



AUCTIONS BY THE TRANSITIONAL COMMON AUCTION PLATFORM

The world's largest auctioning of emissions allowances

April 2016

Auctions by the *Transitional Common Auction Platform*

April 2016

Auction platform: European Energy Exchange (EEX)

Auction dates/reporting period:

General Allowances:

4, 5, 7, 11, 12, 14, 18, 19, 21, 25, 26, 27(PL)¹, 28 April 2016;

Aviation Allowances:

-

Auctioning is the default method of allocating allowances within the EU emissions trading system (EU ETS). Since the start of the *Third trading period* in 2013 over 2 billion allowances allocated under the EU ETS have been auctioned. Auctioning of emission allowances at that scale is unprecedented and delivers valuable experience for auction design in other carbon markets and for other environmental assets.

Auctioning is the most transparent and efficient method of allocating allowances and puts into practice the principle that the polluter should pay.

The auctions are conducted pursuant to the modalities stipulated in the *Auctioning Regulation*. Two auction platforms are in place. The European Energy Exchange (EEX) in Leipzig is the common platform for the large majority of countries participating in the EU ETS. EEX also acts as Germany's auction platform. The second auction platform is ICE Futures Europe (ICE) in London, which acts as the United Kingdom's platform. Poland may appoint an opt-out auction platform but is using for the time being the common auction platform.

The numbers of *General Allowances* to be auctioned by each State on behalf of which they are auctioned are determined on the basis of their historical share of emissions from installations covered by the EU ETS, taking into account the free allocation volumes. Up to 2020 ten per cent are allocated to the least wealthy EU Member States and the remaining two per cent is given as a 'Kyoto bonus' to nine EU Member States which by 2005 had reduced their greenhouse gas emissions by at least 20% of levels in their Kyoto Protocol base year or period.

At least half of auctioning revenues, or the equivalent in financial value, and all of the revenues from auctioning allowances to the aviation sector, should be used by the Member States to combat climate change in Europe or other countries.

For further information: http://ec.europa.eu/clima/policies/ets/cap/auctioning/index_en.htm

¹ Auctions conducted by EEX for Poland.

Editor’s note: This report has been prepared by the Commission on behalf of the following Member States: Austria, Belgium, Bulgaria, Republic of Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden. The report complies with the requirement laid down in the fourth paragraph of Article 10(4) of the *ETS Directive*.

Methodology: The report is based on the reports submitted by EEX, on the discussions in regular meetings between the Commission, its advisors and EEX and on any further relevant information available to the Commission. The authors of the report did not actively verify EEX’s compliance with the specific rules and provisions applicable under European or national law. EEX has supplied the data used in this report and been consulted before its publication, whereas the *participating Member States* have been consulted on its template.

For reasons of confidentiality and proper enforcement of the applicable rules, the report refers to reporting on the auctions held based on information provided by EEX. Any data not directly related to the auctions is based only on public reports.

Disclaimer: The authors have made every effort to ensure that the information provided is complete, correct and precise for the reporting period. Nevertheless, the report is based on limited information available to the authors in a market context where much information has to remain confidential. The authors did not actively verify the information. Therefore, the authors and the Member States on whose behalf this report was drafted deny any responsibility or liability whatsoever for its contents, regardless of the nature of such contents. Any reliance by any person or entity on the information provided in this report is solely at that person’s or entity’s own risk. Monthly averages provided are weighted by each auction’s auction volume, unless otherwise indicated.

Glossary: terms and expressions written in *italics* are included in the glossary.

Executive summary

This report covers the auctioning of emission allowances in the period April 2016. In that period, EEX, in its capacity as the common auction platform, auctioned a total of 41 100 000 *general allowances* in 12 auctions for the *third trading period* on behalf of those EU Member States (*participating Member States*) that participate in the *Transitional Common Auction Platform (TCAP)*. During this period EEX also auctioned on behalf of Poland 3 526 000 *general allowances* in one auction. No aviation allowances have been auctioned during this period.

All auctions were held successfully and no irregularities or deviations from the requirements were observed. The table below contains a summary of the information concerning the conducted auctions.

The April 2016 auctions at a glance:

	<i>General Allowances</i> April	<i>Aviation Allowances</i> April
General		
Number of auctions	13	N.A.
Total volume auctioned	44 626 000	
Amount raised from the auctions (€)	254 493 440	
Average Auction Clearing Price (€/allowance)	5.70	
Total bid volume	93 734 000	
Average <i>Cover ratio</i>	2.1	
Participation		
Number of eligible bidders	69	
Number of participating bidders ⁽¹⁾	29	
Number of successful bidders ⁽¹⁾	24	
Average number of bidders per auction	18.8	
Average number of successful bidders per auction	13.0	
Auction data		
Average total volume bid per bidder per auction	384 877	
Average bid size (volume per bid)	111 049	
Average volume won per bidder per auction	270 885	
Average range of bids (€)	1.83	

(1): Number of unique individual bidders or unique successful bidders present in a whole month

Introduction

All the *participating Member States* were participating in the auctions as from January 2015.

In accordance with the second subparagraph of Article 30(7) of the *Auctioning Regulation*, pending the procurement, appointment and listing of its opt-out auction platform, Poland contracted EEX to auction its share of allowances to be auctioned. These auctions started on 16 September 2013. Due to the *Back-loading*, no auctions were held for Poland from April to December 2014, the auctions restarted in January 2015.

Accordingly, the present report includes data on the auctions performed by the common auction platform on behalf of the *participating Member States* and Poland.

The Member States of the European Free Trade Association (EFTA) that are Party to the European Economic Area (EEA)² have also stated their intention to make use of the *Transitional Common Auction Platform* by aggregating their volumes to those auctioned on behalf of the *participating Member States*. The preparations for this are on-going.

1. Results of the auctions

The total revenues from auctions of *general allowances* accrued to the *participating Member States* and Poland from the start of the *Third trading period* auctions (November 2012) to April 2016 are EUR 8 800 042 055. The total revenues from auctions of *aviation allowances* accrued to the *participating Member States* and Poland from the start of the *Third trading period* auctions (November 2012) to April 2016 are EUR 129 744 300. The revenues per each *participating Member State* in the reporting period as well as cumulative data are provided in Annex 1.

Information on *general allowances'* auctions is provided in section 1.1, and on *aviation allowances* in section 1.2 hereafter. Detailed information on the auctions held in the reporting period April 2016, including results per auction, is provided in Annex 2.

Please note that in all parts of this report monthly averages provided are weighted by each auction's auction volume, unless otherwise indicated.

² Iceland, Liechtenstein and Norway.

1.1. General allowances auctions

1.1.1. Clearing prices and participation - general allowances

An overview of the auction results for the *participating Member States* and Poland from April 2015 to April 2016 is provided in Table 1.

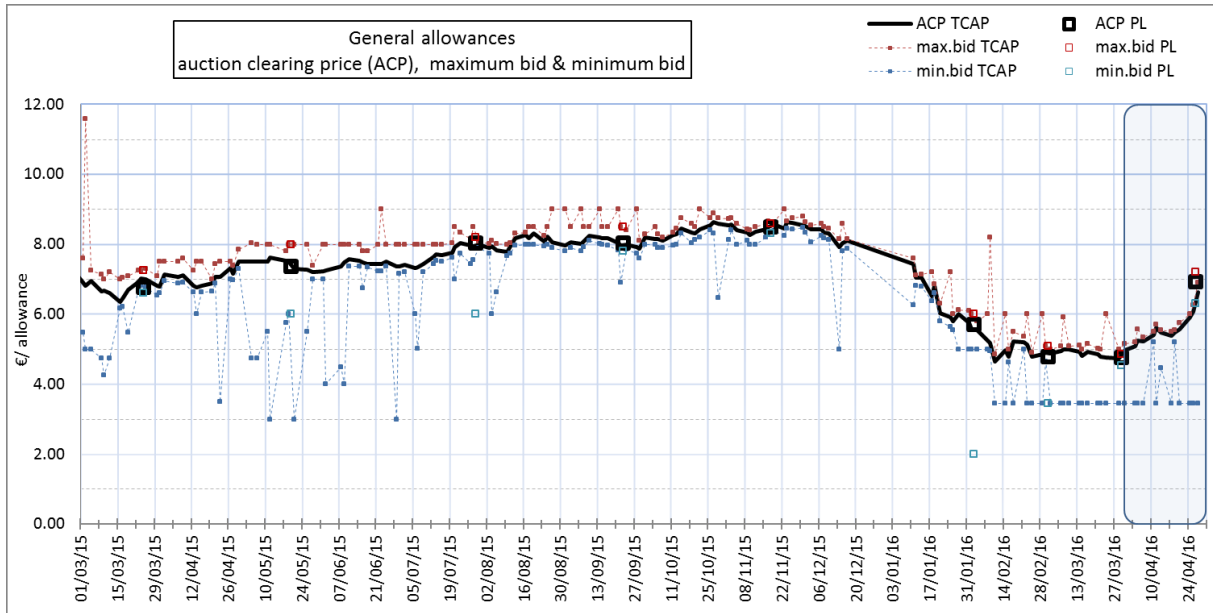
Table 1: General allowances - main statistics on the results of the auctions per month

