instruments and investment selection criteria. The management committee shall be responsible for the day-to-day management of the fund.**

**The investment board shall elect a**



*representative from the Commission as chairman. The investment board shall strive to take decisions by consensus. If the investment board is not able to decide by consensus within a deadline set by the chairman, the investment board shall take a decision by simple majority.*

*The management committee shall be composed of representatives appointed by the investment board. Decisions of the management committee shall be taken by simple majority.*

*If the EIB recommends not financing an investment and provides reasons for this recommendation, a decision shall only be adopted if a majority of two-thirds of all members vote in favour. The Member State in which the investment will take place and the EIB shall not be entitled to cast a vote in this case. For small projects funded through loans provided by a national promotional bank or through grants contributing to the implementation of a national programme serving specific objectives in line with the objectives of the Modernisation Fund, provided that not more than 10% of the Member States' share set out in Annex IIb is used under the programme, the two preceding sentences shall not apply.*

*5. The beneficiary Member States shall report annually to the management committee on investments financed by the fund. The report shall be made public and include:*

- (a) information on the investments financed per beneficiary Member State;*
- (b) an assessment of the added value in terms of energy efficiency or modernisation of the energy system achieved through the investment;*

*6. Each year, the management committee shall report to the Commission on experience with the evaluation and selection of investments. The Commission shall review the basis on which projects*

*are selected by 31 December 2024 and, where appropriate, make proposals to the management committee.*

**7. The Commission shall be empowered to adopt a delegated act in accordance with Article 23 to implement this Article”.**

Or. en

**Amendment 588**  
**Marian-Jean Marinescu**

**Proposal for a directive**  
**Article 1 – point 7**  
Directive 2003/87/EC  
Article 10d – paragraph 1 – subparagraph 1

*Text proposed by the Commission*

A fund to support investments in modernising energy systems and improving energy efficiency in Member States with a GDP per capita below 60% of the Union average in 2013 shall be established for the period 2021-30 and financed as set out in Article 10.

*Amendment*

A fund to support investments in modernising energy systems and improving energy efficiency (***including thermal energy, district heating, high efficiency cogeneration, renewable energy, geothermal heat***) in Member States with a GDP per capita below 60% of the Union average in 2013 shall be established for the period 2021-30 and financed as set out in Article 10.

Or. en

**Amendment 589**  
**Eleonora Evi, Piernicola Pedicini, Marco Affronte, Dario Tamburrano**

**Proposal for a directive**  
**Article 1 – point 7**  
Directive 2003/87/EC  
Article 10d – paragraph 1 – subparagraph 1

*Text proposed by the Commission*

A fund to support investments in modernising energy systems and

*Amendment*

A fund to support investments in modernising energy systems ***by boosting***

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improving energy efficiency in Member States with a GDP per capita below 60% of the Union average in 2013 shall be established for the period 2021-30 and financed as set out in Article 10.

**large-scale renewable energy projects** and improving energy efficiency in Member States with a GDP per capita below 60% of the Union average in 2013 shall be established for the period 2021-30 and financed as set out in Article 10.

Or. en

#### **Amendment 590**

**Ivo Belet, Francesc Gambús, Andrey Kovatchev, Peter Liese, Maria Spyraiki, Alojz Peterle, Annie Schreijer-Pierik**

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

##### **Article 1 – point 7**

Directive 2003/87/EC

Article 10d – paragraph 1 – subparagraph 1

#### *Text proposed by the Commission*

A fund to support investments in modernising energy systems and improving energy efficiency in Member States with a GDP per capita below 60% of the Union average in 2013 shall be established for the period 2021-30 and financed as set out in Article 10.

#### *Amendment*

A fund to support **and leverage** investments in modernising energy systems, **including district heating**, and improving energy efficiency in Member States with a GDP per capita below 60% of the Union average in 2013 **or 2014** shall be established for the period 2021-30 and financed as set out in Article 10.

Or. en

#### **Amendment 591**

**György Hölvényi, András Gyürk**

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

##### **Article 1 – point 7**

Directive 2003/87/EC

Article 10d – paragraph 1 – subparagraph 1

#### *Text proposed by the Commission*

A fund to support investments in modernising energy systems and improving energy efficiency in Member States with a GDP per capita below 60% of

#### *Amendment*

A fund to support investments in modernising energy systems, **including district heating**, and improving energy efficiency in Member States with a GDP

the Union average in 2013 shall be established for the period 2021-30 and financed as set out in Article 10.

per capita below 60% of the Union average in 2013 shall be established for the period 2021-30 and financed as set out in Article 10.

Or. en

**Amendment 592**  
**Nikos Androulakis**

**Proposal for a directive**

**Article 1 – point 7**

Directive 2003/87/EC

Article 10d – paragraph 1 – subparagraph 1

*Text proposed by the Commission*

A fund to support investments in modernising energy systems and improving energy efficiency in Member States with a GDP per capita below 60% of the Union average in 2013 shall be established for the period 2021-30 and financed as set out in Article 10.

*Amendment*

A fund to support investments in modernising energy systems and improving energy efficiency in Member States with a GDP per capita below 60% of the Union average in 2013, **in 2014 or in 2015** shall be established for the period 2021-30 and financed as set out in Article 10.

Or. en

*Justification*

*The use of more than one year as reference years helps to better reflect current economic conditions in Member States and thus is fully in line with the spirit of the European Council Conclusions of October 2014*

**Amendment 593**

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

**Proposal for a directive**

**Article 1 – point 7**

Directive 2003/87/EC

Article 10d – paragraph 1 – subparagraph 2

*Text proposed by the Commission*

The investments supported shall be consistent with the aims of this Directive **and the European Fund for Strategic Investments**.

*Amendment*

The investments supported shall be consistent with the aims of this Directive.

Or. en

**Amendment 594**  
**Gilles Pargneaux**

**Proposal for a directive**

**Article 1 – point 7**

Directive 2003/87/EC

Article 10 d – paragraph 1 – subparagraph 2

*Text proposed by the Commission*

The investments supported shall be consistent with the aims of this Directive and the European Fund for Strategic Investments.

*Amendment*

The investments supported shall be consistent with the aims of this Directive, ***EU greenhouse gas emission reduction targets, the Paris Agreement***, and the European Fund for Strategic Investments. ***The selection criteria for projects eligible under the Modernisation Fund shall be those used by the European Investment Bank as set out in its Environmental and Social Handbook. The projects selected must apply the best available technology for a given sector.***

Or. fr

**Amendment 595**  
**Bas Eickhout**

**Proposal for a directive**

**Article 1 – point 7**

Directive 2003/87/EC

Article 10d – paragraph 1 – subparagraph 2

*Text proposed by the Commission*

The investments supported shall be

*Amendment*

The investments supported shall be

consistent with the aims of this Directive and the European Fund for Strategic *Investments*.

consistent with the *Union's long-term climate and energy goals, with the* aims of this Directive and the European Fund for Strategic *Investment, as well as with Annex I of the European Investment Bank Climate Strategy*.

