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AUCTIONS BY THE TRANSITIONAL COMMON AUCTION PLATFORM

The world's largest auctioning of emissions allowances

January 2016

Auctions by the *Transitional Common Auction Platform*

January 2016

Auction platform: European Energy Exchange (EEX)

Auction dates/reporting period:

General Allowances:

11, 12, 14, 18, 19, 21, 25, 26, 28 January 2016;

Aviation Allowances:

20 January 2016

Auctioning is the default method of allocating allowances within the EU emissions trading system (EU ETS). Since the start of the *Third trading period* in 2013 over 2 billion allowances allocated under the EU ETS have been auctioned. Auctioning of 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 and efficient method of allocating allowances and puts into practice the principle that the polluter should pay.

The auctions are conducted pursuant to the modalities stipulated in the *Auctioning Regulation*. Two auction platforms are in place. The European Energy Exchange (EEX) in Leipzig is the common platform for the large majority of countries participating in the EU ETS. EEX also acts as Germany's auction platform. The second auction platform is ICE Futures Europe (ICE) in London, which acts as the United Kingdom's platform. Poland may appoint an opt-out auction platform but is using for the time being the common auction platform.

The numbers of *General Allowances* to be auctioned by each State on behalf of which they are auctioned are determined on the basis of their historical share of emissions from installations covered by the EU ETS, taking into account the free allocation volumes. Up to 2020 ten per cent are allocated to the least wealthy EU Member States and the remaining two per cent is given as a 'Kyoto bonus' to nine EU Member States which by 2005 had reduced their greenhouse gas emissions by at least 20% of levels in their Kyoto Protocol base year or period.

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

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

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 report complies with the requirement laid down in the fourth paragraph of Article 10(4) of the *ETS Directive*.

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. EEX has supplied the data used in this report and been consulted before its publication, whereas the *participating Member States* have been consulted on its template.

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 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. Monthly averages provided are weighted by each auction's auction volume, unless otherwise indicated.

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

Executive summary

This report covers the auctioning of emission allowances in the period January 2016. In that period, EEX, in its capacity as the common auction platform, auctioned a total of 30 825 000 *general allowances* in 9 auctions and 683 500 *aviation allowances* in 1 auction for the *third trading period* on behalf of those EU Member States (*participating Member States*) that participate in the *Transitional Common Auction Platform (TCAP)*. EEX did not auction any *aviation allowances* nor any *general allowances* for Poland during this period.

All auctions were held successfully and no irregularities or deviations from the requirements were observed. The table below contains a summary of the information concerning the conducted auctions.

The January 2016 auctions at a glance:

	<i>General Allowances</i> January	<i>Aviation Allowances</i> January
General		
Number of auctions	9	1
Total volume auctioned	30 825 000	683 500
Amount raised from the auctions (€)	200 910 500	4 490 595
Average Auction Clearing Price (€/allowance)	6.52	6.57
Total bid volume	74 394 000	3 866 000
Average <i>Cover ratio</i>	2.4	5.7
Participation		
Number of eligible bidders	70	70
Number of participating bidders ⁽¹⁾	32	12
Number of successful bidders ⁽¹⁾	30	5
Average number of bidders per auction	21.6	12.0
Average number of successful bidders per auction	14.1	5.0
Auction data		
Average total volume bid per bidder per auction	386 086	322 167
Average bid size (volume per bid)	110 917	85 911
Average volume won per bidder per auction	268 407	136 700
Average range of bids (€)	0.74	0.70

(1): Number of unique individual bidders or unique successful bidders present in a whole month

Introduction

All the *participating Member States* were participating in the auctions as from January 2015.

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 from April to December 2014, the auctions restarted in January 2015.

Accordingly, the present report includes data on the auctions performed by the common auction platform on behalf of the *participating Member States* and Poland.

The Member States of the European Free Trade Association (EFTA) that are Party to the European Economic Area (EEA)¹ 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.