Month	Total auction volume	Total bid volume	Total revenue (€)	Average Cover ratio ³	Average number of bidders	Average number of successful bidders	Average auction clearing price (€)
April 2016	44 626 000	93 734 000	254 493 440	2.1	18.8	13.0	5.70
March 2016	51 577 000	117 768 000	251 299 820	2.3	20.7	14.8	4.87
February 2016	48 051 000	106 282 000	249 230 700	2.2	22.7	17.2	5.19
January 2016	30 825 000	74 934 000	200 910 500	2.4	21.6	14.1	6.52
December 2015	23 244 500	64 626 500	192 130 220	2.8	18.9	14.1	8.27
November 2015	40 789 500	130 488 000	346 009 805	3.2	19.6	13.1	8.48
October 2015	37 934 000	116 213 500	316 690 540	3.1	19.7	13.4	8.35
September 2015	40 788 000	126 790 000	328 635 840	3.1	18.7	14.3	8.06
August 2015	17 508 000	65 808 500	141 085 300	3.8	15.4	9.3	8.06
July 2015	40 788 000	114 643 000	315 388 760	2.8	16.5	11.9	7.73
June 2015	37 934 000	117 971 500	281 645 360	3.1	16.8	12.3	7.42
May 2015	29 116 000	101 910 000	216 422 620	3.5	17.8	13.8	7.43
April 2015	35 016 000	83 493 500	247 358 860	2.4	19.5	15.2	7.06
2015 total	413 874 000	1 337 010 500	3 154 940 925	3.2	18.3	13.3	7.62
2014 total	335 052 000	1 796 711 000	1 977 712 120	5.4	17.6	11.9	5.90
2013 total	530 488 000	1 761 639 500	2 349 853 340	3.3	18.4	13.2	4.43

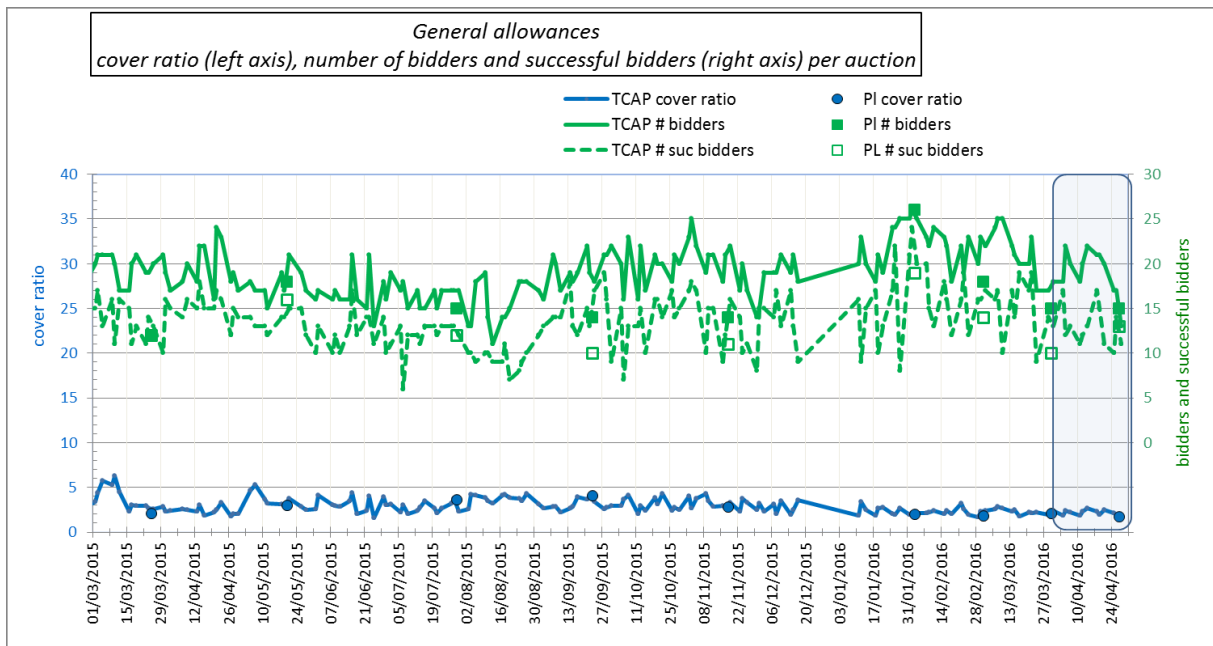
During April 2016, the difference between the Auction Clearing Prices and the mean of the *best-ask* and *best-bid* prices on the EEX *spot secondary market* for *general allowances* at the closure of the auction *bidding window* was on average EUR -0.01, and this difference had a standard deviation of EUR 0.03.

³ Cover ratio is the ratio between the total bid volume and the auction volume.

Graph 1: General allowances - auction clearing price (ACP), maximum bid & minimum bid⁴



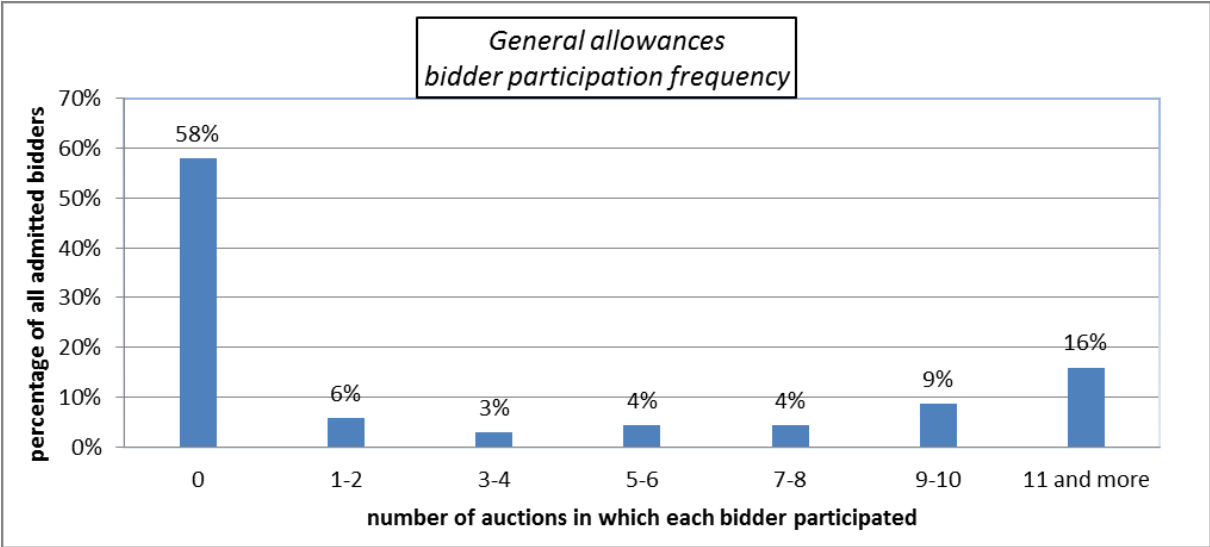
Graph 2: General allowances - cover ratio (left axis), number of bidders and successful bidders (right axis) per auction



There were 69 eligible bidders in April 2016. Out of these, 29 different bidders participated in the auctions in April 2016. Graph 3A indicates the participation frequency in April 2016.

⁴ Auctions on behalf of Poland were held on the following days: 25/3/2015, 20/5/2015, 29/7/2015, 23/9/2015, 18/11/2015, 3/2/2016, 2/3/2016 30/3/2016 and 27/4/2016.

Graph 3A: General allowances -bidder participation frequency in April 2016



1.1.2. Bidding behaviour - general allowances

Table 2 provides monthly data on the bids submitted from April 2015 to April 2016. See also Graph 4.