*The fund shall not support energy generation from coal.*

Or. en

**Amendment 596**  
**Gerben-Jan Gerbrandy, Jasenko Selimovic**

**Proposal for a directive**  
**Article 1 – point 7**  
Directive 2003/87/EC  
Article 10d – paragraph 1 – subparagraph 2

*Text proposed by the Commission*

The investments supported shall be consistent with the aims of this Directive *and* the European Fund for Strategic Investments.

*Amendment*

The investments supported shall be consistent with the aims of this Directive, *the Union's long-term climate and energy objectives*, the European Fund for Strategic Investments *and Annex I of the European Investment Bank Climate Strategy*.

Or. en

*Justification*

*The EU's long-term climate and energy objectives must be taken into account in the design and implementation of the Modernisation Fund. Moreover, the investment framework established by the European Investment Bank provides independent screening and assessment criteria, building on the experience and proven track record of the Bank with energy projects.*

**Amendment 597**  
**Jytte Guteland, Matthias Groote, Soledad Cabezón Ruiz, Jo Leinen, Seb Dance, Carlos Zorrinho, 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 7**

Directive 2003/87/EC

Article 10d – paragraph 1 – subparagraph 2 a (new)

*Text proposed by the Commission*

*Amendment*

***The investments supported shall follow the same criteria as set out in Article 10c, in particular:***

***(i) on the basis of a cost-benefit analysis, ensure a net positive gain in terms of emissions reduction and realise a pre-determined significant level of CO2 reductions, in line with Annexes I and II of the European Investment Bank Climate Strategy;***

***(ii) are additional, clearly respond to replacement and modernisation needs and do not supply a market-driven increase in energy demand and were not included in the national investment plan for the third trading period;***

***(iii) offer best value for money;***

***(iv) promote community-driven integrated approaches;***

***(v) do not contribute to any coal-fired energy generation capacity nor increase coal-dependency;***

Or. en

*Justification*

*Strengthens selection criteria for investments through Modernisation Fund.*

**Amendment 598**

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

**Proposal for a directive**

**Article 1 – point 7**

Directive 2003/87/EC

Article 10d – paragraph 1 a (new)

*Text proposed by the Commission*

*Amendment*

***1a. Support to investments for energy efficiency shall be directed towards improving the energy performance of buildings.***

Or. en

*Justification*

*Energy efficiency in buildings provides a large low-cost potential for energy efficiency, energy security and job creation. Moreover, the Kyoto Protocol-related Green Investment Schemes, which are partly used for building renovations in Central and Eastern Europe, are coming to an end by 2020. The Modernisation Fund must therefore give priority to renovations of buildings.*

**Amendment 599**  
**Gerben-Jan Gerbrandy**

**Proposal for a directive**  
**Article 1 – point 7**  
Directive 2003/87/EC  
Article 10d – paragraph 1 b (new)

*Text proposed by the Commission*

*Amendment*

***1b. Where energy system modernisation investments relate to electricity production, total CO2 emissions per kilowatt hour of electricity produced in a given installation shall not exceed 350 grams.***

Or. en

*Justification*

*Energy system modernisation investments should contribute to significant reductions in greenhouse gas emissions; investments in high-emissions electricity production must be excluded.*



**Amendment 600**  
**Jadwiga Wiśniewska, Bolesław G. Piecha**

**Proposal for a directive**

**Article 1 – point 7**

Directive 2003/87/EC

Article 10d – paragraph 2

*Text proposed by the Commission*

2. The fund shall also finance small-scale investment projects in the modernisation of energy systems and energy efficiency. To this end, the **investment board** shall develop guidelines and investment selection criteria specific to such projects.

*Amendment*

2. The fund shall also finance small-scale investment projects in the modernisation of energy systems and energy efficiency. To this end, the **beneficiary Member States** shall develop guidelines and investment selection criteria specific to such projects. **The guidelines shall be submitted to public consultation and made public after their adoption.**

**For the purposes of this paragraph, a small-scale investment project means a project with a total investment scale not exceeding EUR 25 million which is funded through loans provided by a national promotional bank or through grants contributing to the implementation of a national programme serving specific objectives that are in line with those of the Modernisation Fund, provided that not more than 20% of the Member States' share set out in Annex IIb is used.**

Or. pl

*Justification*

*Pursuant to the Council Conclusions of October 2014, it is the beneficiary Member States that should manage the fund. Although it can be understood that large projects should be better coordinated, control over small projects should be the exclusive responsibility of those Member States. The rules should, however, be public and transparent. The Directive should also specify what a small-scale project is.*

**Amendment 601**  
**Marian-Jean Marinescu**

**Proposal for a directive**  
**Article 1 – point 7**  
Directive 2003/87/EC  
Article 10d – paragraph 2

*Text proposed by the Commission*

2. The fund shall also finance small-scale investment projects in the modernisation of energy systems and energy efficiency. To this end, the **investment board** shall develop guidelines and investment selection criteria specific to such projects.

*Amendment*

2. The fund shall also finance small-scale investment projects in the modernisation of energy systems and energy efficiency (**including thermal energy, district heating, high efficiency cogeneration, renewable energy, geothermal heat**). To this end, the **beneficiary Member States** shall develop **national rules and** guidelines and investment selection criteria specific to such projects, **in line with the objectives of the fund and the guidelines and investment selection criteria elaborated by the Advisory Board referred to in paragraph 4. The national rules shall be made available to the public.**

Or. en

**Amendment 602**  
**Andrzej Grzyb, Andrey Kovatchev, Miroslav Mikolášik**

**Proposal for a directive**  
**Article 1 – point 7**  
Directive 2003/87/EC  
Article 10d – paragraph 2

*Text proposed by the Commission*

2. The fund shall also finance small-scale investment projects in the modernisation of energy systems and energy efficiency. To this end, the **investment board** shall develop guidelines and investment selection criteria specific to such projects.

*Amendment*

2. The fund shall also finance small-scale investment projects in the modernisation of energy systems (**including thermal energy, district heating, high efficiency cogeneration, renewable energy, geothermal heat**) and energy efficiency. To this end, the **eligible Member States** shall develop guidelines and investment selection criteria specific to such projects **in line with the guidance elaborated by an advisory board referred**

*to in paragraph 4.*

Or. en

**Amendment 603**

**Jytte Guteland, Matthias Groote, Soledad Cabezón Ruiz, Jo Leinen, Seb Dance, Carlos Zorrinho, 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 7**

Directive 2003/87/EC

Article 10d – paragraph 2

*Text proposed by the Commission*

2. The fund shall also finance small-scale investment projects in the modernisation of energy systems and energy efficiency. To this end, the investment board shall develop guidelines and investment selection criteria specific to such projects.

