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AUCTIONS BY THE TRANSITIONAL COMMON AUCTION PLATFORM

The world's largest auctioning of emissions allowances

September 2014

Auctions by the transitional common auction platform

September 2014

Auction platform: European Energy Exchange (EEX)

Auction dates/reporting period:

Allowances (EUAs): 1, 2, 4, 8, 9, 11, 15, 16, 18, 22, 23, 25, 29, 30 September 2014

Aviation allowances (EUAs): 3 September 2014

In 2013, more than 40% of allowances allocated under the EU ETS have been auctioned instead of being allocated free of charge. Auctioning emission allowances at that scale is unprecedented and delivers valuable experience for auction design in other carbon markets and for other environmental assets.

Auctioning is the most transparent method of allocating allowances and puts into practice the principle that the polluter should pay. With some limited exceptions, from 2013 electricity generators must buy all their allowances: experience shows that they have been able to pass on the notional cost of allowances to customers even when they received them for free.

Most of the allowances to be auctioned are allocated to States on the basis of their historical share of emissions from EU ETS installations. Ten per cent are allocated to the least wealthy EU member states and the remaining 2% is given as a 'Kyoto bonus' to nine EU member states which had most reduced their greenhouse gas emissions.

At least half of auctioning revenues, and all of the revenues from auctioning allowances to the aviation sector, should be used to combat climate change in Europe or other countries.

EEX (Leipzig, Germany) conducts the auctions for 26 Member States covering about two thirds of the total auctioned volume. For the remaining volume, Germany and the United Kingdom, under an opt-out arrangement, have appointed EEX and ICE Futures Europe (London, UK) respectively.

For further information: http://ec.europa.eu/clima/policies/ets/cap/auctioning/index_en.htm

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Editor's note: This report has been prepared by the Commission on behalf of the following Member States: Austria, Belgium, Bulgaria, Republic of Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden. The Member States on behalf of which auctions have been held in the reporting period have approved this report under the rules in the Joint Procurement Agreement to procure common auction platforms. The report complies with the requirement laid down in the fourth subparagraph of Article 10(4) of Directive 2003/87/EC.¹

Methodology: The report is based on the reports submitted by EEX, on the discussions in regular meetings between the Commission, its advisors and EEX and on any further relevant information available to the Commission. The authors of the report did not actively verify EEX's compliance with the specific rules and provisions applicable under European or national law.

For reasons of confidentiality and proper enforcement of the applicable rules, the report refers to reporting on the auctions held based on information provided by EEX. Any data not directly related to the auctions is based only on public reporting and not on any non-public reports.

Disclaimer: The authors have made every effort to ensure that the information provided is complete, correct and precise for the reporting period. Nevertheless, the report is based on limited information available to the authors in a market context where much information has to remain confidential. The authors did not actively verify the information. Therefore, the authors and the Member States on whose behalf this report was drafted deny any responsibility or liability whatsoever for its contents, regardless of the nature of such contents. Any reliance by any person or entity on the information provided in this report is solely at that person's or entity's own risk.

Glossary: terms and expressions written in *italics* are included in the glossary.

¹ 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/EC, OJ L 275, 25.10.2003, p. 32, as subsequently amended.

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Executive summary

This report covers the auctioning of emissions allowances in the period September 2014. In that period, EEX, in its capacity as the common auction platform, auctioned a total of 26 222 000 *EU general emission allowances* ('EUAs') in 14 auctions and 1 643 000 *aviation emission allowances* ('EUAs') in 1 auction for the *third trading period* on behalf of those EU Member States that participate in the transitional common auction platform (*participating Member States*).

All auctions were held securely and smoothly and no irregularities or deviations from the requirements were observed. Generally, the auction clearing price was in line with the price signal in the secondary market. The table below contains a summary of the information concerning the conducted auctions.

The September auctions at a glance:

	September 2014	
	Allowances	Aviation allowances
General		
Total volume auctioned	26 222 000	1 643 000
Amount raised from the auctions (€)	157 556 760	9 365 100
Average clearing price (€/allowance)	6.01	5.70
Total bid volume	157 822 500	5 851 000
Average Cover ratio	6.02	3.56
Participation		
Number of eligible bidders	67	67
Number of participating bidders	27	11
Number of successful bidders	22	9
Average number of bidders per auction	15	11
Average number of successful bidders per auction	11	9
Auction data		
Average total volume bid per bidder	742 000	531 909
Average bid size (volume per bid)	135 602	90 0015
Average volume won per bidder	173 941	182 555
Average range of bids (€)	2.92	2.05

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Section 1. Results of the auctions

Auctioning Member States

At the start of the reporting period, all the *participating Member States* except Croatia were participating in the auctions. On 1 July 2013, Croatia joined the European Union, and it has become a party to the Joint Procurement Agreements so as to auction its share of allowances on EEX. Croatia has however not established the necessary arrangement for the auctioneer to be admitted and recognised by EEX and its clearing system ECC. Hence, the starting date remains to be determined.

In accordance with the second subparagraph of Article 30(7) of the *Auctioning Regulation*, pending the procurement, appointment and listing of its opt-out auction platform, Poland contracted EEX to auction its share of allowances to be auctioned. These auctions started on 16 September 2013. Due to the back-loading, no auctions were held for Poland in the reporting period, but are included in the graphs covering the period before back-loading.

The Member States of the European Free Trade Association (EFTA) that are Party to the European Economic Area (EEA)² have also stated their intention to make use of the transitional common auction platform by aggregating their volumes to those auctioned on behalf of the *participating Member States*. The preparations for this are on-going.

Auction revenues per Member State

The total amount raised from the auctions held in the reporting period as well as the total amount raised since the start of the third trading period is provided in Table 1. The total revenues from general and aviation allowances auctions held from November 2012 to September 2014 is EUR 4 298 999 035. Further information is provided in the sections on general and on aviation allowances hereafter.

Table 1 Auction revenues per Member State³ (euro)

	Allowances		Aviation allowances	Allowances and aviation allowances
	13 November 2012 – 30 August 2014	September 2014	September 2014	13 November 2012 – September 2014
Austria	103 005 505	4 542 480	279 300	107 827 285
Belgium	180 925 190	8 201 700	484 500	189 611 390
Bulgaria	104 033 140	1 976 820	51 300	106 061 260
Cyprus	2 359 150	0	74 100	2 433 250
Czech Republic	131 805 310	1 093 560	108 300	133 007 170
Denmark	89 803 490	4 079 820	273 600	94 156 910

² Iceland, Liechtenstein and Norway.

³ Croatia will be added to the table as soon as the conditions for the participation of the auctioneer of Croatia in the auctions have been fulfilled

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	Allowances		Aviation allowances	Allowances and aviation allowances
	13 November 2012 – 30 August 2014	September 2014	September 2014	13 November 2012 – September 2014
Estonia	24 748 135	168 240	11 400	24 927 775
Greece	252 826 230	11 272 080	262 200	264 360 510
Spain	639 233 515	28 011 960	1 556 100	668 801 575
Finland	123 768 540	5 425 740	193 800	129 388 080
France	405 037 495	17 749 320	2 388 300	425 175 115
Hungary	77 647 140	4 878 960	68 400	82 594 500
Ireland	65 980 710	3 028 320	205 200	69 214 230
Italy	713 224 730	31 292 640	1 242 600	745 759 970
Lithuania	35 424 345	1 430 040	11 400	36 865 785
Luxemburg	8 826 265	378 540	148 200	9 353 005
Latvia	19 921 015	883 260	34 200	20 838 475
Malta	7 368 340	336 480	22 800	7 727 620
The Netherlands	247 083 495	10 893 540	1 299 600	259 276 635
Poland	322 031 455	0	0	322 031 455
Portugal	129 212 205	5 720 160	302 100	135 234 465
Romania	235 451 225	6 897 840	79 800	242 428 865
Sweden	65 879 690	2 902 140	245 100	69 026 930
Slovenia	32 657 715	1 430 040	11 400	34 099 155
Slovak Republic	113 823 145	4 963 080	11 400	118 797 625
TOTAL	4 132 077 175	157 556 760	9 365 100	4 298 999 035

Detailed information per auction for the current reporting period can be found in **Annex I**.