Table 2: General Allowances - monthly statistics on the submitted bids

Month	Nr of auctions	Nr of bidders ⁽¹⁾	Total volume of bids	Average total volume bid per bidder per auction ⁵	Average total volume bid per bidder per auction over the month ⁶	standard deviation of total volume bid per bidder per auction over the month ⁷	Total monthly nr of bids	Average nr. of bids per bidder per auction ⁸	Average bid size ⁹
April 2016	13	29	93 734 000	384 877	384 156	468 364	850	3.5 ⁺⁺	111 049
March 2016	15	35	117 768 000	384 552	379 897	457 186	1147	3.7 ⁺⁺	105 729
February 2016	14	30	106 282 000	338 333	334 220	461 502	1104	3.5 ⁺⁺	98 299
January 2016	9	32	74 394 000	386 086	383 474	547 998	692	3.6 ⁺⁺	110 917
December 2015	8	31	64 626 500	433 690	427 990	543 279	538	3.6 ⁺⁺	119 573
November 2015	14	30	130 488 000	483 238	476 234	628 078	923	3.4 ⁺⁺	142 930
October 2015	13	32	116 213 500	455 083	453 959	576 354	862	3.4 ⁺⁺	134 450
September 2015	14	30	126 790 000	492 634	483 931	641 235	917	3.5 ⁺⁺	138 422
August 2015	12	27	65 808 500	362 597	355 722	410 715	630	3.5 ⁺⁺	104 910
July 2015	14	29	114 643 000	498 144	496 290	590 569	932	4.1 ⁺⁺	122 445
June 2015	13	27	117 971 500	534 698	541 154	668 622	826	3.8 ⁺⁺	142 270
May 2015	10	29	101 910 000	576 652	572 528	1 126 584	619	3.5 ⁺⁺	170 179
April 2015	12	29	83 493 500	358 748	356 810	453 453	798	3.4 ⁺⁺	104 562

++: indicates simple average

(1): Number of unique individual bidders or unique successful bidders present in a whole month

⁵ Monthly weighted average of the average bid volume per bidder in each auction (total bid volume in each auction divided by number of bidders participating in that auction), weighted by volume auctioned in each auction.

⁶ Average over the whole month of the volume bid by bidders each time they are present in an auction (computed as total volume bid for the month / sum over whole month of number of bidders present in each auction).

⁷ Standard deviation of total volume bid per bidder in each auction over the month.

⁸ Monthly simple average of the average number of bids per bidder in each auction (total number of bids in each auction divided by number of bidders participating in that auction).

⁹ Monthly weighted average of the average bid size per bidder in each auction (total bid volume in each auction divided by number of bids in that auction), weighted by volume auctioned in each auction.

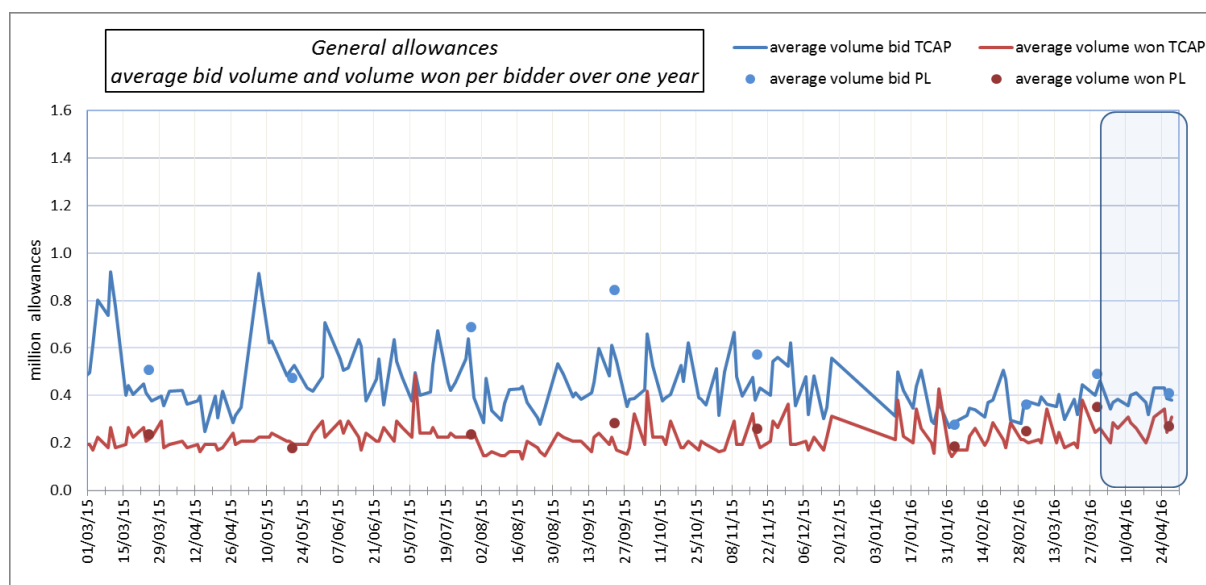
Table 3 provides monthly data on successful bids from April 2015 to April 2016. See also Graph 4.

Table 3: General Allowances - monthly statistics on successful bids

Month	Nr of auctions	Nr of successful bidders ⁽¹⁾	Total auction volume	Average volume won per bidder per auction ¹⁰	Average volume won per bidder per auction over the month ¹¹	Standard deviation of volume won per bidder per auction over the month ¹²	Total monthly nr of successful bids
April 2016	13	24	44 626 000	270 885	264 059	255 486	287
March 2016	15	31	51 577 000	245 210	232 329	256 557	416
February 2015	14	27	48 051 000	207 756	199 382	213 657	468
January 2016	9	30	30 825 000	268 407	242 717	293 170	264
December 2015	8	29	23 244 500	212 431	205 704	218 453	219
November 2015	14	26	40 789 500	237 529	222 893	253 845	311
October 2015	13	26	37 934 000	232 204	218 011	244 823	302
September 2015	14	27	40 788 000	209 499	203 940	218 967	378
August 2015	12	23	17 508 000	158 449	156 321	187 135	173
July 2015	14	24	40 788 000	255 324	245 711	314 528	334
June 2015	13	24	37 934 000	243 436	237 088	345 804	284
May 2015	10	28	29 116 000	212 874	210 986	232 455	267
April 2015	12	26	35 016 000	194 267	192 396	224 960	305

(1): Number of unique individual bidders or unique successful bidders present in a whole month

Graph 4: General allowances - average bid volume and volume won per bidder over one year¹³



¹⁰ Monthly weighted average of the average volume won per bidder in each auction (total volume won in each auction divided by the number of successful bidders in that auction), weighted by volume auctioned in each auction.

¹¹ Average over the whole month of the volume won per bidder each time they are successful in an auction (computed as total volume auctioned for the month / sum over whole month of number of bidders successful in each auction).

¹² Standard deviation of volume won per bidder in each auction over the month.

¹³ Auctions on behalf of Poland were held on the following days: 25/3/2015, 20/5/2015, 29/7/2015, 23/9/2015, 18/11/2015, 3/2/2016, 2/3/2016, 30/3/2016 and 27/4/2016.

1.1.3. Type of bidders - general allowances

In April 2016, almost all volume bid was done on own account, with 0.97% of the volume submitted by intermediaries on behalf of a client. The shares in the total successful bid volume per bidder category are indicated in graph 5 and in table 4.