1. Results of the auctions

The total revenues from auctions of *general allowances* accrued to the *participating Member States* and Poland from the start of the *Third trading period* auctions (November 2012) to January 2016 are EUR 8 045 018 095. The total revenues from auctions of *aviation allowances* accrued to the *participating Member States* and Poland from the start of the *Third trading period* auctions (November 2012) to January 2016 are EUR 125 791 810. The revenues per each *participating Member State* in the reporting period as well as cumulative data are provided in Annex 1.

Information on *general allowances'* auctions is provided in section 1.1, and on *aviation allowances* in section 1.2 hereafter. Detailed information on the auctions held in the reporting period January 2016, including results per auction, is provided in Annex 2.

Please note that in all parts of this report monthly averages provided are weighted by each auction's auction volume, unless otherwise indicated.

¹ Iceland, Liechtenstein and Norway.

1.1. General allowances auctions

1.1.1. Clearing prices and participation - general allowances

An overview of the auction results for the *participating Member States* and Poland from January 2015 to January 2016 is provided in Table 1.

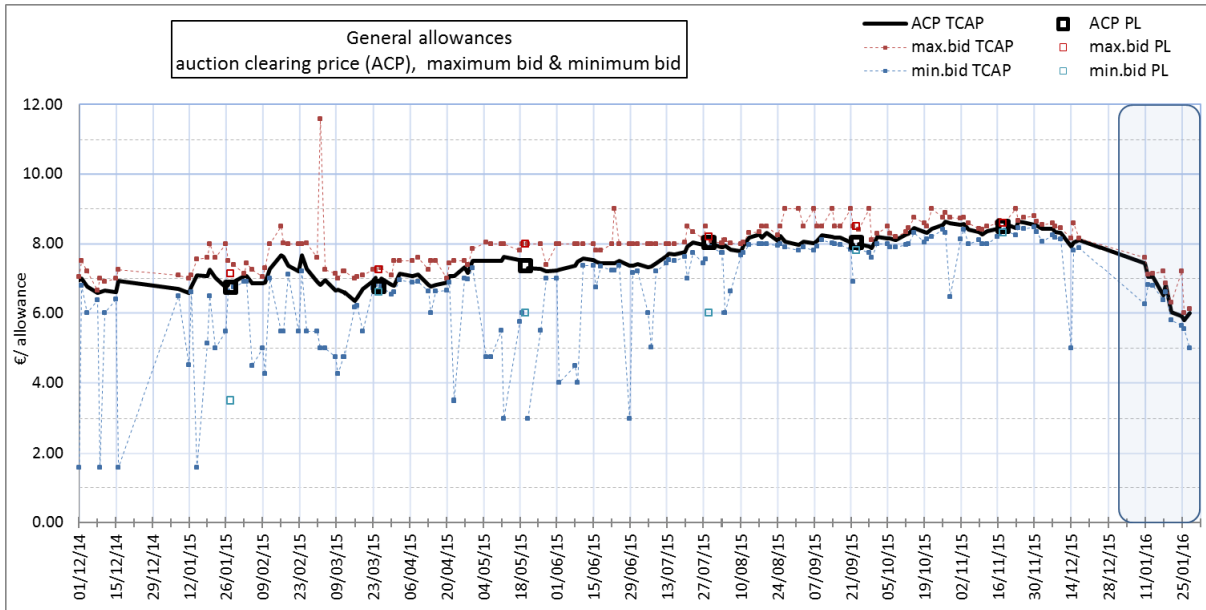
Table 1: General allowances - main statistics on the results of the auctions per month