*Amendment*

2. The fund shall also finance small-scale investment projects in the modernisation of energy systems and energy efficiency. To this end, the investment board shall develop guidelines and investment selection criteria specific to such projects *in line with the objectives of the fund and with the criteria set in paragraph 1 of this Article.*

Or. en

**Amendment 604**

**György Hölvényi, András Gyürk**

**Proposal for a directive**

**Article 1 – point 7**

Directive 2003/87/EC

Article 10d – paragraph 2

*Text proposed by the Commission*

2. The fund shall also finance small-scale investment projects in the modernisation of energy systems and energy efficiency. To this end, the *investment board* shall develop *guidelines* and investment selection criteria specific to

*Amendment*

2. The fund shall also finance small-scale investment projects in the modernisation of energy systems and energy efficiency. To this end, the *beneficiary Member States* shall develop *national rules* and investment selection

such projects.

criteria specific to such projects, *based on the guidance of the Commission and EIB*.

Or. en

#### **Amendment 605**

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

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

##### **Article 1 – point 7**

Directive 2003/87/EC

Article 10d – paragraph 2

#### *Text proposed by the Commission*

2. The fund shall also finance small-scale investment projects in the modernisation of energy systems and energy efficiency. To this end, the investment board shall develop guidelines and investment selection criteria specific to such projects.

#### *Amendment*

2. The fund shall also finance small-scale investment projects in the modernisation of **renewable** energy systems and energy efficiency. To this end, the investment board shall develop guidelines and investment selection criteria specific to such projects.

Or. en

#### **Amendment 606**

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

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

##### **Article 1 – point 7**

Directive 2003/87/EC

Article 10d – paragraph 2

#### *Text proposed by the Commission*

2. The fund shall also finance small-scale investment projects in the modernisation of energy systems and energy efficiency. To this end, the **investment** board shall develop guidelines and investment selection criteria specific to such projects.

#### *Amendment*

2. The fund shall also finance small-scale investment projects in the modernisation of energy systems and energy efficiency. To this end, the **advisory** board shall develop guidelines and investment selection criteria specific to such projects.

Or. en

**Amendment 607**

**Bas Eickhout**

**Proposal for a directive**

**Article 1 – point 7**

Directive 2003/87/EC

Article 10d – paragraph 3

*Text proposed by the Commission*

*Amendment*

**3. The funds shall be distributed based on a combination of a 50% share of verified emissions and a 50% share of GDP criteria, leading to the distribution set out in Annex IIb.**

**deleted**

Or. en

*Justification*

*The funding should be based on merits of the proposed investment projects.*

**Amendment 608**

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

**Proposal for a directive**

**Article 1 – point 7**

Directive 2003/87/EC

Article 10d – paragraph 3

*Text proposed by the Commission*

*Amendment*

**3. The funds shall be distributed based on a combination of a 50% share of verified emissions and a 50% share of GDP criteria, leading to the distribution set out in Annex IIb.**

**3. *The EIB is responsible for the monetisation of the 2% allowances referred to in Article 10 in equal volumes each year for the period between 2021 and 2030. The monetisation calendar shall be defined in consultation with the beneficiary Member States.*** The funds shall be distributed ***among the beneficiary Member States*** based on a combination of a 50% share of verified emissions and a 50% share of GDP criteria, leading to the

distribution set out in Annex IIb.

Or. en

**Amendment 609**  
**Marian-Jean Marinescu**

**Proposal for a directive**  
**Article 1 – point 7**  
Directive 2003/87/EC  
Article 10d – paragraph 3

*Text proposed by the Commission*

3. The funds shall be distributed based on a combination of a 50% share of verified emissions and a 50% share of GDP criteria, leading to the distribution set out in Annex IIb.

*Amendment*

3. The funds shall be distributed based on a combination of a 50% share of verified emissions and a 50% share of GDP criteria, leading to the distribution set out in Annex IIb. ***The beneficiary Member States and the Commission shall ensure that the allowances referred to in Article 10(1) shall be transferred to the EIB for monetisation.***

Or. en

**Amendment 610**  
**Jadwiga Wiśniewska, Bolesław G. Piecha**

**Proposal for a directive**  
**Article 1 – point 7**  
Directive 2003/87/EC  
Article 10d – paragraph 3

*Text proposed by the Commission*

3. The funds shall be distributed based on a combination of a 50 % share of verified emissions and a 50% share of GDP criteria, leading to the distribution set out in Annex IIb.

*Amendment*

3. The funds shall be distributed based on a combination of a 50 % share of verified emissions and a 50% share of GDP criteria, leading to the distribution set out in Annex IIb. ***The European Investment Bank shall be responsible for monetising the allocations that make up the fund.***

Or. pl

*Justification*

*The project does not specify who is responsible for the sale of allocations for the purposes of financing the fund.*

**Amendment 611**  
**Gerben-Jan Gerbrandy**

**Proposal for a directive**  
**Article 1 – point 7**  
Directive 2003/87/EC  
Article 10d – paragraph 3 a (new)

*Text proposed by the Commission*

*Amendment*

***3a. Any of the Member States referred to in paragraph 1 which has decided to grant transitional free allocation pursuant to Article 10c may transfer those allowances to its share of the Modernisation Fund set out in Annex IIb and allocate them pursuant to the provisions of Article 10d.***

Or. en

*Justification*

*Combining the governance mechanisms and procedures of the Modernisation Fund and modernisation investments related to transitional free allocation would reduce the administrative burden for Member States and introduce a consistent set of rules for investors that are looking for either support under the Article 10c or the Modernisation Fund.*

**Amendment 612**  
**Jytte Guteland, Matthias Groote, Soledad Cabezón Ruiz, Jo Leinen, 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 7**  
Directive 2003/87/EC  
Article 10d – paragraph 3 a (new)

**3a.** *Any beneficiary Member State which has decided to grant transitional free allocation pursuant to Article 10c may transfer those allowances to its share of the Modernisation Fund set out in Annex IIb and allocate them pursuant to the provisions of Article 10d.*

Or. en

**Amendment 613**

**György Hölvényi, András Gyürk**

**Proposal for a directive**

**Article 1 – point 7**

Directive 2003/87/EC

Article 10d – paragraph 4 – subparagraph 1

*Text proposed by the Commission*

The fund shall be governed by *an investment board and a management committee, which shall be composed of representatives from the beneficiary Member States, the Commission, the EIB and three representatives elected by the other Member States for a period of 5 years. The investment board shall be responsible to determine a Union-level investment policy, appropriate financing instruments and investment selection criteria. The management committee shall be responsible for the day-to-day management of the fund.*

*Amendment*

The fund shall be governed by *the beneficiary Member States, with the involvement of the Commission. The EIB shall be involved as an advisory body and provide guidelines on the principles for the project selection. Adequate monitoring and reporting provisions shall be established to guarantee the transparency and efficient use of the fund by the beneficiary Member States.*

*The beneficiary Member State shall select the projects which it finds appropriate based on the principles and purpose of the Fund and shall notify the European Commission about the list of the selected projects.*

*The fund shall cooperate fully with established national implementing entities and programs.*



### *Justification*

*In line with the European Council conclusions, the fund shall be managed by the beneficiary Member States, based on clear, simple and transparent rules. The original proposal does not reflect these objectives. The two proposed governing bodies would unnecessarily slow-down and make less efficient the decision-making and implementation.*

#### **Amendment 614**

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

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

##### **Article 1 – point 7**

Directive 2003/87/EC

Article 10d – paragraph 4 – subparagraph 1

#### *Text proposed by the Commission*

The fund shall be governed by *an investment board and a management committee, which shall be* composed of representatives *from* the beneficiary Member States, the Commission, the EIB *and three representatives elected by the other Member States for a period of 5 years. The investment* board shall be responsible to *determine* a Union-level investment policy, appropriate financing instruments and investment selection criteria. *The management committee shall be responsible for the day-to-day management of the fund.*

#### *Amendment*

The *individual allocations of each beneficiary Member State from the Modernisation* Fund shall be governed by *the eligible beneficiary Member State, assisted by the advisory board* composed of representatives *of* the beneficiary Member States, the Commission, *and* the EIB.

