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Ms Yvon Slingenberg & Mr Stefaan Vergote  
European Commission  
Directorate-General Climate Action  
Avenue de Beaulieu 5  
B-1049 Brussels  
Belgium

Dear Ms Slingenberg and Mr Vergote

**Consultation on review of the auction time profile for the EU ETS**

As outlined in the Commission's Staff Working Document, the EU ETS market is working well. It is expected to be long in phase III primarily due to reduced demand by installations in the current weak economic environment, as well as by other factors, including the partial overlap with the Renewable Energy and Energy Efficiency Directives. The EU ETS market is working as designed and, as it stands now, is set to allow the overall EU ETS cap to be achieved.

For these reasons, Valero is opposed to the short term intervention being proposed by the EU Commission.

Valero remains concerned that the proposed intervention is very open-ended and lacks clarity, and believes that it would create further uncertainty, both in terms of the present proposal, but also in setting a regulatory precedent.

The proposal refers to the Commission adapting the timetable '*where appropriate*', in order to ensure '*an orderly functioning of the market*', thus allowing the Commission to intervene repeatedly, while the conditions for an intervention are not clear.

We believe that a wider debate is required about the future of the EU ETS and its role in meeting the EU's overall GHG emissions reduction targets in the most cost effective way.

Yours sincerely

A handwritten signature in black ink that reads 'Paul Bray'.

**Paul Bray**  
General Manager, Policy, Government & Public Affairs