Graph 5: General allowances - distribution of successful won volume per bidder category over one year

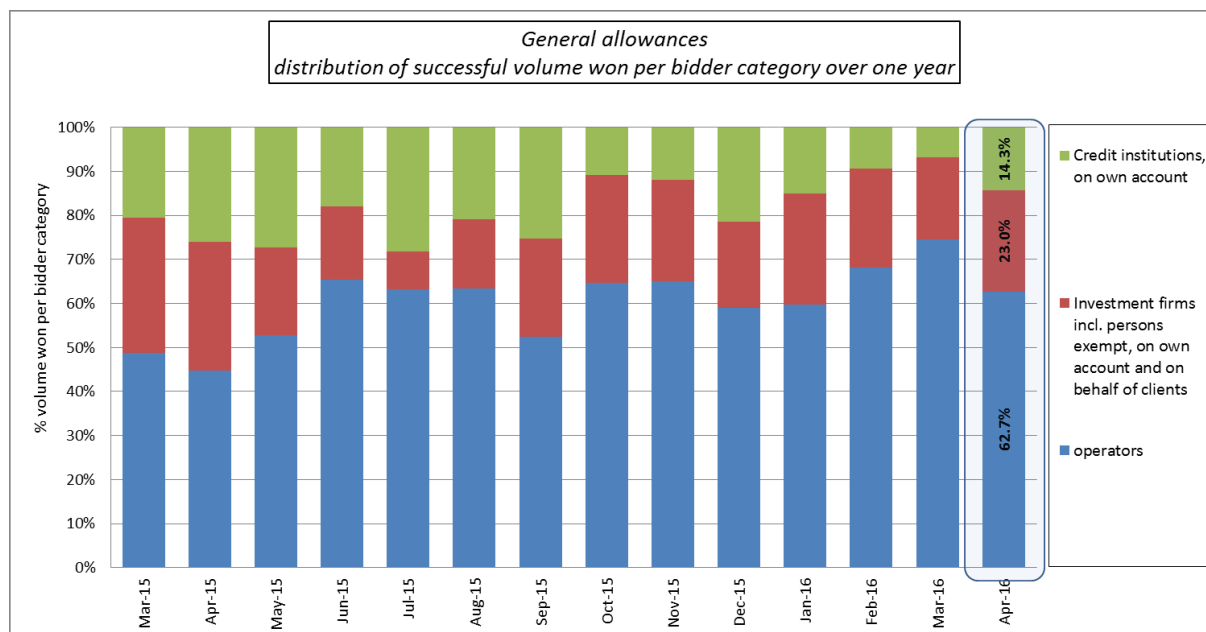


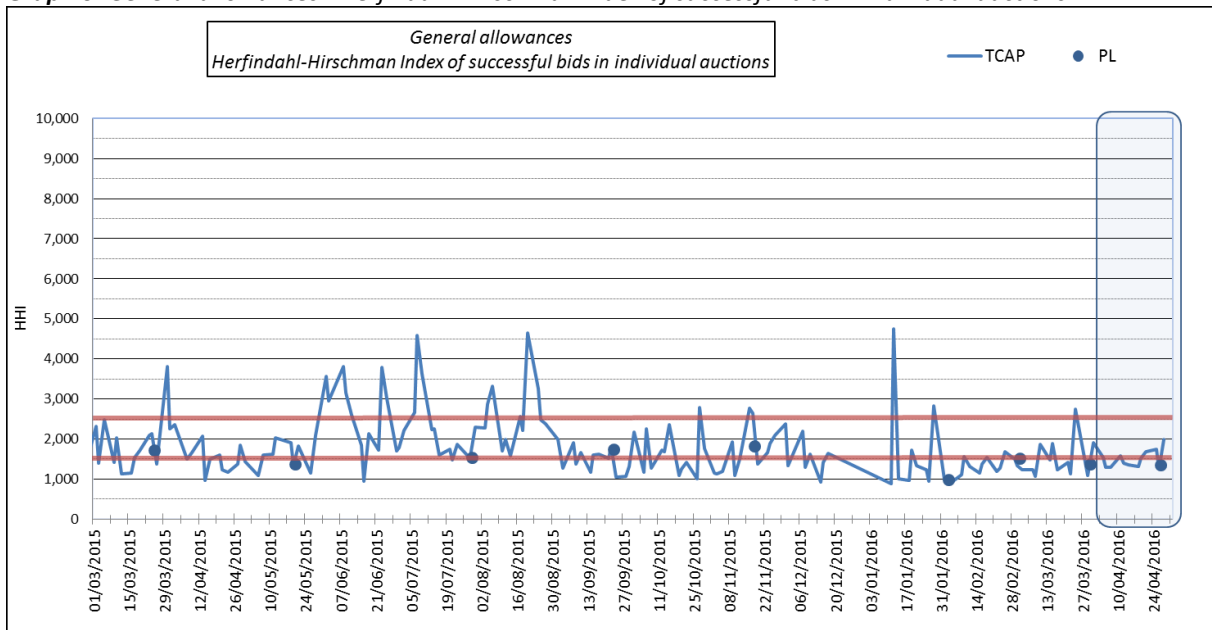
Table 4: General allowances – distribution of volume won per bidder category and their standard deviations

Month	% volume won coming from bidding on behalf of a client	Bidder category	% volume won	Standard deviation of % of volume won
April 2016	2.05%	Operators (including Business groupings)	62.7%	13.0 % points
		Investment firms (including persons exempt)	23.0%	10.5 % points
		Credit institutions	14.3%	9.6 % points

1.1.4. Concentration - general allowances

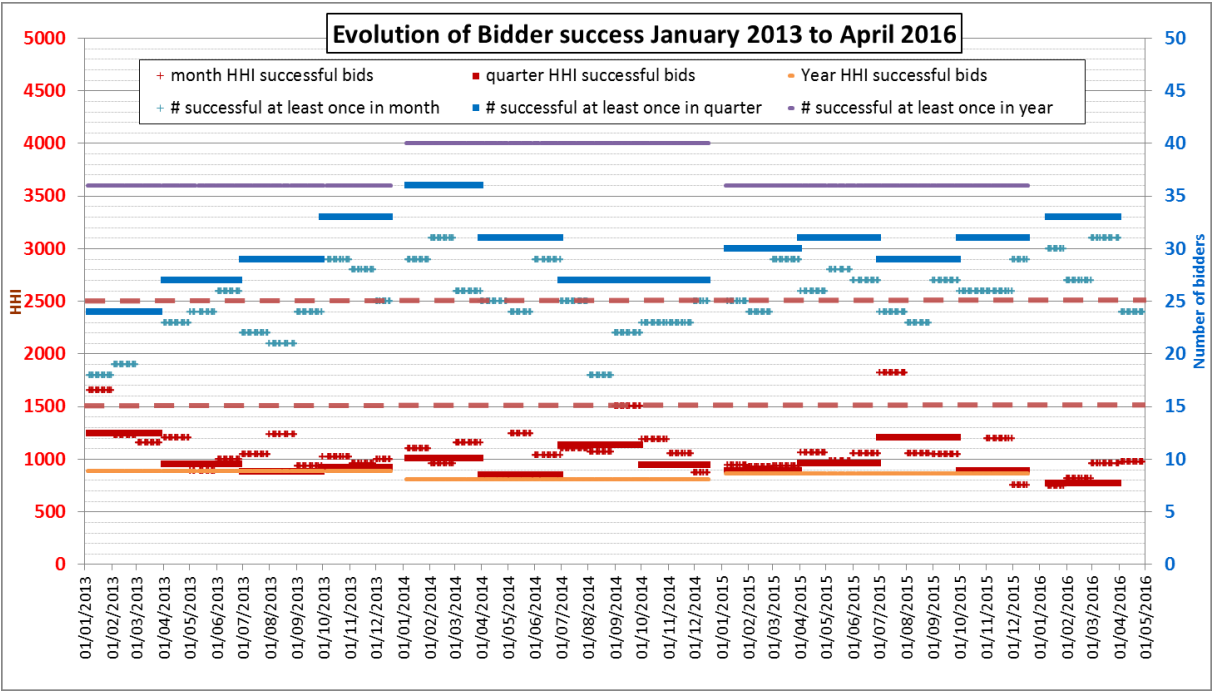
The Herfindahl-Hirschman Index (HHI) of successful bids is used to measure market concentration¹⁴. The HHI ranges from a value of 0 (perfect competition) to 10 000 (a single buyer). A common interpretation of the HHI is that a score below 1 500 is 'not-concentrated', between 1 500 and 2 500 is 'moderately concentrated,' and above 2 500 is 'highly concentrated' – these thresholds are indicated in Graphs 6 and 7. Graph 6 indicates the HHI of the individual auctions. Graph 7 indicates the monthly and quarterly HHI and successful bidder participation (number of bidders successful at least once in the period of interest) so as to show the variation over different periods, due to the turnover of participants in the auctions.

Graph 6: General allowances - Herfindahl-Hirschman Index of successful bids in individual auctions



¹⁴ The HHI is calculated as the sum of the squares of all successful bidders' shares (in % points) of the total auctioned volume over the period of interest.