*Individual decisions on financing particular projects shall be taken by the eligible beneficiary Member State. Day-to-day management of the fund shall be executed by the beneficiary Member States.*

*The advisory board shall be responsible for preparing the framework guidance on investment, including* a Union-level investment policy, appropriate financing instruments and investment selection criteria.

**Amendment 615**

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

**Proposal for a directive****Article 1 – point 7**

Directive 2003/87/EC

Article 10d – paragraph 4 – subparagraph 1

*Text proposed by the Commission*

The fund shall be governed by an **investment board and a management committee, which shall be** composed of representatives from the beneficiary Member States, the Commission, the EIB and three representatives elected by the other Member States for a period of 5 years. The **investment** board shall be responsible to **determine** a Union-level investment policy, appropriate financing instruments and investment selection criteria. **The management committee shall be responsible for the day-to-day management** of the fund.

*Amendment*

The fund shall be governed by an **advisory** board **chaired by the beneficiary Member States and the EIB. The advisory board is** composed of representatives from the beneficiary Member States, the Commission, the EIB and three representatives elected by the other Member States for a period of 5 years. The **advisory** board shall be responsible **for the elaboration of guidance in relation to the objectives of** an Union-level investment policy **with regard to this fund,** appropriate financing instruments and **the role of national financing institutions as well as** investment selection criteria, **based on criteria established in article 10c paragraph 2, the technological neutrality of projects, coherence with the 2030 policy objectives, respecting specific circumstances of the beneficiary Member States as well as transparency and accuracy in the selection process. Separate guidance, covering the selection criteria, the role of national institutions and available financing instruments, shall be developed for small-scale investment projects.**

**Amendment 616**

**Marian-Jean Marinescu**

**Proposal for a directive**

**Article 1 – point 7**

Directive 2003/87/EC

Article 10d – paragraph 4 – subparagraph 1

*Text proposed by the Commission*

The fund shall be governed by *an investment board and a management committee*, which shall be composed of representatives from the beneficiary Member States, *the Commission, the EIB and three representatives elected by the other Member States for a period of 5 years. The investment board shall be responsible to determine a* Union-level investment policy, *appropriate financing instruments* and investment selection criteria. *The management committee shall be responsible for the day-to-day management of the fund.*

*Amendment*

The fund shall be governed by *the beneficiary Member States assisted by an Advisory board*, which shall be composed of representatives from the beneficiary Member States *and the EIB. The advisory board shall be responsible for the elaboration of guidelines in relation to the objectives of the* Union-level investment policy *related to that fund* and *in relation to* investment selection criteria *which shall take into account national circumstances.*

Or. en

**Amendment 617**

**Jadwiga Wiśniewska, Bolesław G. Piecha**

**Proposal for a directive**

**Article 1 – point 7**

Directive 2003/87/EC

Article 10d – paragraph 4 – subparagraph 1

*Text proposed by the Commission*

The fund shall be governed by an *investment board and a management committee*, which shall be composed of representatives from *the beneficiary* Member States, the Commission, the EIB *and three representatives elected by the other Member States* for a period of 5 years. The *investment* board shall be responsible *to determine an Union-level* investment policy, appropriate financing instruments and investment selection criteria. *The management committee shall*

*Amendment*

The fund shall be governed by *beneficiary Member States, assisted by an advisory* board, which shall be composed of representatives from *those* Member States, the Commission and the EIB elected for a period of 5 years. The *advisory* board shall be responsible *for adopting guidelines defining* investment policy, appropriate financing instruments and investment selection criteria *in accordance with paragraph 1. The guidelines shall be publicly available.*

*be responsible for the day-to-day management of the fund.*

Or. pl

*Justification*

*Pursuant to the Council Conclusions of October 2014, it is the beneficiary Member States that should manage the fund.*

**Amendment 618**  
**Gerben-Jan Gerbrandy, Jasenko Selimovic**

**Proposal for a directive**

**Article 1 – point 7**

Directive 2003/87/EC

Article 10d – paragraph 4 – subparagraph 1

*Text proposed by the Commission*

The fund shall be governed by an investment board and a management committee, which shall be composed of representatives from the beneficiary Member States, ***the Commission, the EIB*** and three representatives elected by the other Member States for a period of 5 years. The investment board shall be responsible to determine a Union-level investment policy, appropriate financing instruments and investment selection criteria. The management committee shall be responsible for the day-to-day management of the fund.

*Amendment*

The fund shall be governed by an investment board and a management committee, which shall be composed of representatives from ***the Commission, the EIB, three representatives elected by the beneficiary Member States for a period of 5 years*** and three representatives elected by the other Member States for a period of 5 years. The investment board shall be responsible to determine a Union-level investment policy, ***in line with Annex I of the EIB Climate Investment Strategy and consistent with Union policies*** appropriate financing instruments and investment selection criteria. The management committee shall be responsible for the day-to-day management of the fund.

Or. en

*Justification*

*There should be a balanced representation between beneficiary Member States and other Member States, as the funds under the Modernisation Fund are European resources. Moreover, the EIB's climate investment framework should be used as a basis in order to have*

*independent and robust selection criteria for projects.*

**Amendment 619**

**Jytte Guteland, Matthias Grootte, Soledad Cabezón Ruiz, Jo Leinen, Seb Dance, Karin Kadenbach, José Blanco López, Nikos Androulakis, Christel Schaldemose, Gilles Pargneaux**

**Proposal for a directive**

**Article 1 – point 7**

Directive 2003/87/EC

Article 10d – paragraph 4 – subparagraph 1

*Text proposed by the Commission*

The fund shall be governed by an investment board and a management committee, which shall be composed of representatives from the beneficiary Member States, the Commission, the EIB and three representatives elected by the other Member States for a period of 5 years. The investment board shall be responsible to determine *a* Union-level investment policy, appropriate financing instruments and investment selection criteria. The management committee shall be responsible for the day-to-day management of the fund.