Month	Total auction volume	Total bid volume	Total revenue (€)	Average Cover ratio ²	Average number of bidders	Average number of successful bidders	Average auction clearing price (€)
January 2016	30 825 000	74 934 000	200 910 500	2.4	21.6	14.1	6.52
December 2015	23 244 500	64 626 500	192 130 220	2.8	18.9	14.1	8.27
November 2015	40 789 500	130 488 000	346 009 805	3.2	19.6	13.1	8.48
October 2015	37 934 000	116 213 500	316 690 540	3.1	19.7	13.4	8.35
September 2015	40 788 000	126 790 000	328 635 840	3.1	18.7	14.3	8.06
August 2015	17 508 000	65 808 500	141 085 300	3.8	15.4	9.3	8.06
July 2015	40 788 000	114 643 000	315 388 760	2.8	16.5	11.9	7.73
June 2015	37 934 000	117 971 500	281 645 360	3.1	16.8	12.3	7.42
May 2015	29 116 000	101 910 000	216 422 620	3.5	17.8	13.8	7.43
April 2015	35 016 000	83 493 500	247 358 860	2.4	19.5	15.2	7.06
March 2015	43 706 000	155 841 500	295 627 000	3.6	19.2	13.5	6.76
February 2015	35 016 000	140 319 500	253 340 760	4.0	17.8	13.3	7.24
January 2015	32 034 000	118 905 000	220 605 860	3.7	18.5	13.6	6.89
2015 total	413 874 000	1 337 010 500	3 154 940 925	3.2	18.3	13.3	7.62
2014 total	335 052 000	1 796 711 000	1 977 712 120	5.4	17.6	11.9	5.90
2013 total	530 488 000	1 761 639 500	2 349 853 340	3.3	18.4	13.2	4.43

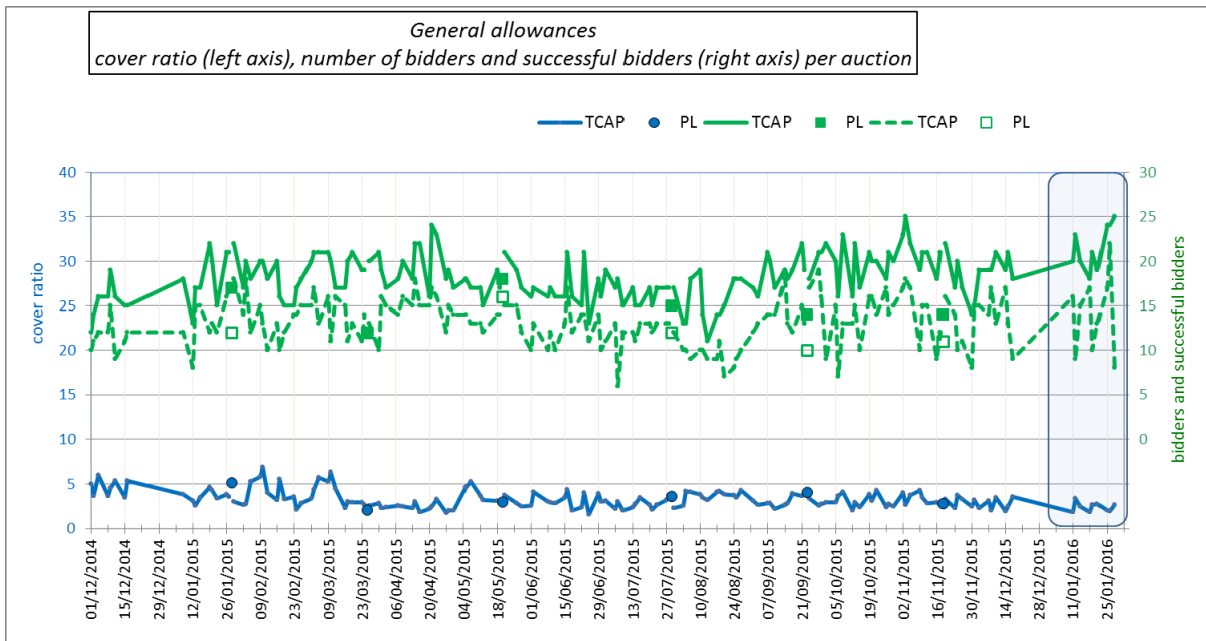
During January 2016, the difference between the Auction Clearing Prices and the mean of the *best-ask* and *best-bid* prices on the EEX *spot secondary market* for *general allowances* at the closure of the auction *bidding window* was on average EUR -0.02, and this difference had a standard deviation of EUR 0.05.

² Cover ratio is the ratio between the total bid volume and the auction volume.