Graph 7: General allowances - Herfindahl-Hirschman Index of successful bids and successful bidder participation at monthly, quarterly and yearly level



1.2 Aviation allowances auctions

The auctioning of *aviation allowances* restarted as of November 2014¹⁵. Pursuant to the published *auction calendar*, only *aviation allowances* for the calendar year 2012 were auctioned in 2014¹⁶; the *aviation allowances* for the calendar years 2013-2015 were auctioned in 2015, in accordance with the published 2015 *auction calendar*. Poland decided to aggregate the *aviation allowances* for the calendar years 2012 to 2015 in a single auction held in April 2015.

1.2.1 Clearing prices and participation – aviation allowances

An overview of the auction results from April 2015 to April 2016 is provided in Table 5. No aviation allowances have been auctioned in April 2016.

Table 5: Aviation allowances – main statistics on the results of the auctions per month

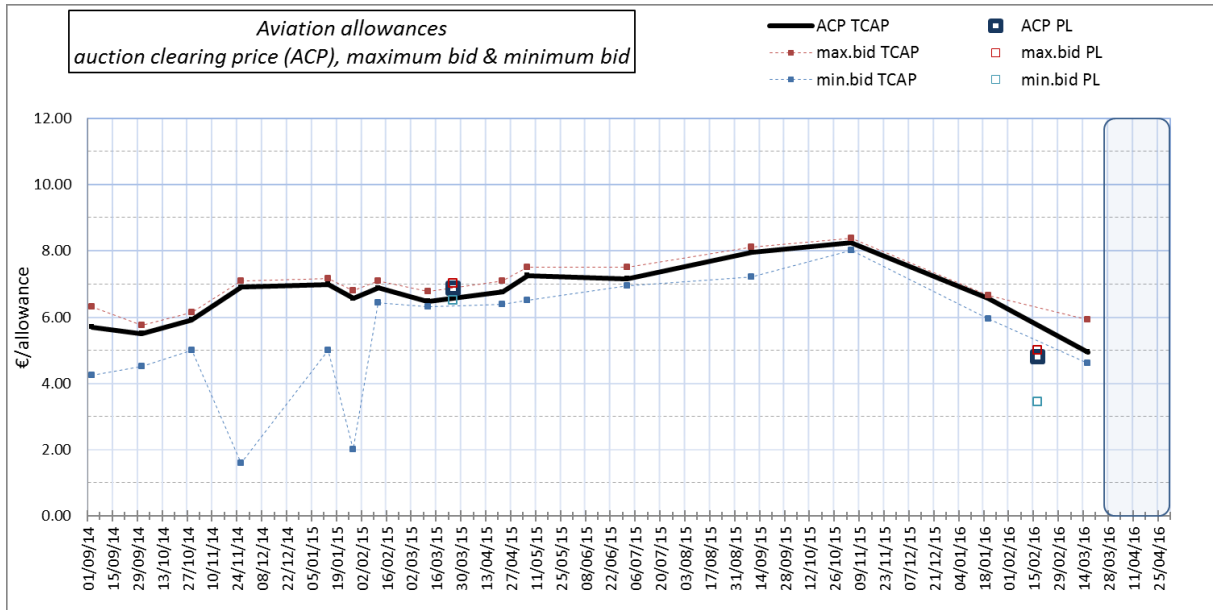
Month	Total auction volume	Total bid volume	Total revenue (€)	Average Cover ratio ¹⁷	Average number of bidders	Average number of successful bidders	Average auction clearing price (€)
April 2016	-	-	-	-	-	-	-
March 2016	683 500	2 625 500	3 376 490	3.8	8.0	3.0	4.94
February 2016	120 000	1 663 000	576 000	13.9	12.0	2.0	4.80
January 2016	683 500	3 866 000	4 490 595	5.7	12.0	5.0	6.57
December 2015	-	-	-	-	-	-	-
November 2015	933 000	3 754 000	7 697 250	4.0	11.0	3.0	8.25
October 2015	-	-	-	-	-	-	-
September 2015	935 000	4 683 000	7 423 900	5.0	12.0	5.0	7.94
August 2015	-	-	-	-	-	-	-
July 2015	935 000	4 095 000	6 694 600	4.4	12.0	6.0	7.16
June 2015	-	-	-	-	-	-	-
May 2015	935 000	2 008 000	6 778 750	2.2	11.0	6.0	7.25
April 2015	1 493 500	3 475 500	10 081 125	2.3	11.0	11.0	6.75
2015 total	11,641,000	39,026,000	81,846,705	3.4	11.0	7.5	7.03
2014 total	6 570 500	28 201 500	39 454 510	4.3	13.0	8.0	6.00

¹⁵ The auctions were suspended end 2012, see the Regulatory update published by the Commission on 16 November 2012 http://ec.europa.eu/clima/news/articles/news_2012111601_en.htm.

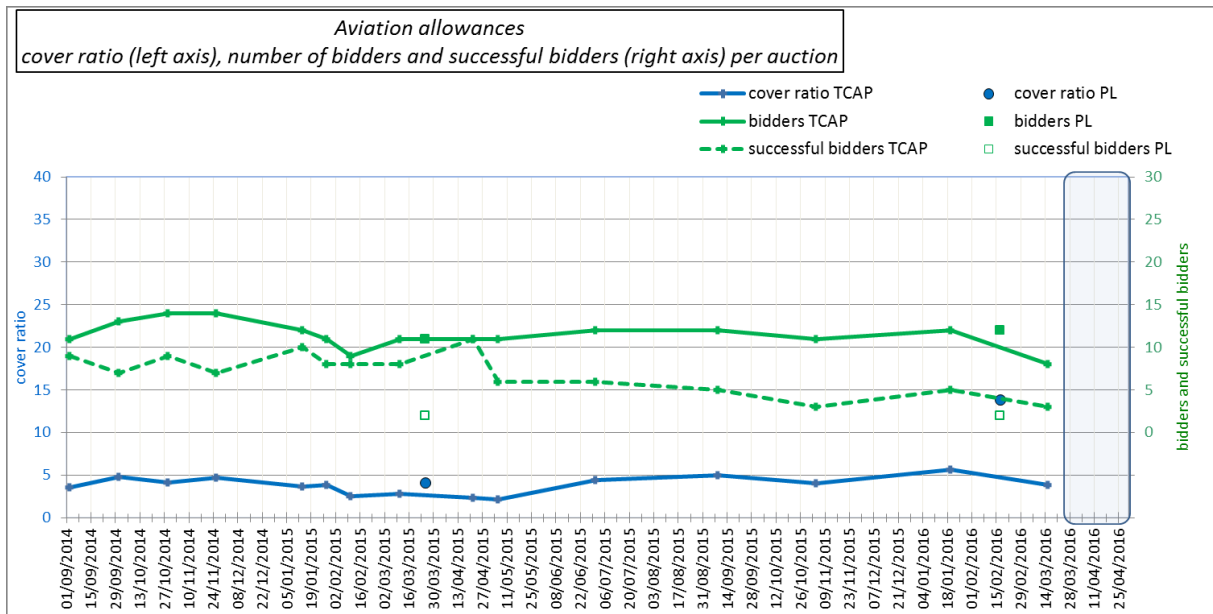
¹⁶ See also the regulatory update published by the Commission on 29 July 2014; http://ec.europa.eu/clima/news/articles/news_2014072901_en.htm.

¹⁷ The cover ratio is the ratio between the total bid volume and the auction volume.

Graph 8: Aviation allowances - auction clearing price (ACP) & maximum prices bid & minimum prices bid¹⁸



Graph 9: Aviation allowances - cover ratio (left axis), number of bidders and successful bidders (right axis) per auction



¹⁸ Auctions on behalf of Poland were held on the following days: 25/3/2015 and 17/2/2016.

Graph 10: Aviation allowances -bidder participation frequency in April 2016

N.A.

1.2.2 Bidding behaviour – aviation allowances

Table 6 provides monthly data on the bids submitted from April 2015 to April 2016. See also Graph 11.