*Amendment*

The fund shall be governed by an investment board and a management committee, which shall be composed of representatives from the beneficiary Member States, the Commission, the EIB and three representatives elected by the other Member States for a period of 5 years. The investment board shall be responsible to determine *a* Union-level investment policy, appropriate financing instruments and investment selection criteria. The management committee shall be responsible for the day-to-day management of the fund. ***The investment board and management committee shall both be gender-balanced.***

Or. en

**Amendment 620**

**Biljana Borzan**

**Proposal for a directive**

**Article 1 – point 7**

Directive 2003/87/EC

Article 10d – paragraph 4 – subparagraph 1

*Text proposed by the Commission*

The fund shall be governed by an investment board and a management

*Amendment*

The fund shall be governed by an investment board and a management

committee, which shall be composed of representatives from the beneficiary Member States, the Commission, ***the EIB and three representatives elected by the other Member States for a period of 5 years***. The investment board shall be responsible to determine a Union-level investment policy, appropriate financing instruments and investment selection criteria. The management committee shall be responsible for the day-to-day management of the fund.

committee, which shall be composed of representatives from the beneficiary Member States, the Commission ***and the EIB***. The investment board shall be responsible to determine a Union-level investment policy, appropriate financing instruments and investment selection criteria. The management committee shall be responsible for the day-to-day management of the fund.

Or. en

### *Justification*

*The Modernisation Fund should be directed by those Member States to which it applies, the EIB that has the expertise and the Commission. It is unclear why should other Member States have a say on this issue.*

## **Amendment 621** **Bas Eickhout**

### **Proposal for a directive**

#### **Article 1 – point 7**

Directive 2003/87/EC

Article 10d – paragraph 4 – subparagraph 1

#### *Text proposed by the Commission*

The fund shall be governed by an investment board and a management committee, which shall be composed of representatives from ***the beneficiary*** Member States, the Commission, ***the EIB and three representatives elected by the other Member States*** for a period of 5 years. The investment board shall be responsible to determine a Union-level investment policy, appropriate financing instruments and investment selection criteria. The management committee shall be responsible for the day-to-day management of the fund.

#### *Amendment*

The fund shall be governed by an investment board and a management committee, which shall be composed of representatives from ***all the*** Member States, the Commission ***and the EIB*** for a period of 5 years. The investment board shall be responsible to determine a Union-level investment policy, appropriate financing instruments and investment selection criteria. The management committee shall be responsible for the day-to-day management of the fund.

**Amendment 622****Matteo Salvini****Proposal for a directive****Article 1 – point 7**

Directive 2003/87/EC

Article 10d – paragraph 4 – subparagraph 1

*Text proposed by the Commission*

The fund shall be governed by an investment board and a management committee, which shall be composed of **representatives from** the beneficiary Member States, the Commission, the EIB and three representatives elected by the other Member States for a period of 5 years. The investment board shall be responsible to determine a Union-level investment policy, appropriate financing instruments and investment selection criteria. The management committee shall be responsible for the day-to-day management of the fund.

*Amendment*

The fund shall be governed by an investment board and a management committee, which shall be composed of **one representative from each of** the beneficiary Member States, the Commission **and** the EIB, and three representatives elected by the other Member States, for a period of 5 years. The investment board shall be responsible to determine a Union-level investment policy, appropriate financing instruments and investment selection criteria. The management committee shall be responsible for the day-to-day management of the fund.

Or. en

**Amendment 623****Pavel Poc****Proposal for a directive****Article 1 – point 7**

Directive 2003/87/EC

Article 10d – paragraph 4 – subparagraph 1

*Text proposed by the Commission*

The fund shall be governed by an investment board and a management committee, which shall be composed of representatives from the beneficiary Member States, **the Commission**, the EIB

*Amendment*

The fund shall be governed by an investment board and a management committee, which shall be composed of representatives from the beneficiary Member States, **and** the EIB. The

*and three representatives elected by the other Member States for a period of 5 years.* The investment board shall be responsible to determine a Union-level investment policy, appropriate financing instruments and investment selection criteria. The management committee shall be responsible for the day-to-day management of the fund.

investment board shall be responsible to determine a Union-level investment policy, appropriate financing instruments and investment selection criteria, **which shall take into account national circumstances.** The management committee shall be responsible for the day-to-day management of the fund.

Or. en

#### *Justification*

*In the Council Conclusions from October 2014 it is stated that the modernisation fund will be managed by the beneficiary Member States, with the involvement of the EIB in the selection of projects. However, this is not reflected in the Commission proposal, as it proposes more complicated structure with the significant involvement of the Commission and moreover three more non-beneficiary member states.*

#### **Amendment 624**

**Giovanni La Via, Elisabetta Gardini, Massimiliano Salini, Alberto Cirio**

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

##### **Article 1 – point 7**

Directive 2003/87/EC

Article 10d – paragraph 4 – subparagraph 1

#### *Text proposed by the Commission*

The fund shall be governed by an investment board and a management committee, which shall be composed of representatives from the beneficiary Member States, the Commission, the EIB and **three** representatives elected by the other Member States for a period of 5 years. The investment board shall be responsible to determine a Union-level investment policy, appropriate financing instruments and investment selection criteria. The management committee shall be responsible for the day-to-day management of the fund.

#### *Amendment*

The fund shall be governed by an investment board and a management committee, which shall be composed of **ten** representatives from the beneficiary Member States, the Commission, the EIB and **ten** representatives elected by the other Member States for a period of 5 years. The investment board shall be responsible to determine a Union-level investment policy, appropriate financing instruments and investment selection criteria. The management committee shall be responsible for the day-to-day management of the fund.

Or. en



*Justification*

*A more symmetric and transparent governance system should be envisaged for the Modernization Fund. The composition of the Investment Board should be less unbalanced towards beneficiary countries and therefore this Board should be composed, in addition to the beneficiary countries, by 10 non beneficiary Member States, by the Commission and by the EIB.*

**Amendment 625**

**György Hölvényi, András Gyürk**

**Proposal for a directive**

**Article 1 – point 7**

Directive 2003/87/EC

Article 10d – paragraph 4 – subparagraph 2

*Text proposed by the Commission*

*Amendment*

*The investment board shall elect a representative from the Commission as chairman. The investment board shall strive to take decisions by consensus. If the investment board is not able to decide by consensus within a deadline set by the chairman, the investment board shall take a decision by simple majority.*

*deleted*

Or. en

**Amendment 626**

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

**Proposal for a directive**

**Article 1 – point 7**

Directive 2003/87/EC

Article 10d – paragraph 4 – subparagraph 2

*Text proposed by the Commission*

*Amendment*

*The investment board shall elect a representative from the Commission as chairman. The investment board shall strive to take decisions by consensus. If the investment board is not able to decide by consensus within a deadline set by the*

*The advisory board shall be chaired annually by one of the beneficiary Member States.*

*chairman, the investment board shall take a decision by simple majority.*

Or. en

#### **Amendment 627**

**Marian-Jean Marinescu**

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

##### **Article 1 – point 7**

Directive 2003/87/EC

Article 10d – paragraph 4 – subparagraph 2

#### *Text proposed by the Commission*

The *investment* board shall *elect a representative from the Commission as chairman. The investment* board shall strive to take decisions by consensus. If the *investment* board is not able to decide by consensus within a deadline set by the chairman, the investment board shall take a decision by simple majority.