Graph 1: General allowances - auction clearing price (ACP), maximum bid & minimum bid³



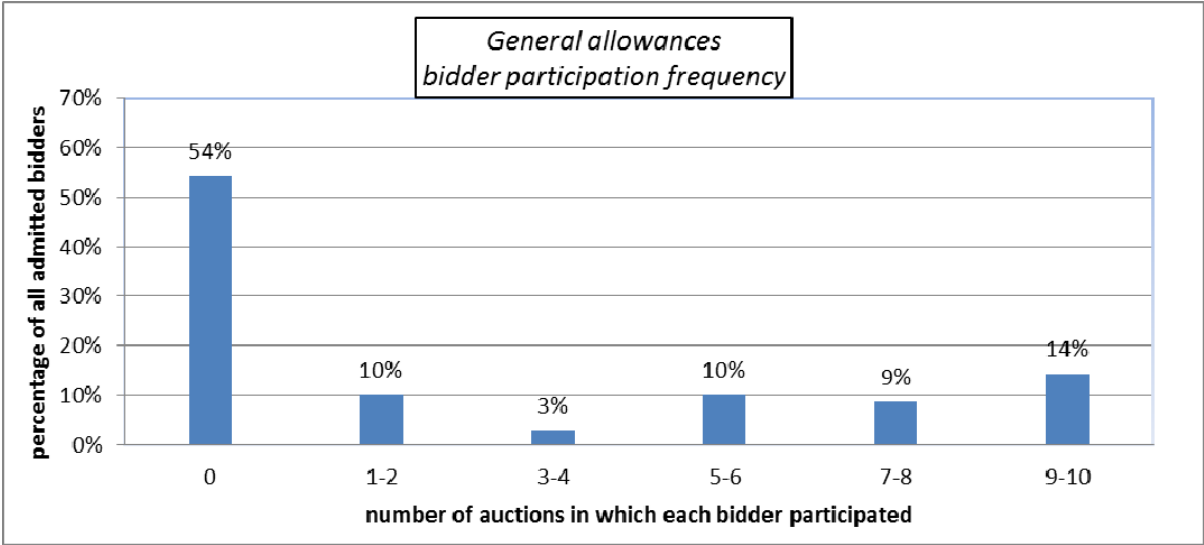
Graph 2: General allowances - cover ratio (left axis), number of bidders and successful bidders (right axis) per auction



There were 70 eligible bidders in January 2016. Out of these, 32 different bidders participated in the auctions in January 2016. Graph 3A indicates the participation frequency in January 2016.

³ Auctions on behalf of Poland were held on the following days: 28/1/2015, 25/3/2015, 20/5/2015, 29/7/2015, 23/9/2015 and 18/11/2015.

Graph 3A: General allowances -bidder participation frequency in January 2016



1.1.2. Bidding behaviour - general allowances

Table 2 provides monthly data on the bids submitted from January 2015 to January 2016. See also Graph 4.

Table 2: General Allowances - monthly statistics on the submitted bids

Month	Nr of auctions	Nr of bidders ⁽¹⁾	Total volume of bids	Average total volume bid per bidder per auction ⁴	Average total volume bid per bidder per auction over the month ⁵	standard deviation of total volume bid per bidder per auction over the month ⁶	Total monthly nr of bids	Average nr. of bids per bidder per auction ⁷	Average bid size ⁸
January 2016	9	32	74 394 000	386 086	383 474	547 998	692	3.6 ⁺⁺	110 917
December 2015	8	31	64 626 500	433 690	427 990	543 279	538	3.6 ⁺⁺	119 573
November 2015	14	30	130 488 000	483 238	476 234	628 078	923	3.4 ⁺⁺	142 930
October 2015	13	32	116 213 500	455 083	453 959	576 354	862	3.4 ⁺⁺	134 450
September 2015	14	30	126 790 000	492 634	483 931	641 235	917	3.5 ⁺⁺	138 422
August 2015	12	27	65 808 500	362 597	355 722	410 715	630	3.5 ⁺⁺	104 910
July 2015	14	29	114 643 000	498 144	496 290	590 569	932	4.1 ⁺⁺	122 445
June 2015	13	27	117 971 500	534 698	541 154	668 622	826	3.8 ⁺⁺	142 270
May 2015	10	29	101 910 000	576 652	572 528	1 126 584	619	3.5 ⁺⁺	170 179
April 2015	12	29	83 493 500	358 748	356 810	453 453	798	3.4 ⁺⁺	104 562
March 2015	15	29	155 841 500	539 041	541 116	997 195	1108	3.9 ⁺⁺	138 843
Feb 2015	12	27	140 319 500	656 261	655 699	1 209 247	756	3.5 ⁺⁺	184 555
Jan 2015	11	29	118 905 000	594 654	585 739	850 655	809	4.1 ⁺⁺	147 380

