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COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 27.12.2004
C(2004)5292

COMMISSION DECISION

of 27 December 2004

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

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(Only the Lithuanian 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 Lithuania for the period 2005-2007, developed under Article 9(1) of Directive 2003/87/EC, was notified to the Commission on 6 May 2004. Lithuania submitted additional information amending and completing the notified plan by letters dated 2 September 2004 and 9 November 2004 in reply to questions from the Commission and by letter dated 8 December 2004.
- (2) The Climate Change Committee has considered the national allocation plan and has called on the Commission to compare the proposed allocation to Lithuania's projections and measures for the non-trading and trading sectors, including in particular assumptions made (on industrial growth rates), and urged the Commission to compare Lithuania'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 scrutinise the plan 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 (including on the basis of paragraph 54 of the Commission's allocation guidance) and building a new entrants reserve. The Climate Change Committee also called on the Commission to examine the definition of new entrants underlying the Lithuanian plan and the access rules to the new entrants reserve. The Climate Change Committee called on the Commission to scrutinise Lithuania's allocation to the electricity sector, including assumptions made on growth rates and export trends, in the light of corresponding allocations and projections made by Estonia, Latvia and other countries bordering the Baltic Sea, and urged the Commission to examine the admissibility under criterion 10

¹ OJ L 275, 25.10.2003, p. 32.

of the intended ex-post allocation for installations in the energy sector based on actual power and heat production in the trading period. 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 criteria 2 of Annex III to Directive 2003/87/EC, the Commission takes into account information in the letter of Lithuania dated 8 December 2004 regarding the decision to reduce its total allocation by a total of 1,300,000 tonnes of allowances per year with respect to the plan as amended by the letter of 9 November 2004.
- (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) 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

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

Article 2

1. The total quantity of allowances to be allocated by Lithuania according to its national allocation plan to installations listed therein 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 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.

² COM(2003)830final.

³ OJ L 49, 19.02.2004, p. 1.

Article 3

This Decision is addressed to the Republic of Lithuania.

Done at Brussels, 27 December 2004

For the Commission