

European Commission
DG Climate Action
B-1049 Brussels
Mailto: CLIMA-ETS-AUCTIONS@ec.europa.eu

Kontakt

DW

Unser Zeichen

Ihr Zeichen

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**Public Consultation on Auctioning third phase EU Allowances prior to 2013
Comments by Oesterreichs Energie (Register ID number: 80966174852-38)**

Dear Madam,
Dear Sir,

Oesterreichs Energie, the Association of Austrian Electricity Companies, welcomes the opportunity to comment on the European Commission's public consultation on Auctioning third phase EU Allowances prior to 2013 ("early auctions"). Oesterreichs Energie represents more than 130 energy companies active in generation, trading, transmission, distribution and sales which in total cover more than 90 per cent of the Austrian electricity generation and the entire distribution.

The Commission discussion paper identifies 100 to 300 million as the range of allowances to be auctioned prior to 2013, on top of NER 300 allowances. We agree with this estimate, but Oesterreichs Energie calls for 300 million allowances on top of NER 300 to be auctioned as soon as possible.

Some stakeholders have advocated that there is no need for early auctioning, supposing a changed hedging strategy of electricity companies. While recognising that some changes might have occurred, this does not mean that electricity companies in 2012 will not hedge their 2013 position.

Electricity companies must have the opportunity to fulfil their hedging needs directly and timely, in other words: on the primary market with sufficient early volumes.

Moreover, we would also stress that some advance auctioning remains essential as a "proof of concept" and to keep the process on track. Some early auctions will be required to reas-

sure the market that the Commission can deliver an operational registry and auction platforms in time for Phase III.

Some stakeholders fear that early auctioning would depress the carbon market. We do not share this view:

- “Early volumes” are not “additional volumes”: they will be reduced from 2013 and 2014 total allowances. Market operators are aware of this and it would be reflected in their strategies.
- Early volumes need not come to the market at once. If properly managed, by introducing small volumes equally spread throughout the year, major shocks in the market will not occur.

On the contrary the Commission’s top priority has to be avoiding any risk of under-supply of allowances in the market.

Electricity companies need certainty on the timetable for the release of allowances; hence Oesterreichs Energie calls on the European Commission (and the EIB) to communicate, as rapidly as possible:

- A detailed roadmap leading to effective, fully-functioning registry and common auctioning platform
- A clear timetable and volumes for early auctioning and the release of the NER 300 allowances

Thank you for taking our comments into consideration. If you have any further questions, please do not hesitate to contact us.

Yours sincerely,