Table 6: Aviation allowances – monthly statistics on the submitted bids

Month	Nr of auctions	Nr of bidders ⁽¹⁾	Total volume of bids	Average total volume bid per bidder per auction ¹⁹	Average total volume bid per bidder per auction over the month ²⁰	standard deviation of total volume bid per bidder per auction over the month ²¹	Total monthly nr of bids	Average nr. of bids per bidder per auction ²²	Average bid size ²³
April 2016	-	-	-	-	-	-	-	-	-
March 2016	1	8	2 625 500	328 188	328 187	271 282	33	4.1 ⁺⁺	79 561
February 2016	1	12	1 663 000	138 583	138 583	126 140	40	3.3 ⁺⁺	41 575
January 2016	1	12	3 866 000	322 167	322 167	234 168	45	3.8 ⁺⁺	85 911
December 2015	-	-	-	-	-	-	-	-	-
November 2015	1	11	3 754 000	341 273	341 273	271 392	37	3.4 ⁺⁺	101 459
October 2015	-	-	-	-	-	-	-	-	-
September 2015	1	12	4 683 000	390 250	390 250	259 804	49	4.1 ⁺⁺	95 571
August 2015	-	-	-	-	-	-	-	-	-
July 2015	1	12	4 095 000	341 250	341 250	219 603	42	3.5 ⁺⁺	97 500
June 2015	-	-	-	-	-	-	-	-	-
May 2015	1	11	2 008 000	182 545	182 545	80 364	28	2.5 ⁺⁺	71 714
April 2015	1	11	3 475 500	315 955	315 955	400 818	35	3.2 ⁺⁺	99 300

++: indicates simple average

(1): Number of unique individual bidders or unique successful bidders present in a whole month

¹⁹ Monthly weighted average of the average bid volume per bidder in each auction (total bid volume in each auction divided by number of bidders participating in that auction), weighted by volume auctioned in each auction.

²⁰ Average over the whole month of the volume bid by bidders each time they are present in an auction (computed as total volume bid for the month / sum over the whole month of number of bidders present in each auction).

²¹ Standard deviation of total volume bid per bidder in each auction over the month.

²² Monthly simple average of the average number of bids per bidder in each auction (total number of bids in each auction divided by number of bidders participating in that auction).

²³ Monthly weighted average of the average bid size per bidder in each auction (total bid volume in each auction divided by number of bids in that auction), weighted by volume auctioned in each auction.

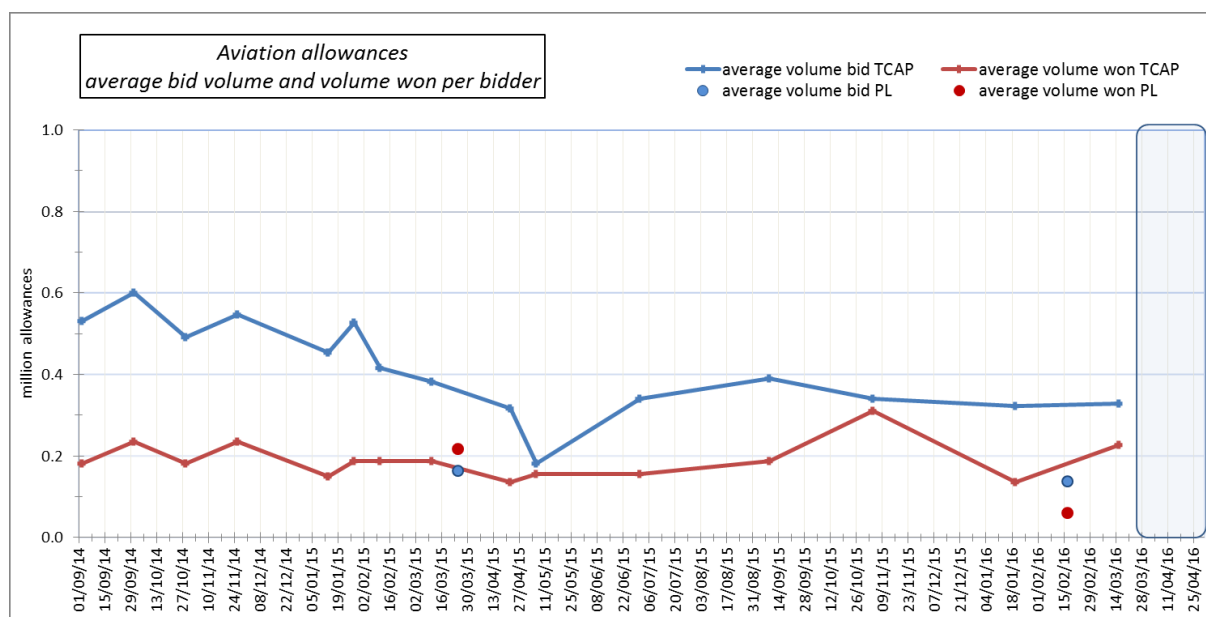
Table 7 provides monthly data on successful bids from April 2015 to April 2016. See also Graph 11.

Table 7: Aviation Allowances – Monthly statistics on successful bids

Month	Nr of auctions	Nr of successful bidders ⁽¹⁾	Total auction volume	Average volume won per bidder per auction ²⁴	Average volume won per bidder per auction over the month ²⁵	Standard deviation of volume won per bidder per auction over the month ²⁶	Total monthly nr of successful bids
April 2016	-	-	-	-	-	-	-
March 2016	1	3	683 500	227 833	227 833	199 581	7
February 2016	1	2	120 000	60 000	60 000	40 000	2
January 2016	1	5	683 500	136 700	136 700	32 366	6
December 2015	-	-	-	-	-	-	-
November 2015	1	3	933 000	311 000	311 000	212 228	8
October 2015	-	-	-	-	-	-	-
September 2015	1	5	935 000	187 000	187 000	99 615	8
August 2015	-	-	-	-	-	-	-
July 2015	1	6	935 000	155 833	155 833	100 847	11
June 2015	-	-	-	-	-	-	-
May 2015	1	11	935 000	155 833	155 833	91 750	13
April 2015	1	11	1 493 500	135 773	135 773	132 536	20

(1): Number of unique individual bidders or unique successful bidders present in a whole month

Graph 11: Aviation allowances - average bid volume and volume won per bidder



²⁴ Monthly weighted average of the average volume won per bidder in each auction (total volume won in each auction divided by the number of successful bidders in that auction), weighted by volume auctioned in each auction.

²⁵ Average over the whole month of the volume won per bidder each time they are successful in an auction (computed as total volume auctioned for the month / sum over the whole month of number of bidders present in each auction).

²⁶ Standard deviation of volume won per bidder in each auction over the month.

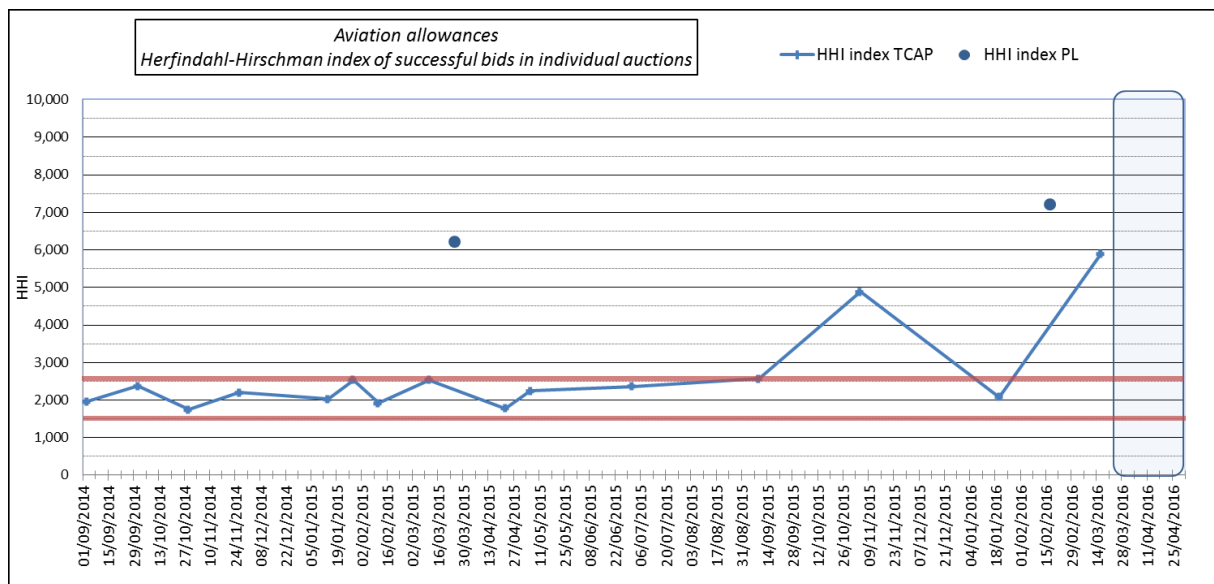
1.2.3 Type of bidders – aviation allowances

No aviation allowances have been auctioned in April 2016.

