



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 12 April 2005
COM(2005) 1083 final

COMMISSION DECISION

of 12/IV/2005

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

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(Only the Czech 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 Czech Republic for the period 2005-2007, developed under Article 9(1) of Directive 2003/87/EC, was notified to the Commission on 12 October 2004. The Czech Republic submitted additional information amending and completing the notified plan by letter dated 25 January 2005 in reply to questions from the Commission and by letter dated 7 April 2005.
- (2) The Climate Change Committee has considered the national allocation plan and has called on the Commission to compare the proposed allocation to the Czech Republic's projections and measures for the non-trading and trading sectors, including in particular assumptions made (on growth rates), and urged the Commission to compare the Czech Republic'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 urged the Commission to carefully examine the size of and access rules to the new entrant reserve with a view to avoiding the double counting of growth in output and emissions by means of both allocating to installations listed in the plan and building a new entrants reserve. The Climate Change Committee urged the Commission to carefully examine the admissibility of bonuses for early action and CHP in relation to the projected needs of the trading sector. The Climate Change Committee called on the Commission to make certain that the potential of the trading sector to reduce emissions is adequately reflected, and urged the Commission to examine whether the Czech Republic's plan provides for adequate incentives to reduce emissions and promotes the effective

¹ OJ L 275, 25.10.2003, p. 32, as amended by Directive 2004/101/EC, OJ L 338, 13.11.2004, p. 18.

functioning of the European trading scheme. 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.
- (4) In assessing the national allocation plan in respect of criterion 2 of Annex III to Directive 2003/87/EC, the Commission takes into account information in the letter of the Czech Republic dated 7 April 2005 regarding the decision to reduce its total allocation by a total of 10.28 million tonnes of allowances per year with respect to the plan notified on 12 October 2004 and amended on 25 January 2005, leading to maximum average annual emissions of the trading sector of 97.6 million tonnes.
- (5) Pursuant to criterion 5 the Commission has assessed whether the plan unduly favours certain undertakings or activities contrary to the requirements of the Treaty, in particular Articles 87 and 88 thereof. On the basis of the information provided by the Member State, the Commission considers that any potential aid is likely to be compatible with the common market should it be assessed in accordance with Article 88(3) of the Treaty.
- (6) Information in the national allocation plan not relevant to the allocation of allowances for the period referred to in Article 11(1) of Directive 2003/87/EC has not been taken into account for the purposes of this Decision.
- (7) This Decision is without prejudice to the Czech Republic's obligations under Directive 2001/77/EC of the European Parliament and of the Council of 27 September 2001 on the promotion of electricity produced from renewable energy sources in the internal electricity market³.
- (8) 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 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 Protocol⁴ 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

No objections are raised to the national allocation plan of the Czech Republic with regard to the criteria of Annex III to the Directive or with regard to Article 10 thereof.

² COM(2003)830 final

³ OJ L 283 , 27.10.2001, p.33.

⁴ OJ L 49, 19.02.2004, p. 1.

Article 2

1. The total quantity of allowances to be allocated by the Czech Republic according to its national allocation plan to installations listed therein, including subsequent information notified to the Commission by letter dated 7 April 2005, shall not be exceeded, nor shall the total quantity to be allocated to new entrants 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 to be allocated to installations listed therein resulting from improvements to data quality.

Article 3

This Decision is addressed to the Czech Republic.

Done at Brussels, 12/IV/2005

For the Commission