#### *Amendment*

The *chairmanship of the Advisory* board shall *be held by the beneficiary Member States and be based on a one-year-term rotation model. The advisory* board shall strive to take decisions by consensus. If the *advisory* board is not able to decide by consensus within a deadline set by the chairman, the investment board shall take a decision by simple majority.

Or. en

#### **Amendment 628**

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

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

##### **Article 1 – point 7**

Directive 2003/87/EC

Article 10d – paragraph 4 – subparagraph 2

#### *Text proposed by the Commission*

The *investment board shall elect a representative from the Commission as chairman. The investment* board shall strive to take decisions by consensus. If the investment board is not able to decide by consensus within a deadline set by the chairman, the investment board shall take a

#### *Amendment*

The *advisory* board shall strive to take decisions by consensus. If the investment board is not able to decide by consensus within a deadline set by the chairman, the investment board shall take a decision by simple majority.

decision by simple majority.

Or. en

**Amendment 629**  
**Matteo Salvini**

**Proposal for a directive**

**Article 1 – point 7**

Directive 2003/87/EC

Article 10d – paragraph 4 – subparagraph 2

*Text proposed by the Commission*

The investment board shall elect a representative from the **Commission** as chairman. The investment board shall strive to take decisions by consensus. If the investment board is not able to decide by consensus within a deadline set by the chairman, the investment board shall take a decision by simple majority.

*Amendment*

The investment board shall elect a representative from the **beneficiary Member States** as chairman. The investment board shall strive to take decisions by consensus. If the investment board is not able to decide by consensus within a deadline set by the chairman, the investment board shall take a decision by simple majority.

Or. en

**Amendment 630**  
**Jadwiga Wiśniewska, Bolesław G. Piecha**

**Proposal for a directive**

**Article 1 – point 7**

Directive 2003/87/EC

Article 10d – paragraph 4 – subparagraph 2

*Text proposed by the Commission*

The **investment** board shall elect a representative from the Commission as chairman. The **investment** board shall strive to take decisions by consensus. If the investment board is not able to decide by consensus within a deadline set by the chairman, the investment board shall take a decision by simple majority.

*Amendment*

The **advisory** board shall elect a representative from the Commission as chairman. The **advisory** board shall strive to take decisions by consensus. If the investment board is not able to decide by consensus within a deadline set by the chairman, the investment board shall take a decision by simple majority.

**Amendment 631**  
**Marian-Jean Marinescu**

**Proposal for a directive**  
**Article 1 – point 7**  
Directive 2003/87/EC  
Article 10d – paragraph 4 – subparagraph 3

*Text proposed by the Commission*

*Amendment*

*The management committee shall be composed of representatives appointed by the investment board. Decisions of the management committee shall be taken by simple majority.* *deleted*

Or. en

**Amendment 632**  
**Andrzej Grzyb, Andrey Kovatchev, Miroslav Mikolášik, György Hölvényi**

**Proposal for a directive**  
**Article 1 – point 7**  
Directive 2003/87/EC  
Article 10d – paragraph 4 – subparagraph 3

*Text proposed by the Commission*

*Amendment*

*The management committee shall be composed of representatives appointed by the investment board. Decisions of the management committee shall be taken by simple majority.* *deleted*

Or. en

**Amendment 633**  
**Massimo Paolucci, Renata Briano, Damiano Zoffoli, Simona Bonafè, Elena Gentile, Nicola Caputo**

**Proposal for a directive**

**Article 1 – point 7**

Directive 2003/87/EC

Article 10d – paragraph 4 – subparagraph 3

*Text proposed by the Commission*

*Amendment*

*The management committee shall be composed of representatives appointed by the investment board. Decisions of the management committee shall be taken by simple majority.*

*deleted*

Or. en

**Amendment 634**

**György Hölvényi, András Gyürk**

**Proposal for a directive**

**Article 1 – point 7**

Directive 2003/87/EC

Article 10d – paragraph 4 – subparagraph 3

*Text proposed by the Commission*

*Amendment*

*The management committee shall be composed of representatives appointed by the investment board. Decisions of the management committee shall be taken by simple majority.*

*deleted*

Or. en

**Amendment 635**

**Jadwiga Wiśniewska, Boleslaw G. Piecha**

**Proposal for a directive**

**Article 1 – point 7**

Directive 2003/87/EC

Article 10d – paragraph 4 – subparagraph 3

*Text proposed by the Commission*

*Amendment*

*The management committee shall be composed of representatives appointed by*

*deleted*

*the investment board. Decisions of the management committee shall be taken by simple majority.*

Or. pl

*Justification*

*The fund should be managed by beneficiary states, and the creation of excessive administrative structures is unnecessary.*

**Amendment 636**

**Gerben-Jan Gerbrandy, José Inácio Faria**

**Proposal for a directive**

**Article 1 – point 7**

Directive 2003/87/EC

Article 10d – paragraph 4 – subparagraph 3

*Text proposed by the Commission*

The management committee shall be composed of **representatives** appointed by the investment board. Decisions of the management committee shall be taken by simple majority.

*Amendment*

***The composition of the management committee shall strive to be gender-balanced. The management committee shall, following an open and transparent selection procedure, be composed of independent experts, appointed by the investment board for a fixed term. Decisions of the management committee shall be taken by simple majority.***

***The independent experts shall have a high level of relevant market experience in project structuring and project financing. The investment board shall strive to select experts having experience in investment in one or more of the following fields: research, development and innovation; energy infrastructure; energy efficiency and renewable energy; environmental protection and management; and SMEs.***

***CVs and declarations of interest of the members of the management committee shall be made public and constantly updated. The investment board shall on an ongoing basis check the absence of***

*any conflict of interest.*

Or. en

*Justification*

*Considering that the Modernisation Fund will manage significant fund on behalf of all Member States, strong criteria should be provided for by the legislators. The suggested approach is consistent with the EFSI regulation.*

**Amendment 637**

**Matteo Salvini**

**Proposal for a directive**

**Article 1 – point 7**

Directive 2003/87/EC

Article 10d – paragraph 4 – subparagraph 3

*Text proposed by the Commission*

The management committee shall be composed of *representatives* appointed by the investment board. Decisions of the management committee shall be taken by simple majority.

*Amendment*

The management committee shall be composed of *experts* appointed by the investment board *following an open and transparent procedure*. Decisions of the management committee shall be taken by simple majority.

Or. en

**Amendment 638**

**Francesc Gambús**

**Proposal for a directive**

**Article 1 – point 7**

2003/87/EC

Article 10d – paragraph 4 – subparagraph 3

*Text proposed by the Commission*

The *management committee* shall be *composed of representatives appointed* by the investment *board*. *Decisions of the management committee shall be taken by simple majority.*

*Amendment*

The *investment selection criteria* shall be *proposed* by the *European Investment Bank and approved by the investment board*.