Auctions by the transitional common auction platform

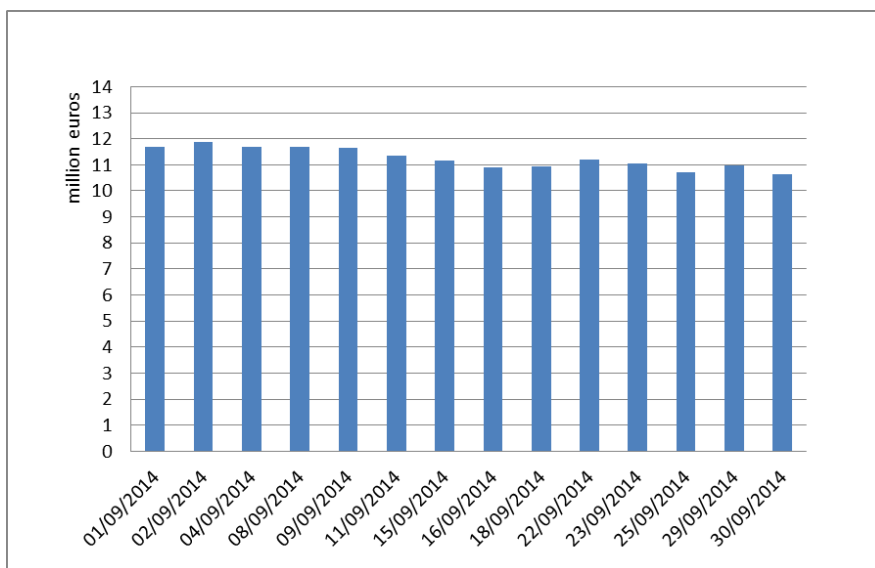
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Section 1.1. Allowances auctions (EUA)

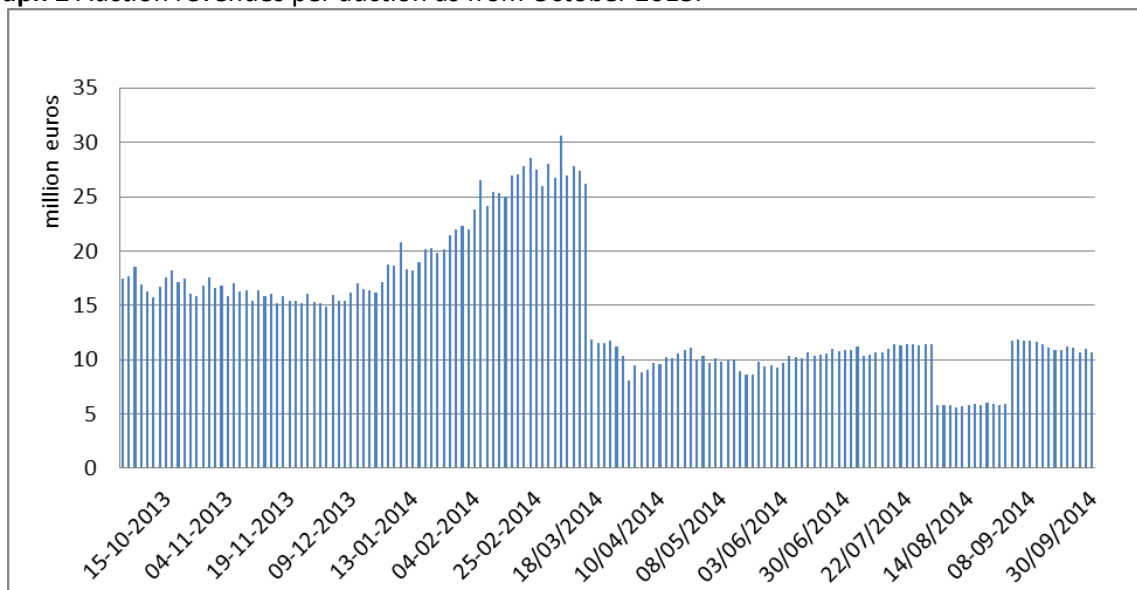
During the month of September 2014, EEX, in its capacity as the transitional common auction platform, auctioned, in 14 auctions, a total of 26 222 000 allowances valid for the *third trading period* on behalf of *participating Member States*.

The total amount raised from the 14 auctions held during the reporting period was EUR 157 556 760 (see Graph 1 and Table 1). Taking into account the volumes per auction, the weighted average clearing price during the reporting period was EUR 6.01 per allowance. This is a decrease of EUR 0.23 per allowance compared with the previous reporting period.

Graph 1 Total auction revenue per auction (euro).



Graph 2 Auction revenues per auction as from October 2013.



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The total amount raised from the auctions held between 13 November 2012 and 31 September 2014 was EUR 4 289 633 935 (see Table 1 for the volumes per Member State).

Table 2: Overview

Month	Auction volume	Bid volume	Cover ratio	Bidders	Successful bidders	Price	Revenue
September 2014	26 222 000	157 822 500	6.02*	15.36*	11.21*	€ 6.01*	€ 157 556 760
August 2014	11 208 000	90 982 500	8.12*	12.58*	8.00*	€ 6.24*	€ 69 928 580
July 2014	26 222 000	140 375 000	5.35*	14.79*	10.86*	€ 5.91*	€ 154 934 560
June 2014	22 476 000	136 372 000	6.07*	17.58*	10.75*	€ 5.53*	€ 124 329 740
May 2014	20 766 500	133 689 500	6.44**	17.36**	11.72**	€ 5.018**	€ 104 208 535
April 2014	23 130 000	177 597 500	7.68	17.67*	10.83*	€ 5.19*	€ 119 948 325
March 2014	42 048 500	280 163 000	6.66**	17.35**	11.75**	€ 6.42**	€ 269 929 405
February 2014	52 667 000	216 991 500	4.12**	19.68**	14.30**	€ 6.38**	€ 336 162 075
January 2014	48 648 500	178 198 500	3.66	21.92**	13.17**	€ 4.96**	€ 241 181 405
December 2013	39 078 000	130 983 000	3.35**	21.48**	16.09**	€ 4.61**	€ 180 068 050
November 2013	56 161 000	225 489 500	4.01**	19.91**	15.01**	€ 4.50**	€ 252 482 700
October 2013	59 642 500	248 905 500	4.17**	20.16**	15.72**	€ 4.85**	€ 289 295 510

