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Phase 3 allowance auctions – next steps after today's adoption of the EU ETS Auctioning Regulation

by Jos Delbeke, Director-General, DG Climate Action, European Commission

Today the Commission Regulation governing phase 3 auctions has been formally adopted following the unanimous backing by Member States in the Climate Change Committee in mid-July. It is a solid basis for auctions of phase 3 allowances.

The Commission is fully committed to ensure a smooth transition to large-scale auctions.

Hence, the Commission has already initiated preparatory work, jointly with the Member States, of the open, transparent and competitive procedures for procuring the common auction platform and the single auction monitor.

These procedures comprise various steps to be taken by the Commission and the Member States collectively, notably: signing the framework agreements for the overall conduct of the joint procurement procedures, agreeing the tender specifications, evaluating the received tenders and agreeing the award decisions.

As part of this process, the Commission and the Member States will also decide whether to procure one or two transitional common auction platforms for the auctioning of futures and forwards until the legal and technical means for delivery of the allowances are in place.

As a first step we aim to have the joint procurement framework agreements in place in early 2011.

In preparation of the amendment of the Auctioning Regulation to determine the volume and timing of auctions of phase 3 allowances prior to 2013 ("early auctions"), we will seek the views of experts and stakeholders by means of a stakeholder meeting to be held before the end of the year. Details about the stakeholder meeting will be communicated on our website in due time.

Given the time needed for conducting the procurement procedures for the common auction platform(s) and the single auction monitor jointly with Member States the question arises by when first auctions can realistically be held. In view of the further work needed a start of phase 3 auctions in 2011 is hardly feasible. A successful phasing in of phase 3 auctions requires striking the right balance between speed and quality. We have managed to get the balance right so far and are eager to continue to do so in the further steps.

Up-to-date information about the stakeholder event and other implementation steps will be made available at http://ec.europa.eu/clima/policies/ets/auctioning_en.htm#3