++: indicates simple average

(1): Number of unique individual bidders or unique successful bidders present in a whole month

⁴ Monthly weighted average of the average bid volume per bidder in each auction (total bid volume in each auction divided by number of bidders participating in that auction), weighted by volume auctioned in each auction.

⁵ Average over the whole month of the volume bid by bidders each time they are present in an auction (computed as total volume bid for the month / sum over whole month of number of bidders present in each auction).

⁶ Standard deviation of total volume bid per bidder in each auction over the month.

⁷ Monthly simple average of the average number of bids per bidder in each auction (total number of bids in each auction divided by number of bidders participating in that auction).

⁸ Monthly weighted average of the average bid size per bidder in each auction (total bid volume in each auction divided by number of bids in that auction), weighted by volume auctioned in each auction.

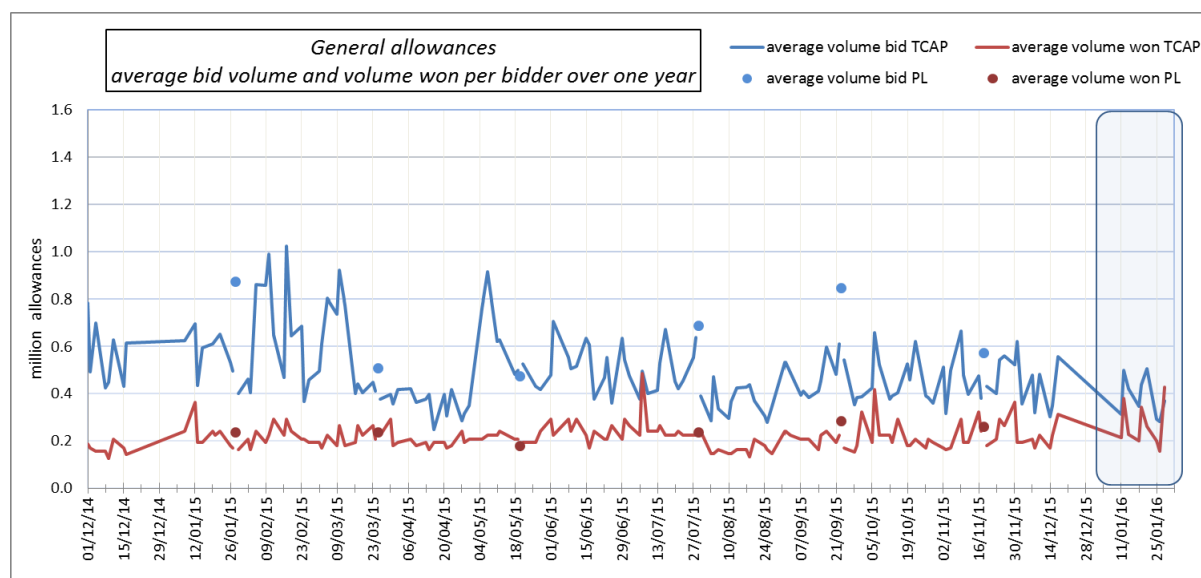
Table 3 provides monthly data on successful bids from January 2015 to January 2016. See also Graph 4.