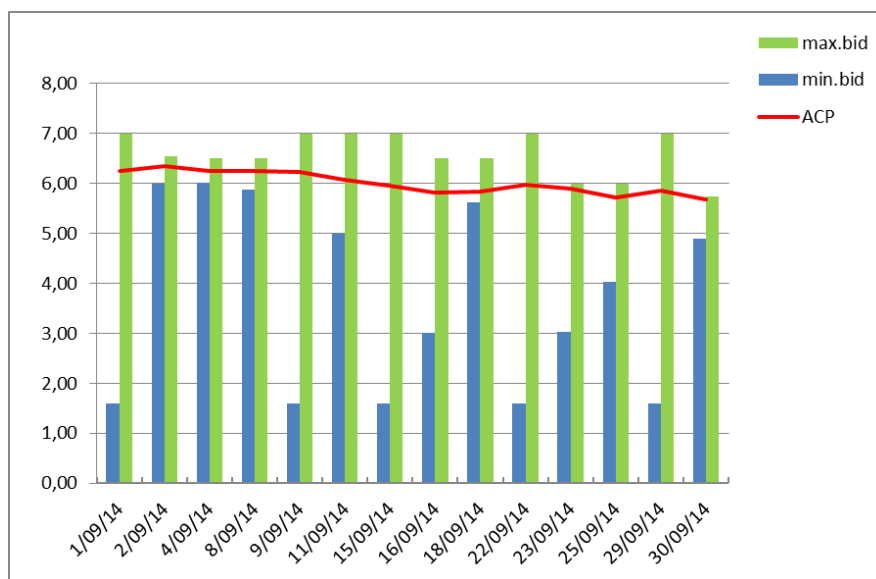
* average

**volume-weighted average (when the volume of allowances sold varied between auctions within a month, see auction volumes in Annex I)

Auction clearing price

During the period under consideration, the auction clearing price for the allowances moved between EUR 5.68 and EUR 6.35 per allowance (see Graph 3). The lowest auction clearing price in this reporting period is EUR 0.27 below the lowest auction clearing price during the previous reporting period. The highest auction clearing price in this reporting period is EUR 0.08 per allowance below the highest auction clearing price of the previous reporting period.

Graph 3 Auction Clearing Price (ACP) & maximum prices bid & minimum prices bid [euro/ton].



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For all but three auctions, the clearing prices were within a range of EUR 0.03 or less from the mean of the *best-ask* and *best-bid* prices on the EEX *secondary market* for spot emission allowances and in average EUR 0.02 below the average of that mean. In general, the auction clearing prices were also in line with the prices of carbon products on other trading venues, and with the clearing prices of other auctions of emission allowances conducted during the period.

The auction clearing price showed a minor downward trend during the reporting period.

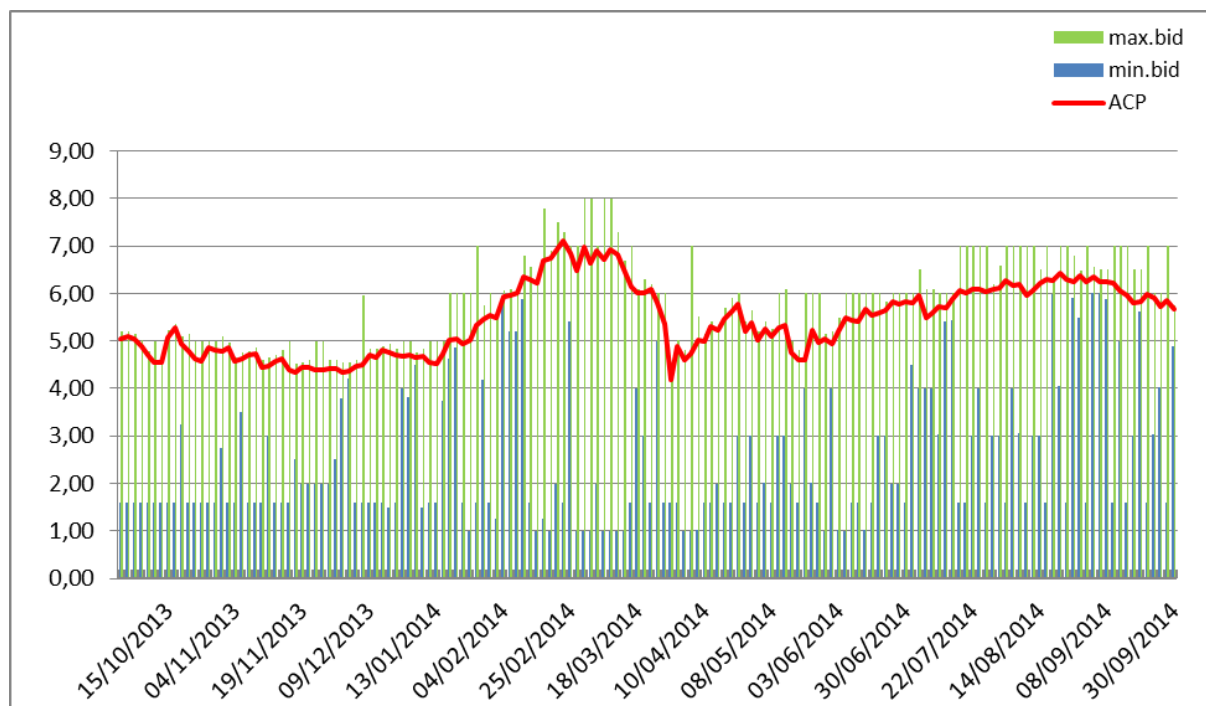
Maximum and minimum prices bid

The highest prices bid in the auctions were on average EUR 0.58 per allowance above the clearing price (see Graph 3).

The lowest prices bid in the auctions were on average EUR 2.34 per allowance below the clearing price (see Annex I for the data per auction).

The range of bids (average difference between the maximum price bid and the minimum price bid) in the auctions was EUR 0.52 lower than the difference for the auctions conducted in the preceding month (see Annex I).

Graph 4 Auction clearing price (ACP), maximum bid and minimum bid as from October 2013.



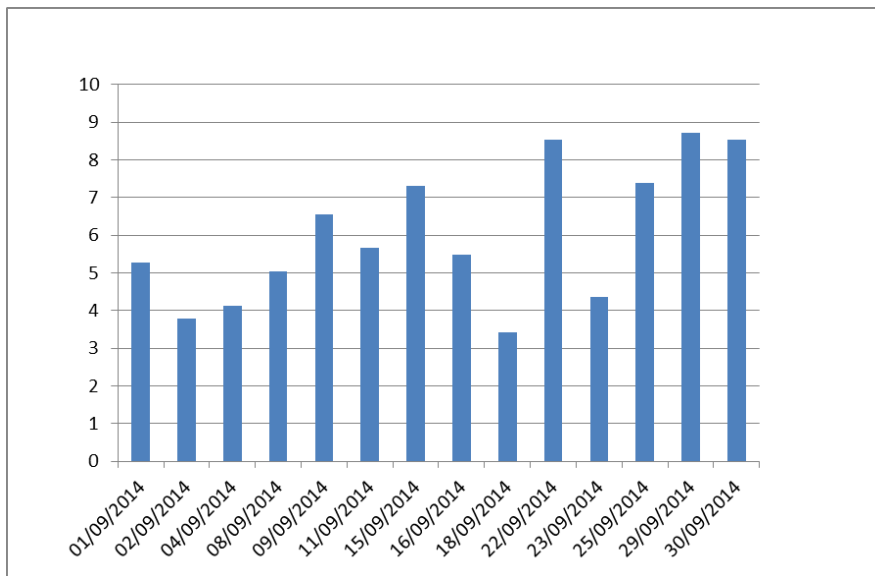
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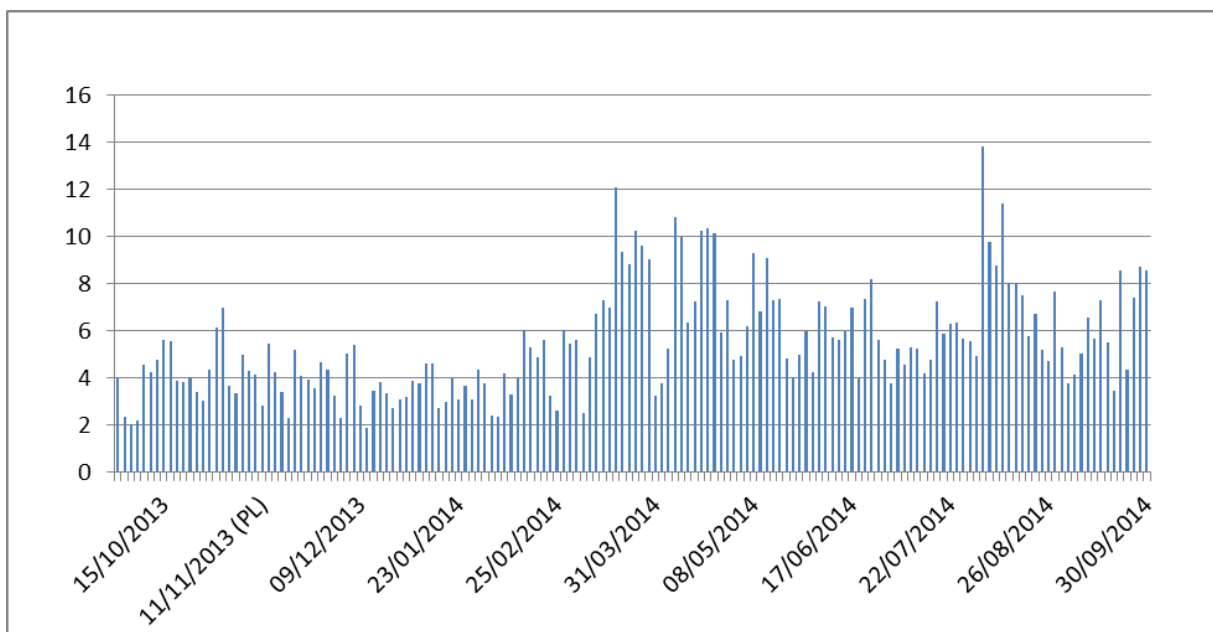
Cover ratio