*Justification*

*The close involvement of the EIB in the selection criteria and in the selection process is key to guarantee the alignment with the overall target of this directive: to enhance low-carbon investments.*

**Amendment 639**

**Jadwiga Wiśniewska, Bolesław G. Piecha**

**Proposal for a directive**

**Article 1 – point 7**

Directive 2003/87/EC

Article 10d – paragraph 4 – subparagraph 4

*Text proposed by the Commission*

*Amendment*

*If the EIB recommends not financing an investment and provides reasons for this recommendation, a decision shall only be adopted if a majority of two-thirds of all members vote in favour. The Member State in which the investment will take place and the EIB shall not be entitled to cast a vote in this case. For small projects funded through loans provided by a national promotional bank or through grants contributing to the implementation of a national programme serving specific objectives in line with the objectives of the Modernisation Fund, provided that not more than 10 % of the Member States' share set out in Annex IIb is used under the programme, the two preceding sentences shall not apply.*

*deleted*

Or. pl

**Amendment 640**

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

**Proposal for a directive**

**Article 1 – point 7**



*Text proposed by the Commission*

*Amendment*

***If the EIB recommends not financing an investment and provides reasons for this recommendation, a decision shall only be adopted if a majority of two-thirds of all members vote in favour. The Member State in which the investment will take place and the EIB shall not be entitled to cast a vote in this case. For small projects funded through loans provided by a national promotional bank or through grants contributing to the implementation of a national programme serving specific objectives in line with the objectives of the Modernisation Fund, provided that not more than 10% of the Member States' share set out in Annex IIB is used under the programme, the two preceding sentences shall not apply.***

***deleted***

Or. en

**Amendment 641**  
**Marian-Jean Marinescu**

**Proposal for a directive**  
**Article 1 – point 7**  
Directive 2003/87/EC  
Article 10d – paragraph 4 – subparagraph 4

*Text proposed by the Commission*

*Amendment*

***If the EIB recommends not financing an investment and provides reasons for this recommendation, a decision shall only be adopted if a majority of two-thirds of all members vote in favour. The Member State in which the investment will take place and the EIB shall not be entitled to cast a vote in this case. For small projects funded through loans provided by a national promotional bank or through grants contributing to the implementation***

***deleted***

*of a national programme serving specific objectives in line with the objectives of the Modernisation Fund, provided that not more than 10% of the Member States' share set out in Annex IIb is used under the programme, the two preceding sentences shall not apply.*

Or. en

## **Amendment 642**

**Pavel Poc**

### **Proposal for a directive**

#### **Article 1 – point 7**

Directive 2003/87/EC

Article 10d – paragraph 4 – subparagraph 4

#### *Text proposed by the Commission*

If the EIB recommends not financing an investment and provides reasons for this recommendation, a decision shall only be adopted if a majority of two-thirds of all members vote in favour. The Member State in which the investment will take place and the EIB shall not be entitled to cast a vote in this case. For small projects funded through loans provided by a national promotional bank or through grants contributing to the implementation of a national programme serving specific objectives in line with the objectives of the Modernisation Fund, provided that not more than **10%** of the Member States' share set out in Annex IIb is used under the programme, the two preceding sentences shall not apply.

#### *Amendment*

If the EIB recommends not financing an investment and provides reasons for this recommendation, a decision shall only be adopted if a majority of two-thirds of all members vote in favour. The Member State in which the investment will take place and the EIB shall not be entitled to cast a vote in this case. For small projects funded through loans provided by a national promotional bank or through grants contributing to the implementation of a national programme serving specific objectives in line with the objectives of the Modernisation Fund, provided that not more than **50%** of the Member States' share set out in Annex IIb is used under the programme, the two preceding sentences shall not apply.

Or. en

#### *Justification*

*The balance between small projects and other projects shall be kept and the limit of 10% shall be increased up to 50% of the Member State's share set under the programme.*

**Amendment 643**  
**Gerben-Jan Gerbrandy**

**Proposal for a directive**

**Article 1 – point 7**

Directive 2003/87/EC

Article 10d – paragraph 4 – subparagraph 4

*Text proposed by the Commission*

If the EIB recommends not financing an investment and provides reasons for this recommendation, a decision shall only be adopted if a majority of two-thirds of all members vote in favour. The Member State in which the investment will take place *and the EIB* shall not be entitled to cast a vote in this case. For small projects funded through loans provided by a national promotional bank or through grants contributing to the implementation of a national programme serving specific objectives in line with the objectives of the Modernisation Fund, provided that not more than 10% of the Member States' share set out in Annex IIb is used under the programme, the two preceding sentences shall not apply.

*Amendment*

If the EIB recommends not financing an investment and provides reasons for this recommendation, a decision shall only be adopted if a majority of two-thirds of all members vote in favour. The Member State in which the investment will take place shall not be entitled to cast a vote in this case. For small projects funded through loans provided by a national promotional bank or through grants contributing to the implementation of a national programme serving specific objectives in line with the objectives of the Modernisation Fund, provided that not more than 10% of the Member States' share set out in Annex IIb is used under the programme, the two preceding sentences shall not apply.

Or. en

*Justification*

*The EIB, as holder of significant expertise on energy investment financing, should not be excluded from the vote.*

**Amendment 644**  
**Jadwiga Wiśniewska, Bolesław G. Piecha**

**Proposal for a directive**

**Article 1 – point 7**

Directive 2003/87/EC

Article 10d – paragraph 5 – introductory part

*Text proposed by the Commission*

5. The beneficiary Member States shall report annually to the ***management committee*** on investments financed by the fund. The report shall be made public and include:

*Amendment*

5. The beneficiary Member States shall report annually to the ***advisory board and the Commission*** on investments financed by the fund. The report shall be made public and include:

Or. pl

**Amendment 645**

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

**Proposal for a directive**

**Article 1 – point 7**

Directive 2003/87/EC

Article 10d – paragraph 5 – introductory part

*Text proposed by the Commission*

5. The beneficiary Member States shall report annually to the ***management committee*** on investments financed by the fund. The report shall be made public and include:

*Amendment*

5. The beneficiary Member States shall report annually to the ***advisory board*** on investments financed by the fund. The report shall be made public and include:

Or. en

**Amendment 646**

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

**Proposal for a directive**

**Article 1 – point 7**

Directive 2003/87/EC

Article 10d – paragraph 5 – introductory part

*Text proposed by the Commission*

5. The beneficiary Member States shall report annually to the ***management committee*** on investments financed by the fund. The report shall be made public and include:

*Amendment*

5. The beneficiary Member States shall report annually to the ***advisory board*** on investments financed by the fund. The report shall be made public and include:

**Amendment 647**

**György Hölvényi, András Gyürk**

**Proposal for a directive**

**Article 1 – point 7**

Directive 2003/87/EC

Article 10d – paragraph 5 – introductory part

*Text proposed by the Commission*

5. The beneficiary Member States shall report annually to the ***management committee*** on investments financed by the fund. The report shall be made public and include:

*Amendment*

5. The beneficiary Member States shall report annually to the ***Commission*** on investments financed by the fund. The report shall be made public and include:

Or. en

**Amendment 648**

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

**Proposal for a directive**

**Article 1 – point 7**

Directive 2003/87/EC

Article 10d – paragraph 6

*Text proposed by the Commission*

6. Each year, the ***management committee*** shall report to the Commission on experience with the evaluation and selection of investments. The Commission shall review the basis on which projects are selected by 31 December 2024 and, where appropriate, make proposals to the ***management committee***.