Table 3: General Allowances - monthly statistics on successful bids

Month	Nr of auctions	Nr of successful bidders ⁽¹⁾	Total auction volume	Average volume won per bidder per auction ⁹	Average volume won per bidder per auction over the month ¹⁰	Standard deviation of volume won per bidder per auction over the month ¹¹	Total monthly nr of successful bids
Jan. 2016	9	30	30 825 000	268 407	242 717	293 170	264
December 2015	8	29	23 244 500	212 431	205 704	218 453	219
November 2015	14	26	40 789 500	237 529	222 893	253 845	311
October 2015	13	26	37 934 000	232 204	218 011	244 823	302
September 2015	14	27	40 788 000	209 499	203 940	218 967	378
August 2015	12	23	17 508 000	158 449	156 321	187 135	173
July 2015	14	24	40 788 000	255 324	245 711	314 528	334
June 2015	13	24	37 934 000	243 436	237 088	345 804	284
May 2015	10	28	29 116 000	212 874	210 986	232 455	267
April 2015	12	26	35 016 000	194 267	192 396	224 960	305
March 2015	15	29	43 706 000	220 982	215 300	270 467	362
Feb. 2015	12	24	35 016 000	224 610	218 850	227 190	256
Jan. 2015	11	25	32 034 000	223 767	213 560	238 463	249

(1): Number of unique individual bidders or unique successful bidders present in a whole month

Graph 4: General allowances - average bid volume and volume won per bidder over one year¹²



⁹ Monthly weighted average of the average volume won per bidder in each auction (total volume won in each auction divided by the number of successful bidders in that auction), weighted by volume auctioned in each auction.

¹⁰ Average over the whole month of the volume won per bidder each time they are successful in an auction (computed as total volume auctioned for the month / sum over whole month of number of bidders successful in each auction).

¹¹ Standard deviation of volume won per bidder in each auction over the month.

¹² Auctions on behalf of Poland were held on the following days: 8/1/2014, 5/2/2014, 5/3/2014, 28/1/2015, 25/3/2015, 20/5/2015, 29/7/2015, 23/9/2015 and 18/11/2015.

1.1.3. Type of bidders - general allowances

In January 2016, almost all volume bid was done on own account, with only 0.08% of the volume submitted by intermediaries on behalf of a client. The shares in the total successful bid volume per bidder category are indicated in graph 5 and in table 4.

Graph 5: General allowances - distribution of successful won volume per bidder category over one year