The *cover ratio* — the bid volume as a proportion of the available volume in the auctions — (see Graph 5) moved between 3.43 and 8.71 during the reporting period. The average was about 35 % lower than the average *cover ratio* during the previous reporting period. The lowest *cover ratio* during the reporting period was 3.43 at the auction of 18 September 2014 with the highest *cover ratio* being 8.71 at the auction of 29 September 2014.

Graph 5 Cover ratio: bid volume versus available volume.



Graph 6 Cover ratio as from October 2013: bid volume versus available volume.



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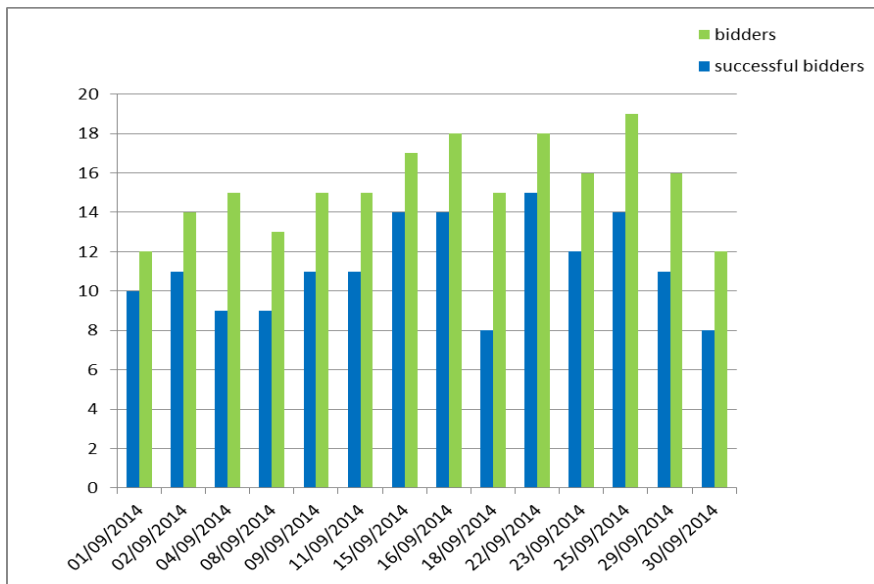
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Number of Bidders

The number of active bidders per auction ranged from 12 to 19 (see Graph 7). The average number of active bidders was 15.3, which is about three more than the average number of active bidders during the previous reporting period.

The number of successful bidders per auction ranged from 8 to 15 during the reporting period. The average number of successful bidders was 11.2, which is about three more than the average number of successful bidders during the previous reporting period.

Graph 7 Number of bidders and number of successful bidders.

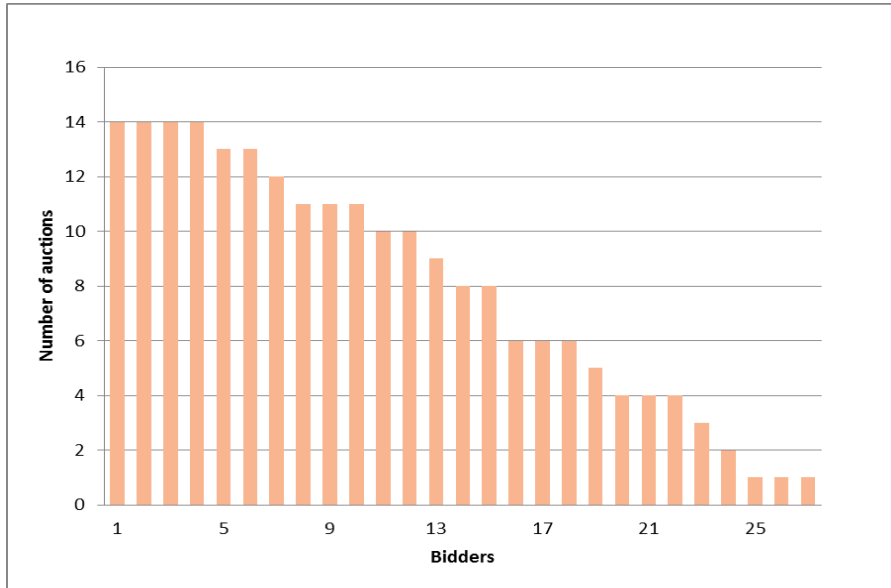


In total, 27 different bidders participated in the auction (see Graph 8). Four of them participated in all auctions during the reporting period. Eight of them participated only in four or fewer auctions during the reporting period.

