

Allocation of allowances from the New Entrants' Reserve 2013 – 2020

Updated on 04 July 2014; next update mid-December 2014

New installations that are covered by the scope of the ETS Directive, and installations that increase capacity, are eligible for additional free allocation from the New Entrants' Reserve (NER) in phase 3 of the EU Emission Trading System. The latest information on allocation from the NER is presented below.

Table 1 shows the number of allowances that has so far been allocated and reserved for allocation in future years from the NER. The third column contains the number of allowances already provided to operators for the allocation year 2013. The number in the fourth column refers to the sum of allowances to be provided for the remaining years until the end of 2020.

Table 1: Number of allocated allowances from the NER

Type of application	Number of installations	Put in circulation in 2013 (in millions)	Allocated/reserved for the period from 2014 to 2020 (in millions)
New installations	88	1.7	10.9
Significant Capacity Extension	98	5.6	37.7
Total	186	7.3	48.6

(As at 30 June 2014)

Table 2 shows the status of the New Entrants' Reserve at the end of June 2014; with its initial amount and how much is still available.

Table 2: Status of the NER

	Allowances in millions	%
Initial NER¹	480.2	100%
Allocated or reserved for future allocation for 2013 – 2020	55.9	12%
NER available	424.3	88%

(As at 30 June 2014)

¹ 5% of the overall ETS cap (around 780 million allowances) went into the NER for the third trading period. From this initial reserve 300 million allowances were deducted for funding innovative low-carbon energy demonstration projects (the so-called NER300 programme).

Partial Cessations and Significant Capacity Reductions for 2013 allocation

Updated on 04 July 2014

According to the ETS Directive, reduction for partial cessation applies when the production/activity level of an installation was less than 50% of its historic level. Reduction for significant capacity reduction applies when the capacity of an installation is reduced by at least 10%.

Table 3 below shows the reduction of allocation for calendar year 2013 for industrial installations after partial cessation or significant capacity reduction which took place in 2012. No reductions were made for installations that fully closed, since all installations closed before 2013 were already excluded from receiving free allocation. As from allocation year 2014 reductions of fully closed installations will be included.

Table 3: Reduced allocation in 2013

Type of application	Number of installations	Reduced allocation in 2013 (million allowances)
Partial Cessation ²	957	33.55
Significant Capacity Reduction	32	1.41
Total	989	34.96

(As at 30 June 2014)

² Installations that partially cease have the opportunity to recover their activity levels, and thus their allocation, as of the year after recovery, either fully or partially.