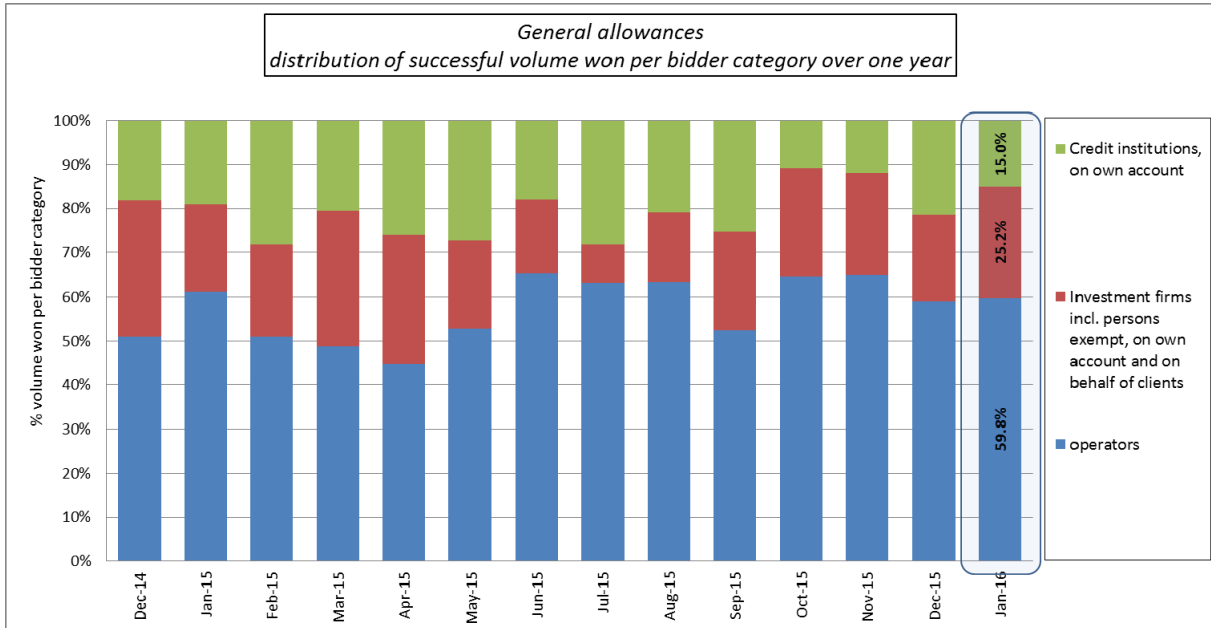


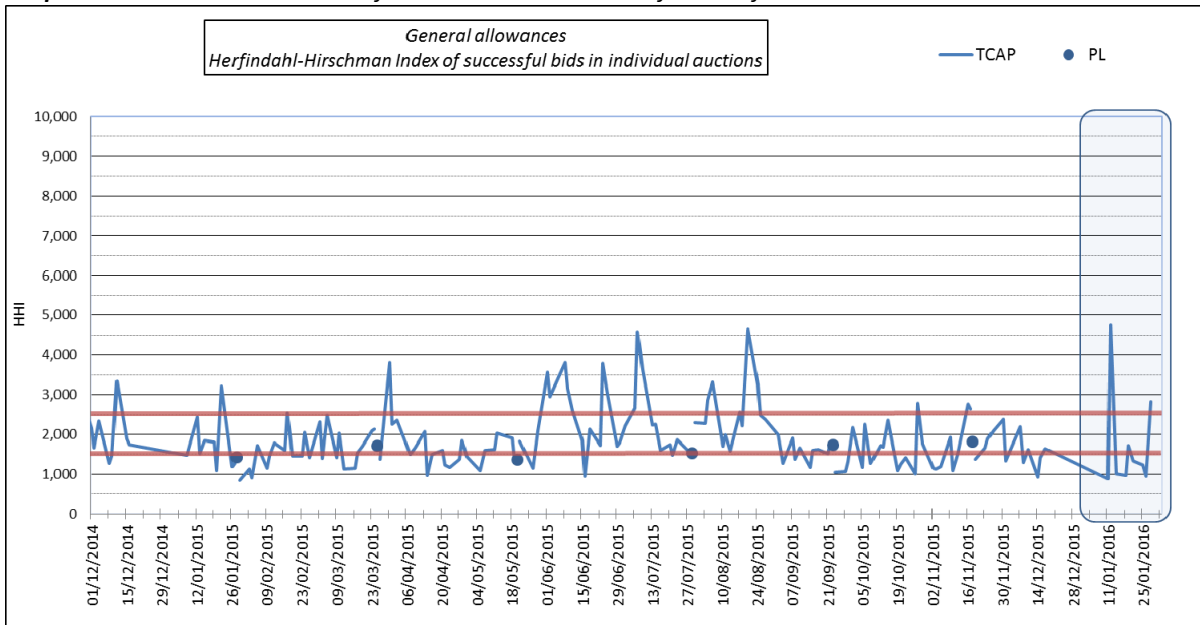
Table 4: General allowances – distribution of volume won per bidder category and their standard deviations

Month	% volume won coming from bidding on behalf of a client	Bidder category	% volume won	Standard deviation of % of volume won
January 2016	0.16%	Operators (including Business groupings)	59.8%	14.3 % points
		Investment firms (including persons exempt)	25.2%	11.9 % points
		Credit institutions	15.0%	9.7 % points