1.2.4 Concentration – aviation allowances

The HHI of successful bids is used to measure market concentration²⁷. The HHI ranges from a value of 0 (perfect competition) to 10 000 (a single buyer). A common interpretation of the HHI is that a score below 1 500 is ‘not-concentrated’, between 1 500 and 2 500 is ‘moderately concentrated,’ and above 2 500 is ‘highly concentrated’. Graph 12 indicates the HHI of the individual auctions.

Graph 12: Aviation allowances - Herfindahl-Hirschman index of successful bids in individual auctions



²⁷ The HHI is calculated as the sum of the squares of all successful bidders' shares (in % points) of the total auctioned volume over the period of interest.

2. Implementation of and compliance with the applicable rules

Fair and open access

EEX verified that each auction participant belonged to one of the categories of eligible bidders set out in Article 18 of the *Auctioning Regulation*. Table 9 presents the number of eligible bidders under each category in April 2016

Most of the active participants in the secondary carbon market are assumed to also have been admitted to bid in the auctions²⁸.

Table 8: Eligible participants to the auctions in April 2016, by category

Number of participants	Operator		Investment firm	Credit Institution	Business grouping	Person exempt from MiFID requirements	Total
	Stationary	Aircraft					
Participants admitted to EEX's emissions <i>spot secondary market</i>							112
Participants eligible to bid in the auctions	47	1	11	4	0	6	69
(Of which:) Participants eligible to bid in the auctions on behalf of clients	-	-	2	2	-	1	5
(Of which:) <i>Auction-only access</i>	2	0	1	0	0	0	3

Throughout the period, EEX actively promoted the auctions in view of attracting bidders.

No irregularities or deviations from the admission and access requirements were found.

Transparency

The results for each auction were published in accordance with Article 61 of the *Auctioning Regulation*, not later than 15 minutes after the close of the *bidding window*.

EEX revised its webpage on auctioning where necessary for keeping it up to date.

Technical and operational aspects

No irregularities or deviations from the requirements were found as regards the auctions themselves or the *clearing* and *settlement* processes.

EEX's Market Surveillance department surveyed all auctions with a view to detecting any *market abuse*, money laundering, terrorist financing or other criminal activities. No such wrongdoing was publicly reported. EEX's Market Surveillance department takes its instructions only from SMWA (Saxony's Ministry for Economy and Employment) and is independent of the exchange itself.

No infringements of the confidentiality requirements were identified.

²⁸ This assessment is based on the auction participants' activity in EEX's secondary market and general market knowledge of EEX.

Other aspects

No problems or issues were identified as regards coordination of the auctions between the various auction platforms.

A new auctioneer was appointed by Greece in November 2014 and by Hungary in January 2015.

3. Overview of, and any updates on breaches of provisions or ongoing proceedings

No breaches or problems of non-conformity were reported. There were no proceedings on such breaches or problems of non-conformity dating from before the reporting period.

Comments of the auction platform on the draft of this report and the way they have been taken into account

EEX made no comments on the report.

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Glossary

Auction calendar	Document setting out the <i>bidding windows</i> , individual volumes and auction dates of the auctions in a given calendar year. See Articles 11, 13 and 32 of the <i>Auctioning Regulation</i> .
Auction Clearing Price	Price determined upon closure of the <i>bidding window</i> .
Auction-only access	Access to the auctions without becoming a member of or participant in other markets organised by the auction platform.
Auctioning Regulation	Commission Regulation (EU) No 1031/2010 — Timing, administration and other aspects of auctioning of greenhouse gas emission allowances pursuant to Directive 2003/87/EC of the European Parliament and of the Council establishing a scheme for greenhouse gas emission allowances trading within the Community, Official Journal L 302, 18.11.2010, p. 1, as subsequently amended. See: http://ec.europa.eu/clima/policies/ets/cap/auctioning/documentation_en.htm .
Auctioneer	Entity appointed by a Member State that offers the allowances to be auctioned to the auction platform and receives the auction proceeds due to the appointing Member State. See Articles 22 and 23 of the <i>Auctioning Regulation</i> .
Back-loading	Proposal by the Commission to postpone, as a short-term measure, the auctioning of 900 million allowances from the years 2013-2015 until 2019-2020. See: http://ec.europa.eu/clima/policies/ets/reform/index_en.htm .
Best-bid and best-ask prices	The best-bid price is the highest price any buyer is willing to pay and the best-ask price is the lowest price any seller is willing to accept.
Business groupings	Groupings of operators or aircraft operators. See Article 18(1)(d) of the <i>Auctioning Regulation</i> .
Bidding window	Time during which bidders can submit bids. See Article 8(1) of the <i>Auctioning Regulation</i> .
Clearing	Processes preceding the opening of the <i>Bidding window</i> , during the <i>Bidding window</i> and following the closure of the <i>Bidding window</i> until <i>Settlement</i> , involving the management of any risks arising during that interval including margining, netting or novation or any other services carried out possibly by a <i>Clearing</i> or <i>Settlement</i> system. See Article 3(31) of the <i>Auctioning Regulation</i> .
Cover ratio	Total bid volume divided by the available volume in the auction.
Credit institution	Credit institution as defined in EU legislation on credit institutions (Article 4(1) of Directive 2006/48/EC).
ETS Directive	Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive

96/61/EC, OJ L 275, 25.10.2003, p. 32, as subsequently amended. See: http://ec.europa.eu/clima/policies/ets/documentation_en.htm.

General Allowance	Allowance to emit one tonne of CO ₂ -equivalent, see Article 3(a) of the <i>ETS Directive</i> , also referred to as <i>EUA</i> .
Aviation Allowance	Allowance to emit one tonne of CO ₂ -equivalent that can be used by aircraft operators, also referred to as <i>EUA</i> . See Article 12(2a) and (3) of the <i>ETS Directive</i> .
Investment firms	Investment firms as defined in EU financial markets legislation (point (1) of Article 4(1) of Directive 2004/39/EC).
Market abuse	Insider dealing and market manipulation. See Article 36 of the <i>Auctioning Regulation</i> and Article 1 of Directive 2003/6/EC ('Market Abuse Directive').
Participating Member States	All EU Member States except Germany, Poland and the UK, which decided to opt out from the joint procurement of a common auction platform pursuant to Article 30 of the <i>Auctioning Regulation</i> .
Persons exempt from MiFID	Natural or legal persons exempt from the authorisation requirements in EU financial law because their trading and investment services activities are only ancillary to their main business (Article 2(1)(i) of Directive 2004/39/EC) and that have been authorised under national legislation implementing the rules laid down in the <i>Auctioning Regulation</i> to bid for allowances in the auctions. See Article 18(2) of the <i>Auctioning Regulation</i> .
Secondary market	Market in which persons buy or sell allowances either before or after they are allocated either free of charge or through auctioning. To be distinguished from the 'primary market', consisting of the auctions of allowances.
Settlement	Payment on delivery of the allowances. See Article 3(34) of the <i>Auctioning Regulation</i> .
Spot secondary market	<i>Secondary market</i> for allowances with delivery within 5 days from the transaction.
Transitional common auction platform	Auction platform appointed pursuant to Article 26(2) of the <i>Auctioning Regulation</i> , also referred to as <i>TCAP</i> .
Third trading period	The period 2013-2020, including the allowances referred to in Article 10(1) of the <i>Auctioning Regulation</i> auctioned in 2012. Allowances are valid during a given period without distinction as regards the year within that period. See Article 13 of the <i>ETS Directive</i> .

Annex 1 Auction revenues per Member State until April 2016 (reported in euros)

(The data used in this annex can also be obtained directly from the EEX website.)

