



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 07/VII/2004
C(2004)2515/4 final

**COMMISSION DECISION
of 07/VII/2004**

concerning the national allocation plan for the allocation of greenhouse gas emission allowances notified by the United Kingdom in accordance with Directive 2003/87/EC of the European Parliament and of the Council

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(Only the English text is authentic)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to 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/EC¹, and in particular Article 9(3) thereof,

Whereas:

- (1) The national allocation plan of the United Kingdom for the period 2005-2007, developed under Article 9(1) of Directive 2003/87/EC, was notified to the Commission on 7 May 2004 and registered on 10 May 2004. The United Kingdom submitted additional information completing the notified plan by letter registered on 15 June 2004 in reply to questions from the Commission.
- (2) The Climate Change Committee has considered the national allocation plan and has called on the Commission to *inter alia* compare the proposed allocation to the United Kingdom's projections for the non-trading and trading sectors, and urged the Commission to compare the United Kingdom's allocation to recent historic and projected emissions and to examine the justification for deviations from recent historic and projected emissions for the trading sector. The Climate Change Committee also urged the Commission to carefully examine definition of new entrants in the plan and the access rules to the new entrant reserve. The views of the Climate Change Committee have been taken into account.
- (3) The national allocation plan, including the total quantity of allowances stated therein, has been evaluated in accordance with the Commission Communication on guidance to assist Member States in the implementation of the criteria listed in Annex III to Directive 2003/87/EC². Certain aspects of the national allocation plan have been found incompatible with those criteria, and in particular with criteria 6 and 10.

OJ L 275, 25.10.2003, p. 32
COM(2003)830 final

- (4) The information on the manner in which new entrants will be able to begin participating in the Community scheme contravenes criterion 6 because it is insufficient to assess whether the other criteria of Annex III to Directive 2003/87/EC and Article 10 thereof are respected, in particular because there is no methodology proposed for allocating to new entrants, the quantity of allowances is only an estimate, and the eligibility criteria for access to allowances need to be further defined.
- (5) The list of installations set out in the national allocation plan is incomplete and therefore contravenes criterion 10 since it does not include installations situated within the territory of Gibraltar, to which Directive 2003/87/EC applies.
- (6) In order to bring the national allocation plan in conformity with the criteria listed in Annex III to Directive 2003/87/EC, the plan should be amended. The Commission should be notified of the amendments made to the plan in accordance with this Decision by the United Kingdom by 30 September 2004 at the latest.
- (7) On the basis of the information provided by the Member State, the Commission therefore considers that any potential aid is likely to be compatible with the common market should it be not assessed in accordance with Article 88(3) of the Treaty.
- (8) The national allocation plan includes intended allocations for installations in respect of which the United Kingdom has submitted an application for temporary exclusion from the Community scheme until 31 December 2006 pursuant to Article 27 of Directive 2003/87/EC. In the event that the application is approved, a corresponding adjustment to the total quantity will have to be made in respect of the intended allocations to those installations during the period for which they are temporarily excluded from the scheme.
- (9) The reports on the implementation of policies and measures and the use of the Kyoto Protocol's mechanisms submitted by Member States pursuant to Decision No 280/2004/EC of the European Parliament and of the Council of 11 February 2004 concerning a mechanism for monitoring Community greenhouse gas emissions and for implementing the Kyoto Protocol³ are taken into account for evaluation of the national allocation plans pursuant to criterion 2 of Annex III to Directive 2003/87/EC,

HAS ADOPTED THIS DECISION:

Article 1

The following aspects of the national allocation plan of the United Kingdom are incompatible with criteria 6 and 10 of Annex III to Directive 2003/87/EC respectively:

- (a) the information on the manner in which new entrants will be able to begin participating in the Community scheme;
- (b) the list of the installations fails to specify installations situated within the territory of Gibraltar, and the quantities of allowances intended to be allocated to each such installation.

³OJ L 49, 19.02.2004, p. 1.

Article 2

Provided that the following amendments to the national allocation plan are made and notified to the Commission by 30 September 2004 at the latest, no objections shall be raised to the national allocation plan:

- (a) information is provided on the manner in which new entrants will be able to begin participating in the Community scheme, in a way that complies with the criteria of Annex III to Directive 2003/87/EC and Article 10 thereof;
- (b) the list of installations is amended to include the installations situated within the territory of Gibraltar and the quantities of allowances intended to be allocated to them; those quantities being determined in accordance with the general methodologies stated in the national allocation plan.

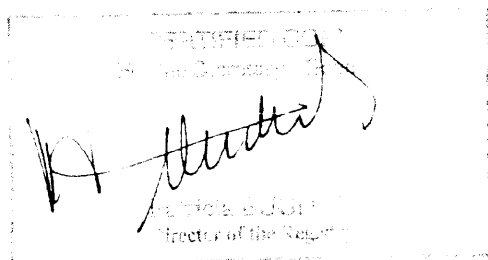
Article 3

1. The total quantity of allowances to be allocated by the United Kingdom according to its national allocation plan to installations listed therein and to new entrants, taking into account amendments referred to in Article 2, shall not be exceeded.
2. The national allocation plan may be amended without prior acceptance by the Commission if the amendment consists in modifications of the allocation of allowances to individual installations within the total quantity resulting from improvements to data quality.
3. Any amendments to the national allocation plan other than those referred to in paragraph 2 of this Article and in Article 2 shall be notified to the Commission and accepted in accordance with Article 9(3) of Directive 2003/87/EC.

Article 4

This Decision is addressed to the United Kingdom of Great Britain and Northern Ireland.

Done at Brussels, **07/VII/2004**



For the Commission
Margot WALLSTRÖM
Member of the Commission