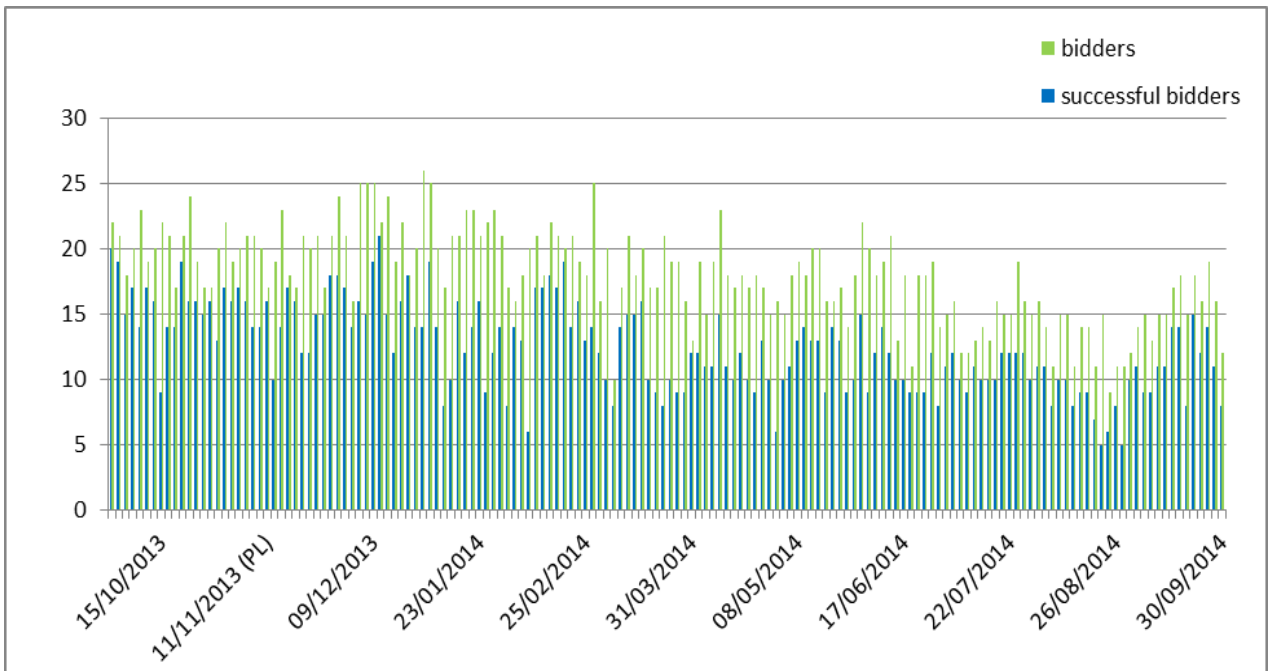
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Graph 8 Number of auctions in which each bidder participated (bidders are identified by numbers).



Graph 9 Number of bidders and successful bidders as from October 2013.



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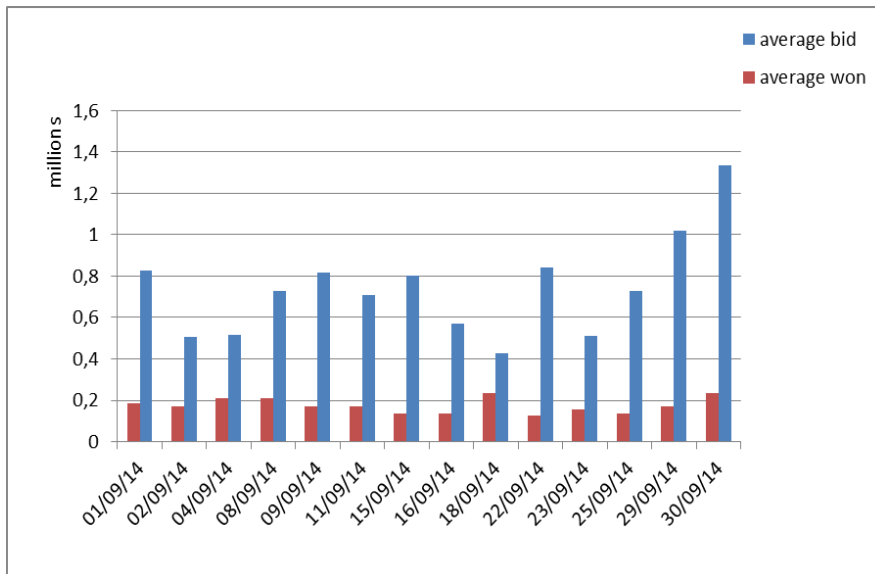
Average bid volume per bidder and average volume won by successful bidders

The total volume of bids for the 14 auctions amounted to 157 822 500 allowances, which is 73% more⁴ than the previous period. With 27 bidders during the month, this makes an average of 5 845 277 allowances per bidder. Per auction, the average total bid volume per bidder ranged from 428 667 to 1 333 750 allowances during the reporting period (see Graph 10), with average of 742 000, which is 23% higher than the average in August 2014. This average showed a clear upward trend during the last three auctions of the reporting period. The standard deviation of the average total bid volume per bidder for the individual auctions ranged from 624 927 to 2 264 736, and over the entire month was 8 531 564.

The average bid size ranged from 97 310 to 190 536 per auction, with an average of 135 602. This average was about 44% higher than during the previous reporting period. The average number of bids per bidder ranged from 3.67 to 7.31 per auction, with an average of 5.43.

The total volume auctioned amounted to 26 222 000 allowances. With 22 successful bidders during the month, this makes an average of 1 191 909 allowances per successful bidder, which is 91% higher than the average in August 2014. Per individual auction, the average volume won by successful bidders ranged from 124 867 to 234 125 allowances, with average of 173 941 which is 39.8% higher than the average in August. This average did not show a clear upward or downward trend during the reporting period. The standard deviation ranged from 90 630 to 480 882, and over the entire month was 1 812 725.

Graph 10 Average bid volume and volume won per bidder.

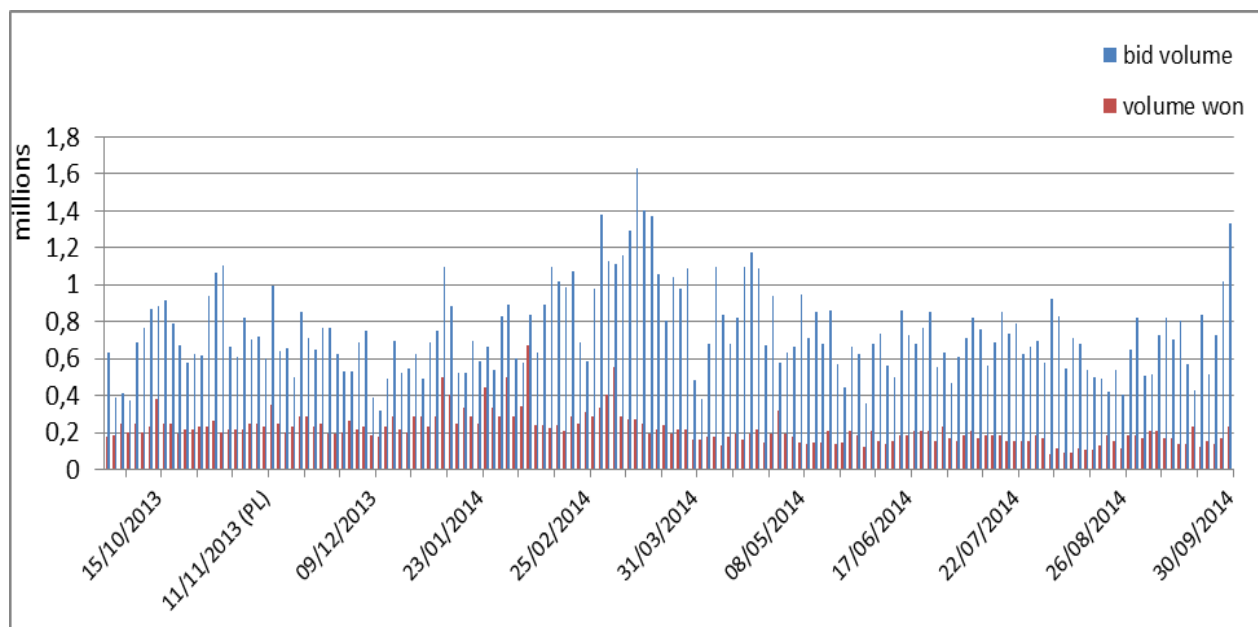


⁴ The volumes auctioned in August are half the volumes auctioned the rest of the year.

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Graph 11 Average bid volume and volume won per bidder as from October 2013.



Volume of successful bids per bidder category

During the reporting period almost all bidders bid on their own account, with 0.08% of the volume submitted by intermediaries on behalf of a client. *Operators*, including business groupings of *operators*, accounted for 40.54% of the total auctioned volume during the reporting period, compared to 61.54% in August (see Graph 12).