	General Allowances		Aviation Allowances		All Allowances
	12 November 2012 – March 2016	April 2016	12 November 2012 – March 2016	April 2016	12 November 2012 – April 2016
Austria	211 280 085	5 708 600	3 773 110	-	220 761 795
Belgium	378 285 030	10 409 800	5 013 685	-	393 708 515
Bulgaria	255 124 525	8 260 680	1 226 435	-	264 611 640
Croatia	91 881 520	1 947 640	547 700	-	94 376 860
Cyprus	2 359 150	-	1 862 835	-	4 221 985
Czech Republic	278 558 540	11 484 360	1 783 935	-	291 826 835
Denmark	187 245 320	5 171 320	4 146 770	-	196 563 410
Estonia	53 036 695	2 283 440	209 605	-	55 529 740
Finland	253 850 740	6 850 320	3 154 790	-	263 855 850
France	831 473 625	22 565 760	23 444 435	-	877 483 820
Greece	522 886 765	14 305 080	6 585 725	-	543 777 570
Hungary	194 464 860	6 178 720	1 377 625	-	202 021 205
Ireland	138 880 345	3 828 120	3 231 455	-	145 939 920
Italy	1 463 660 975	39 758 720	21 095 435	-	1 524 515 130
Latvia	40 787 195	1 074 560	724 190	-	42 585 945
Lithuania	74 346 055	2 014 800	373 090	-	76 733 945
Luxemburg	18 176 285	470 120	878 590	-	19 524 995
Malta	15 303 030	402 960	726 430	-	16 432 420
The Netherlands	507 808 875	13 767 800	9 520 755	-	531 097 430
Poland	505 714 700	24 470 440	3 558 480	-	533 743 620
Portugal	265 997 910	7 253 280	4 450 085	-	277 701 275
Romania	506 763 330	18 871 960	2 081 270	-	527 716 560
Slovak Republic	233 572 115	6 313 040	259 155	-	240 144 310
Slovenia	67 230 540	1 813 320	195 825	-	69 239 685
Spain	1 311 685 340	35 628 380	24 509 295	-	1 371 823 015
Sweden	135 175 065	3 660 220	5 013 595	-	143 848 880
TOTAL	8 545 548 615	254 493 440	129 744 300	-	8 929 786 355

Annex 2 Results of individual auctions on behalf of participating Member States and Poland in April 2016

(The data used in the highlighted subsection of the tables presented in this annex can also be obtained directly from the EEX website.)

General Allowances - April 2016																			
Date	Auction Clearing Price	Minimum Bid price	Maximum Bid price	Mean Bid price	Median Bid price	Total Auction Volume	Total Bid Volume	Cover ratio	Nr of Bidders	Nr of Successful Bidders	Total Revenue	Nr of Bids	Nr of Successful Bids	Avg nr of bids per bidder	Average bid size	Avg total volume bid per bidder	standard deviation of total volume bid per bidder	Average volume won per bidder	Standard deviation of volume won per bidder
04/04/2016	5.08	3.45	5.20	4.99	5.08	3 425 000	6 213 000	1.81	18	17	17 399 000	69	37	3.8	90 043	345 167	501 636	201 471	256 570
05/04/2016	5.26	3.45	5.57	5.12	5.20	3 425 000	8 149 000	2.38	22	12	18 015 500	79	18	3.6	103 152	370 409	426 314	285 417	213 705
07/04/2016	5.23	3.45	5.35	5.12	5.22	3 425 000	7 699 000	2.25	20	13	17 912 750	72	28	3.6	106 931	384 950	443 055	263 462	219 128
11/04/2016	5.42	5.20	5.50	5.38	5.38	3 425 000	6 429 000	1.88	18	11	18 563 500	53	16	2.9	121 302	357 167	423 402	311 364	266 471
12/04/2016	5.63	3.45	5.72	5.44	5.58	3 425 000	8 049 000	2.35	20	12	19 282 750	64	18	3.2	125 766	402 450	442 944	285 417	236 428
14/04/2016	5.47	4.47	5.55	5.42	5.43	3 425 000	9 087 000	2.65	22	13	18 734 750	82	21	3.7	110 817	413 045	469 792	263 462	230 871
18/04/2016	5.38	3.45	5.50	5.24	5.36	3 425 000	7 768 000	2.27	21	17	18 426 500	70	23	3.3	110 971	369 905	477 598	201 471	224 813
19/04/2016	5.47	5.20	5.56	5.45	5.45	3 425 000	6 693 000	1.95	21	15	18 734 750	69	27	3.3	97 000	318 714	393 567	228 333	259 504
21/04/2016	5.58	3.45	5.75	5.40	5.54	3 425 000	8 634 000	2.52	20	11	19 111 500	58	17	2.9	148 862	431 700	514 923	311 364	288 422
25/04/2016	5.92	3.45	6.02	5.69	5.87	3 425 000	7 323 000	2.14	17	10	20 276 000	58	16	3.4	126 259	430 765	438 268	342 500	296 282
26/04/2016	6.08	3.45	6.26	5.86	6.06	3 425 000	6 587 000	1.92	17	14	20 824 000	63	26	3.7	104 556	387 471	451 840	244 643	214 270
27/04/2016	6.94	6.30	7.22	6.80	6.85	3 526 000	6 160 000	1.75	15	13	24 470 440	66	19	4.4	93 333	410 667	707 114	271 231	235 157
28/04/2016	6.64	3.45	6.90	6.29	6.63	3 425 000	4 943 000	1.44	13	11	22 742 000	47	21	3.6	105 170	380 231	307 089	311 364	339 329
Monthly Value	-	-	-	-	-	44 626 000	93 734 000	-	29 ⁽¹⁾	24 ⁽¹⁾	254 493 440	850	287	3.5 ⁽²⁾	110 275 ⁽³⁾	384 156 ⁽⁴⁾	468 364 ⁽⁵⁾	264 059 ⁽⁶⁾	255 486 ⁽⁷⁾
Monthly minimum	5.08	3.45	5.20	-	-	3 425 000	4 943 000	1.44	13	10	17 399 000	47	16	2.9	90 043	318 714	-	201 471	-
Monthly average	5.70	4.02	5.86	5.55 ⁺⁺	-	3 432 769 ⁺⁺	7 207 931	2.10	18.8	13.0	19 576 418 ⁺⁺	65.4	22.1	3.5 ⁺⁺	111 049	384 877	-	270 885	-
Monthly maximum	6.94	6.30	7.22	-	-	3 526 000	9 087 000	2.65	22	17	24 470 440	82	37	4.4	148 862	431 700	-	342 500	-

Note: volume variables reported in tCO₂, monetary variables reported in €

(1): Number of unique individual bidders or unique successful bidders present in a whole month. (2): Average number of bids submitted over the whole month by each bidder in each auction. Computed as total number of bids for the month / sum over whole month of number of bidders present in each auction. (3): Average size of all bids submitted in all auctions over the month. Computed as total bid volume for the month / number of bids for the month. (4): Average over the whole month of the volume bid by bidders each time they are present in an auction. Computed as total volume bid for the month / sum over whole month of number of bidders present in each auction. (5): Standard deviation of the total volume bid, by each bidder in each auction, over the whole month. (6): Average over the whole month of the volume won by bidders each time they are successful in an auction. Computed as total auction volume for the month / sum over whole month of number of bidders successful in each auction. (7): Standard deviation of the total volume won by each bidder in each auction, over the whole month.

++: indicates simple average

Aviation Allowances – April 2016

Date	Auction Clearing Price	Minimum Bid price	Maximum Bid price	Mean Bid price	Median Bid price	Total Auction Volume	Total Bid Volume	Cover ratio	Nr of Bidders	Nr of Successful Bidders	Total Revenue	Nr of Bids	Nr of Successful Bids	Avg nr of bids per bidder	Average bid size	Avg total volume bid per bidder	standard deviation of total volume bid per bidder	Average volume won per bidder	Standard deviation of volume won per bidder
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Monthly Value	-	-	-	-	-	-	-	-	_(1)	_(1)	-	-	-	_(2)	_(3)	_(4)	_(5)	_(6)	_(7)
Monthly minimum	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Monthly average	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Monthly maximum	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Note: volume variables reported in tCO₂, monetary variables reported in €

(1): Number of unique individual bidders or unique successful bidders present in a whole month. (2): Average number of bids submitted over the whole month by each bidder in each auction. Computed as total number of bids for the month / sum over whole month of number of bidders present in each auction. (3): Average size of all bids submitted in all auctions over the month. Computed as total bid volume for the month / number of bids for the month. (4): Average over the whole month of the volume bid by bidders each time they are present in an auction. Computed as total volume bid for the month / sum over whole month of number of bidders present in each auction. (5): Standard deviation of the total volume bid, by each bidder in each auction, over the whole month. (6) :Average over the whole month of the volume won by bidders each time they are successful in an auction. Computed as total auction volume for the month / sum over whole month of number of bidders successful in each auction. (7): Standard deviation of the total volume won by each bidder in each auction, over the whole month.

++: indicates simple average

The data for previous auctions can be downloaded from EEX's website: <https://www.eex.com/en/market-data/emission-allowances/auction-market/european-emission-allowances-auction/european-emission-allowances-auction-download>