*Amendment*

6. Each year, the ***beneficiary Member States*** shall report to the Commission on experience with the evaluation and selection of investments. The Commission shall review the basis on which projects are selected by 31 December 2024 and, where appropriate, make proposals to the ***relevant beneficiary Member States***.

Or. en

**Amendment 649**

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

Nicola Caputo

**Proposal for a directive**

**Article 1 – point 7**

Directive 2003/87/EC

Article 10d – paragraph 6

*Text proposed by the Commission*

6. Each year, the **management committee** shall report to the Commission on experience with the evaluation and selection of investments. The Commission shall review the basis on which projects are selected by 31 December 2024 and, where appropriate, make proposals to the **management committee**.

*Amendment*

6. Each year, the **advisory board** shall report to the Commission **and the European Parliament** on experience with the evaluation and selection of investments. The Commission shall review the basis on which projects are selected by 31 December 2024 and, where appropriate, make proposals to the **advisory board**.

Or. en

**Amendment 650**

**Jadwiga Wiśniewska, Bolesław G. Piecha**

**Proposal for a directive**

**Article 1 – point 7**

Directive 2003/87/EC

Article 10d – paragraph 6

*Text proposed by the Commission*

6. Each year, the **management committee** shall report to the Commission on experience with the evaluation and selection of investments. The Commission shall review the basis on which projects are selected by 31 December 2024 and, where appropriate, make proposals to the management committee.

*Amendment*

6. Each year, the **advisory board** shall report to the Commission on experience with the evaluation and selection of investments. The Commission shall review the basis on which projects are selected by 31 December 2024 and, where appropriate, make proposals to the management committee.

Or. pl

**Amendment 651**

**Gerben-Jan Gerbrandy, José Inácio Faria**

**Proposal for a directive**

**Article 1 – point 7**

Directive 2003/87/EC

Article 10d – paragraph 6 a (new)

*Text proposed by the Commission*

*Amendment*

**6a. Decisions approving the use of the fund shall be public and accessible. The minutes of the investment board meetings shall be published as soon as they have been approved by the investment board. The investment board shall submit twice a year to the European Parliament, the Council and the Commission a list of all decisions of the managing committee rejecting the use of the fund. The Chairman of the investment board shall report to the European Parliament on a yearly basis.**

Or. en

*Justification*

*Considering that the Modernisation Fund will manage significant funds on behalf of all Member States, strong criteria should be provided for by the legislators. The suggested approach is consistent with the EFSI regulation.*

**Amendment 652**

**Jadwiga Wiśniewska, Bolesław G. Piecha**

**Proposal for a directive**

**Article 1 – point 7**

Directive 2003/87/EC

Article 10d – paragraph 7

*Text proposed by the Commission*

*Amendment*

**7. The Commission shall be empowered to adopt a delegated act in accordance with Article 23 to implement this Article.**

*deleted*

Or. pl

*Justification*

*If the fund is to be managed by beneficiary states, there is no need to adopt a delegated act.*

**Amendment 653**

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

**Proposal for a directive**

**Article 1 – point 7 a (new)**

Directive 2003/87/EC

Article 10d a (new)

*Text proposed by the Commission*

*Amendment*

**(7a) The following Article is inserted:**

**'Article 10da**

***Solidarity fund for decarbonisation***

***A fund to support local communities and workers in regions most strongly affected by the on-going transition to a decarbonised economy shall be established for the period 2021-2030 and financed by at least 100 million allowances.***

***The resources of the fund shall be used for investments aimed at creating jobs in alternative economic activities in regions where traditional carbon-intensive sectors will lose a large number of jobs as a result of decarbonisation. Such a fund shall finance job training and other employment and healthcare services for workers and communities impacted by the closure of specific plants.***

***A specific plan shall be developed by each Member State applying to use the resources of this fund, in close partnership with the municipal and local authorities as well as with social partners and civil society organisations.'***

Or. en



**Amendment 654**  
**Giorgos Grammatikakis**

**Proposal for a directive**  
**Article 1 – point 7 a (new)**  
Directive 2003/87/EC  
Article 10d a (new)

*Text proposed by the Commission*

*Amendment*

**(7 a) The following Article is inserted:**

**'Article 10da**

***Just Transition Fund***

***A fund to support local communities and workers in regions impacted most strongly by the ongoing transition to a decarbonised economy as a complement to the European Regional Development Fund and the European Social Fund shall be established for the period 2021-2030 and financed as set out in Article 10;***

***The resources of such fund shall remain at 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.***

***Those resources aimed at just transition shall be used for one or several of the following objectives, while fully complying with the fundamental rights of non-discrimination and gender-equality:***

- ***creating redeployments and/or mobility cells;***
- ***education and/or 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;***
- ***investments aiming at creating***

*jobs in alternative economic activities;  
and*

*- monitoring and pre-emptive  
measures to avoid or minimise the  
negative impact of restructuring process  
on physical and mental health.*

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

Or. en

#### **Amendment 655**

**Christel Schaldemose, Jytte Guteland, Matthias Groote, Jo Leinen**

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

**Article 1 – point 7 a (new)**

Directive 2003/87/EC

Article 10d a (new)

*Text proposed by the Commission*

*Amendment*

*(7 a) The following Article is inserted:*

*'Article 10da*

*International Climate Fund*

*An International Climate Fund to support  
climate action in Least Developed  
Countries, in particular for adaptation to  
the impacts of climate change, through  
the United Nations Green Climate Fund  
shall be established for the period 2021-  
2030 and be financed with at least 300  
million allowances.'*

Or. en

### *Justification*

*The current EU ETS directive recommending that 50% of auctioning revenues should be spent on domestic and international climate action is insufficient to ensure additional support for impacted third countries. An International Climate Action Fund would directly replenish the Green Climate Fund and help put a stop to relying on aid budgets alone for the provision of international climate finance. 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.*

#### **Amendment 656**

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

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

**Article 1 – point 7 b (new)**

Directive 2003/87/EC

Article 10d b (new)

*Text proposed by the Commission*

*Amendment*

**(7 b) The following Article is inserted:**

**'Article 10db**

***International Climate Fund***

***An International Climate Fund to support climate action in Least Developed Countries, in particular for adaptation to the impacts of climate change, in the context of the United Nations Green Climate Fund, shall be established for the period 2021-2030 and financed with at least 300 million allowances.'***

Or. en