Investment firms, including *persons exempt*, accounted for 24.28% of the total auctioned volume during the reporting period, compared to 18.96% in August 2014.

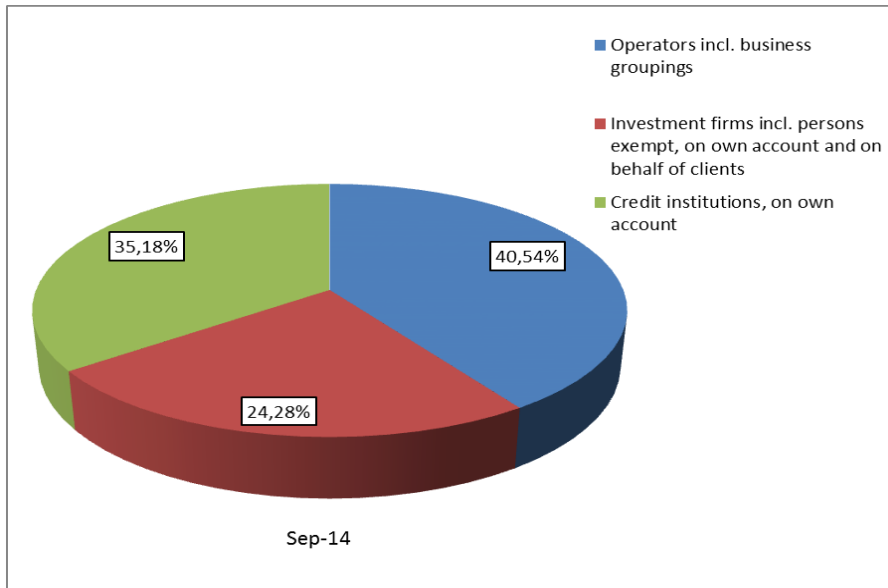
Credit institutions accounted for 35.18% of the total auctioned volume during the reporting period, compared to 19.50% in July 2014.

However, the shares of successful bids per category showed some fluctuations over the period. The standard deviation of the shares was 17%, 12%, 16% and 6% for operators (including business groupings of operators), investment firms, credit institutions and *persons exempt* respectively.

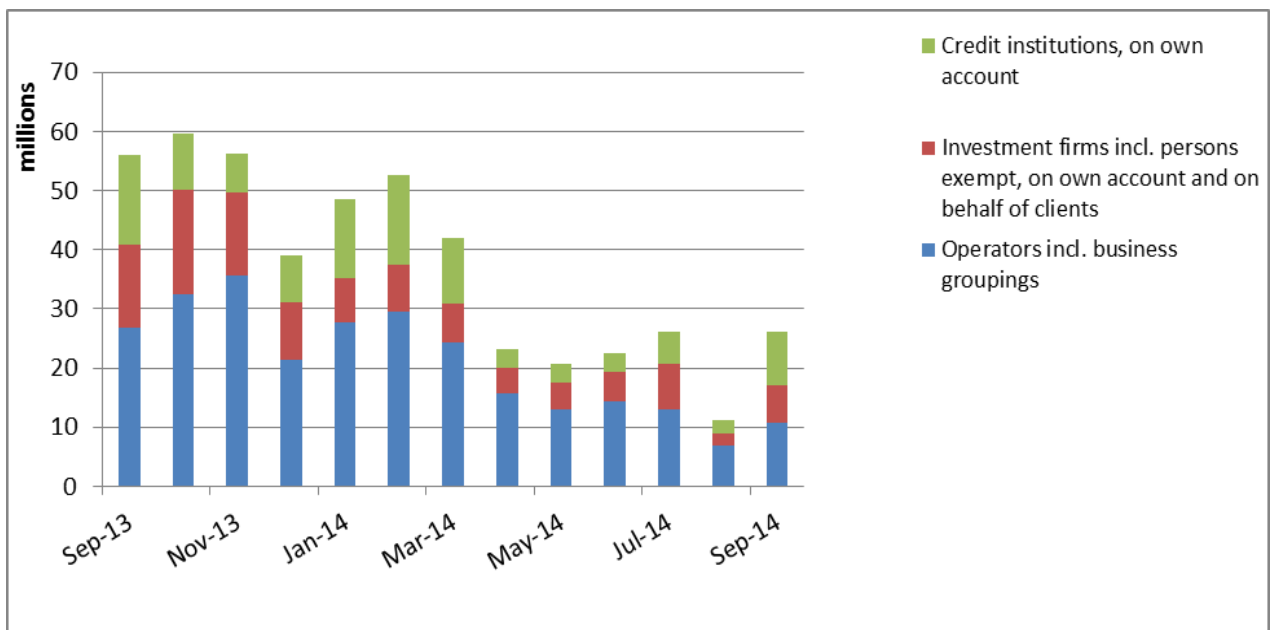
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Graph 12: Volume of successful bids per bidder category.



Graph 13 Volume of successful bids per bidder category as from September 2013.



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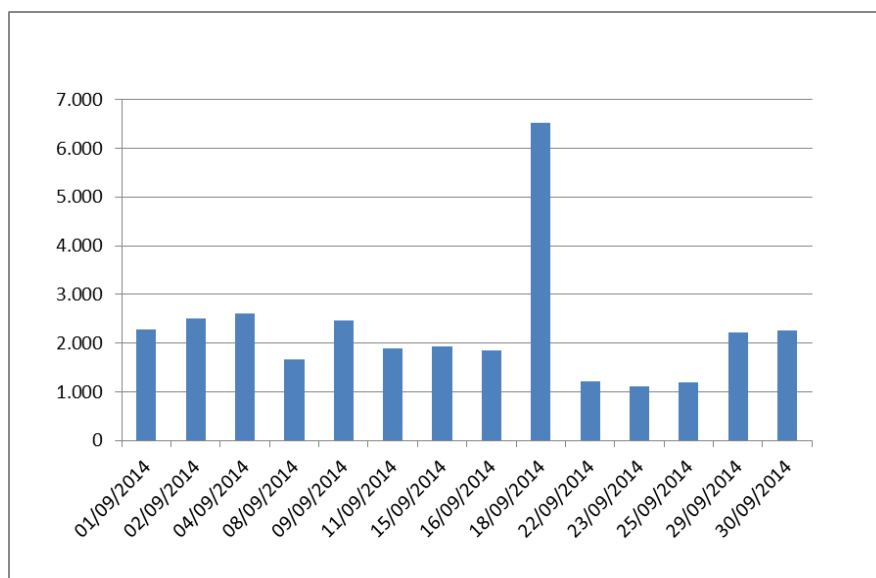
The Herfindahl-Hirschman Index (HHI)

The Herfindahl-Hirschman Index (HHI) is used by EEX to measure market concentration. The HHI is calculated as the sum of the squares of all successful bidders' shares (in %) of the total auctioned volume per auction. The HHI ranges from a value of 0 (perfect competition) to 10 000 (a single monopolistic buyer).

A common interpretation of the HHI is that a score below 1 500 is 'not-concentrated', between 1 500 and 2500 is 'moderately concentrated,' and above 2 500 is 'highly concentrated'.

In general, the HHI moved between about 1100 and 2600 (see Graph 14), other than for the auction on 18 September 2014 where the HHI was 6 523, and the average HHI during the reporting period was 2 265. The HHI calculated as the sum of the squares of all successful bidders' shares (in %) of the total auctioned volume in the reporting period was 1 506.

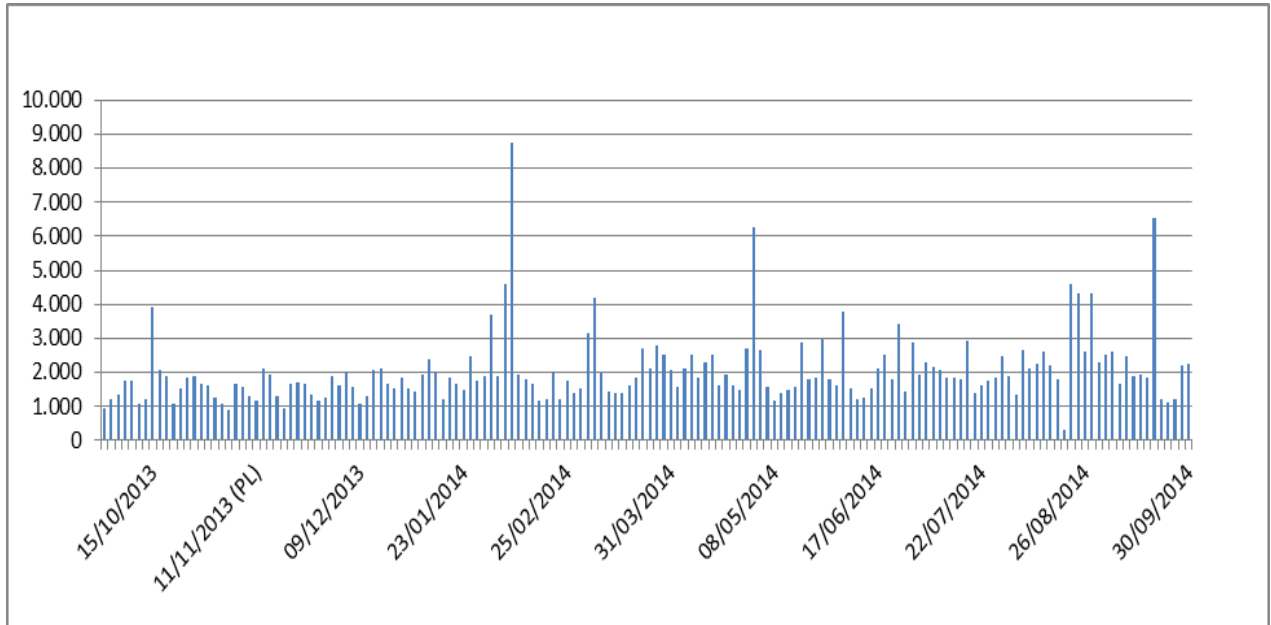
Graph 14 Herfindahl-Hirschman Index.



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Graph 15 Herfindahl-Hirschman Index as from October 2013 (lower means less market concentration).



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Section 1.2. Aviation allowances auctions (EUAs)

The auctioning of aviation allowances restarted as of September 2014⁵. The first auction was held by EEX on 3 September, on behalf of the participating Member States.

Pursuant to the published auction calendar, only aviation allowances for the calendar year 2012 will be auctioned in 2014⁶; the aviation allowances for the calendar years 2013-2015 volumes will be auctioned in 2015, in accordance with the published 2015 auction calendar. Accordingly, Croatia will not auction aviation allowances in 2014, as they joined the EU in July 2013. Poland decided to aggregate the aviation allowances for the calendar years 2012 to 2015 in a single auction to be held in 2015.

During the month of September 2014, EEX, in its capacity as the transitional common auction platform, performed one auction for a total of 1 643 000 aviation allowances valid for the *third trading period* on behalf of *participating Member States*.

The total amount raised from the auction of aviation allowances held during the reporting period was EUR 9 365 100 (see Graph 16 and Table 1).

Table 6: Overview

Month	Auction volume	Bid volume	Cover ratio	Bidders	Successful bidders	Price	Revenue
3 September 2014	1 643 000	5 851 000	3.56	11	9	€ 5.70	€ 9 365 100

Auction clearing price, maximum and minimum price bid

The auction clearing price for the aviation allowances auction was EUR 5.70. The highest price bid in the auction was 0.60 per aviation allowance above the clearing price, the lowest price bid in the auction was EUR 1.45 per aviation allowance below the clearing price (see Annex I for the data per auction).

Cover ratio

The *cover ratio* — the bid volume as a proportion of the available volume in the auctions — was 3.56.

⁵ The auctions were suspended end 2012, see the Regulatory update published by the Commission on 16 November 2012 http://ec.europa.eu/clima/news/articles/news_2012111601_en.htm

⁶ See also the regulatory update published by the Commission on 29 July 2014; http://ec.europa.eu/clima/news/articles/news_2014072901_en.htm

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Number of bidders

The number of active bidders was 11, of which 9 were successful. This makes an average bid volume of 531 909 aviation allowances per bidder, and average volume won 182 555 aviation allowances per bidder.

Average bid volume per bidder and average volume won by successful bidders

The average bid volume per bidder was 531 909. The average number of bids per bidder was 5.9.

HHI

The HHI for the auction held in the reporting period was 1 962.

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Section 3. Implementation of and compliance with the applicable rules

Fair and open access

EEX verified that each auction participant belonged to one of the categories of eligible bidders set out in Article 18 of the *Auctioning Regulation*. During the reporting period, the number of eligible bidders was 67. Most of the active participants in the carbon market are assumed to have been admitted to bid in the auctions⁷.

Of the 67 companies eligible to bid in the auctions (including auction only participants), 45 were EU ETS operators, 10 were *investment firms* and 7 were *credit institutions* (see Table 7). The 5 other companies eligible to bid in the auctions were *persons exempt* from the authorisation requirements in EU financial law, because their trading and investment services activities are only ancillary to their main business (Article 2(1)(i) of Directive 2004/39/EC), that were authorised under national legislation implementing the Auctioning Regulation to bid for allowances in the auctions.

Throughout the period, EEX actively promoted the auctions in view of attracting bidders.

Table 7 Eligible bidders per category at the end of the reporting period

Number of participants	Operators		Investment firms	Credit Institutions	Business groupings	Persons exempt From MiFID requirements (Article 2(1)(i) Directive 2004/39/EC)	Total
	Stationary	Aircraft					
Participants admitted to EEX's emissions <i>spot secondary market</i>	-	-	-	-	-	-	116
Participants eligible to bid in the auctions	44	1	10	7	0	5	67
<i>(Of which:)</i> Participants eligible to bid in the auctions on behalf of clients	-	-	2	2	-	1	5
<i>(Of which:)</i> Auction-only participants	2	0	1	0	0	0	3

Three of the admitted participants made use of the option of '*auction-only access*' to the auctions.

No irregularities or deviations from the admission and access requirements were found.

⁷ This assessment is based on the auction participants' activity in EEX's secondary market and general market knowledge of EEX

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Transparency

The results were published in accordance with Article 61 of the *Auctioning Regulation*, not later than 15 minutes after the close of the *bidding window*.

EEX revised its webpage on auctioning where necessary for keeping it up to date.

Technical and operational aspects

No irregularities or deviations from the requirements were found as regards the auctions themselves or the *clearing* and *settlement* processes.

EEX's Market Surveillance department surveyed all auctions with a view to detecting any *market abuse*, money laundering, terrorist financing or other criminal activities. No such wrongdoing was publicly reported. EEX's Market Surveillance department takes its instructions only from SMWA (Saxony's Ministry for Economy and Employment) and is independent of the exchange itself.

No infringements of the confidentiality requirements were identified.

Other aspects

No problems or issues were identified as regards coordination of the auctions between the various auction platforms.

Section 4. Overview of, and any updates on breaches of provisions or ongoing proceedings

No breaches or problems of non-conformity were reported. There were no proceedings on such breaches or problems of non-conformity dating from before the reporting period.

Approval of the report

Comments of the auction platform on the draft of this report and the way they have been taken into account

EEX made no comments on the report.

Date of approval by the Member States: 11/12/2014

Place & date: Brussels, 15/12/2014.

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Glossary

Auction calendar	Document setting out the <i>bidding windows</i> , individual volumes and auction dates of the auctions in a given calendar year. See Articles 11, 13 and 32 of the <i>Auctioning Regulation</i> .
Auction-only access	Access to the auctions without becoming a member of or participant in other markets organised by the auction platform.
Auctioning Regulation	Commission Regulation (EU) No 1031/2010 — Timing, administration and other aspects of auctioning of greenhouse gas emission allowances pursuant to Directive 2003/87/EC of the European Parliament and of the Council establishing a scheme for greenhouse gas emission allowances trading within the Community, Official Journal L 302, 18.11.2010, p. 1, as subsequently amended. See: http://ec.europa.eu/clima/policies/ets/cap/auctioning/documentatio_n_en.htm .
Auctioneer	Entity appointed by a Member State that offers the allowances to be auctioned to the auction platform and receives the auction proceeds due to the appointing Member State. See Articles 22 and 23 of the <i>Auctioning Regulation</i> .
Back-loading	Proposal by the Commission to postpone, as a short-term measure, the auctioning of 900 million allowances from the years 2013-2015 until 2019-2020. See: http://ec.europa.eu/clima/policies/ets/reform/index_en.htm .
Best-bid and best-ask prices	The best-bid price is the highest price any buyer is willing to pay and the best-ask price is the lowest price any seller is willing to accept.
Business groupings	Groupings of operators or aircraft operators. See Article 18(1)(d) of the <i>Auctioning Regulation</i> .
Bidding window	Time during which bidders can submit bids. See Article 8(1) of the <i>Auctioning Regulation</i> .
Clearing	Processes preceding the opening of the bidding window, during the bidding window and following the closure of the bidding window until settlement, involving the management of any risks arising during that interval including margining, netting or novation or any other services carried out possibly by a clearing or settlement system. See Article 3(31) of the <i>Auctioning Regulation</i> .
Cover ratio	Total bid volume divided by the available volume in the auction.
Credit institution	Credit institution as defined in EU legislation on credit institutions (Article 4(1) of Directive 2006/48/EC).
ETS Directive	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

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	<p>Council Directive 96/61/EC, OJ L 275, 25.10.2003, p. 32, as subsequently amended. See: http://ec.europa.eu/clima/policies/ets/documentation_en.htm</p>
EU general allowance (EUA)	Allowance to emit one tonne of CO ₂ -equivalent, see Article 3(a) of the <i>ETS Directive</i> .
EU aviation allowance (EUAA)	Allowance to emit one tonne of CO ₂ -equivalent that can be used by aircraft operators. See Article 12(2a) and (3) of the <i>ETS Directive</i> .
Investment firms	Investment firms as defined in EU financial markets legislation (point (1) of Article 4(1) of Directive 2004/39/EC).
Market abuse	Insider dealing and market manipulation. See Article 36 of the <i>Auctioning Regulation</i> and Article 1 of Directive 2003/6/EC ('Market Abuse Directive').
Participating Member States	All EU Member States except Germany, Poland and the UK, which decided to opt out from the joint procurement of a common auction platform pursuant to Article 30 of the <i>Auctioning Regulation</i> .
Persons exempt	Persons exempt from the authorisation requirements in EU financial law because their trading and investment services activities are only ancillary to their main business (Article 2(1)(i) of Directive 2004/39/EC) and that have been authorised under national legislation implementing the rules laid down in the <i>Auctioning Regulation</i> to bid for allowances in the auctions. See Article 18(2) of the <i>Auctioning Regulation</i> .
Secondary market	Market in which persons buy or sell allowances either before or after they are allocated either free of charge or through auctioning. To be distinguished from the 'primary market', which consists of the auctions of allowances.
Settlement	Payment on delivery of the allowances. See Article 3(34) of the <i>Auctioning Regulation</i> .
Spot secondary market	Secondary market for allowances with delivery within 5 days from the transaction.
Stop-the-clock proposal	Proposal by the Commission to exempt from enforcement flights into and out of Europe operated in 2010, 2011, and 2012 to provide negotiation time for the ICAO General Assembly in autumn 2013. The proposal was adopted on 24 April 2013. See: http://ec.europa.eu/clima/policies/transport/aviation/index_en.htm and OJ L115 of 25 April 2013, p.1.
TARGET-2 bank account	Bank account in the TARGET2 system, which is an interbank payment system for real-time processing of cross-border transfers throughout the European Union. TARGET2 replaced TARGET (Trans-European Automated Real-time Gross Settlement Express Transfer System) in November 2007.

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Third trading period

The period 2013-2020. Allowances are valid during a given period without distinction as regards the year within that period. See Article 13 of the *ETS Directive*.

Annex 1 Results of individual auctions

General allowances (EUAs)											
Date	Auction Price €/tCO2	Minimal Price €/tCO2	Maximal Price €/tCO2	Mean €/tCO2	Median €/tCO2	Auction Volume tCO2	Total Amount of Bids	Cover Ratio	Total Number of Bidders	Number of Successful Bidders	Total Revenue €
30-09-2014	5.68	4.90	5.74	5.59	5.65	1,873,000	16,005,000	8.55	12	8	10,638,640
29-09-2014	5.85	1.59	7.00	5.23	5.81	1,873,000	16,322,000	8.71	16	11	10,957,050
25-09-2014	5.72	4.03	6.00	5.54	5.70	1,873,000	13,847,000	7.39	19	14	10,713,560
23-09-2014	5.90	3.03	6.00	5.54	5.90	1,873,000	8,174,000	4.36	16	12	11,050,700
22-09-2014	5.98	1.59	7.00	5.07	5.91	1,873,000	16,012,000	8.55	18	15	11,200,540
18-09-2014	5.83	5.62	6.50	5.81	5.80	1,873,000	6,430,000	3.43	15	8	10,919,590
16-09-2014	5.81	3.00	6.50	5.18	5.77	1,873,000	10,290,000	5.49	18	14	10,882,130
15-09-2014	5.95	1.59	7.00	5.24	5.91	1,873,000	13,678,000	7.30	17	14	11,144,350
11-09-2014	6.07	5.00	7.00	5.96	6.03	1,873,000	10,605,000	5.66	15	11	11,369,110
09-09-2014	6.23	1.59	7.00	5.49	6.13	1,873,000	12,270,000	6.55	15	11	11,668,790
08-09-2014	6.25	5.88	6.50	6.18	6.20	1,873,000	9,447,500	5.04	13	9	11,706,250
04-09-2014	6.25	6.01	6.50	6.19	6.20	1,873,000	7,738,000	4.13	15	9	11,706,250
02-09-2014	6.35	6.00	6.55	6.31	6.32	1,873,000	7,107,000	3.79	14	11	11,893,550
01-09-2014	6.25	1.59	7.00	5.05	6.01	1,873,000	9,897,000	5.28	12	10	11,706,250
Aviation allowances (EUAs)											
Date	Auction Price €/tCO2	Minimal Price €/tCO2	Maximal Price €/tCO2	Mean €/tCO2	Median €/tCO2	Auction Volume tCO2	Total Amount of Bids	Cover Ratio	Total Number of Bidders	Number of Successful Bidders	Total Revenue €
03-09-2014	5.70	4.25	6.30	5.59	5.57	1,643,000	5,851,000	3.56	11	9	9,365,100