1.1.4. Concentration - general allowances

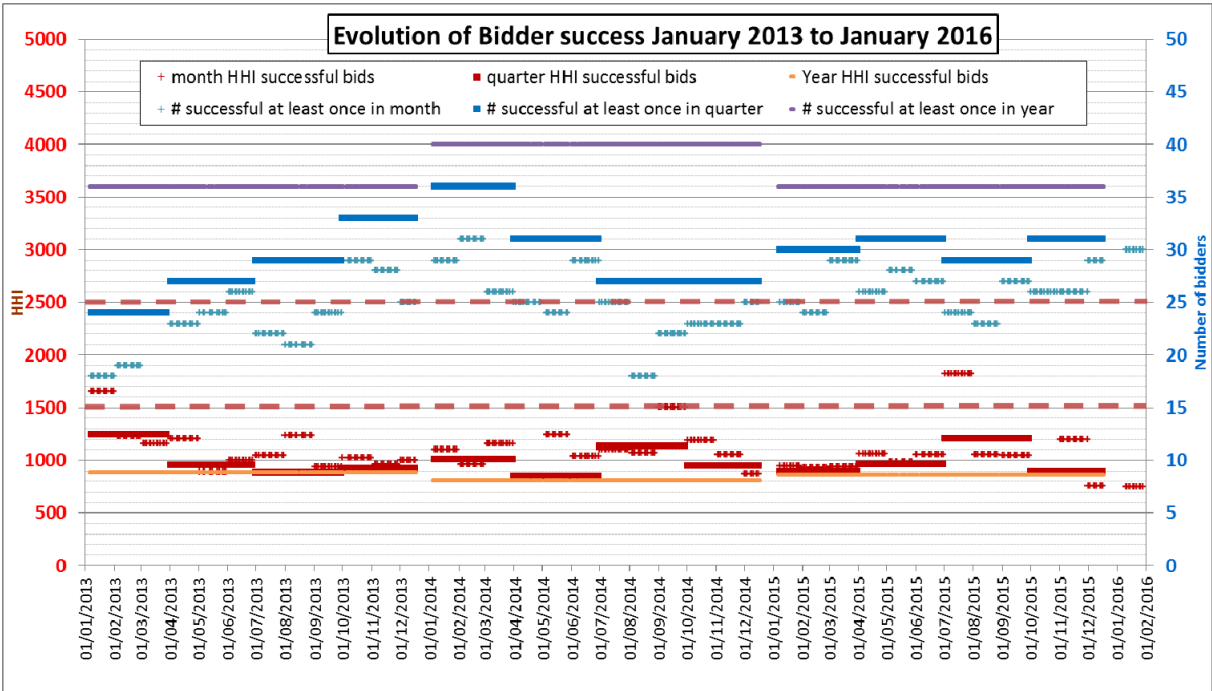
The Herfindahl-Hirschman Index (HHI) of successful bids is used to measure market concentration¹³. The HHI ranges from a value of 0 (perfect competition) to 10 000 (a single buyer). A common interpretation of the HHI is that a score below 1 500 is 'not-concentrated', between 1 500 and 2 500 is 'moderately concentrated,' and above 2 500 is 'highly concentrated' – these thresholds are indicated in Graphs 6 and 7. Graph 6 indicates the HHI of the individual auctions. Graph 7 indicates the monthly and quarterly HHI and successful bidder participation (number of bidders successful at least once in the period of interest) so as to show the variation over different periods, due to the turnover of participants in the auctions.

Graph 6: General allowances - Herfindahl-Hirschman Index of successful bids in individual auctions



¹³ The HHI is calculated as the sum of the squares of all successful bidders' shares (in % points) of the total auctioned volume over the period of interest.

Graph 7: General allowances - Herfindahl-Hirschman Index of successful bids and successful bidder participation at monthly, quarterly and yearly level



1.2 Aviation allowances auctions

The auctioning of *aviation allowances* restarted as of November 2014¹⁴. Pursuant to the published *auction calendar*, only *aviation allowances* for the calendar year 2012 were auctioned in 2014¹⁵; the *aviation allowances* for the calendar years 2013-2015 were auctioned in 2015, in accordance with the published 2015 *auction calendar*. Poland decided to aggregate the *aviation allowances* for the calendar years 2012 to 2015 in a single auction held in March 2015.

1.2.1 Clearing prices and participation – aviation allowances

An overview of the auction results from January 2015 to January 2016 is provided in Table 5.

Table 5: Aviation allowances – main statistics on the results of the auctions per month

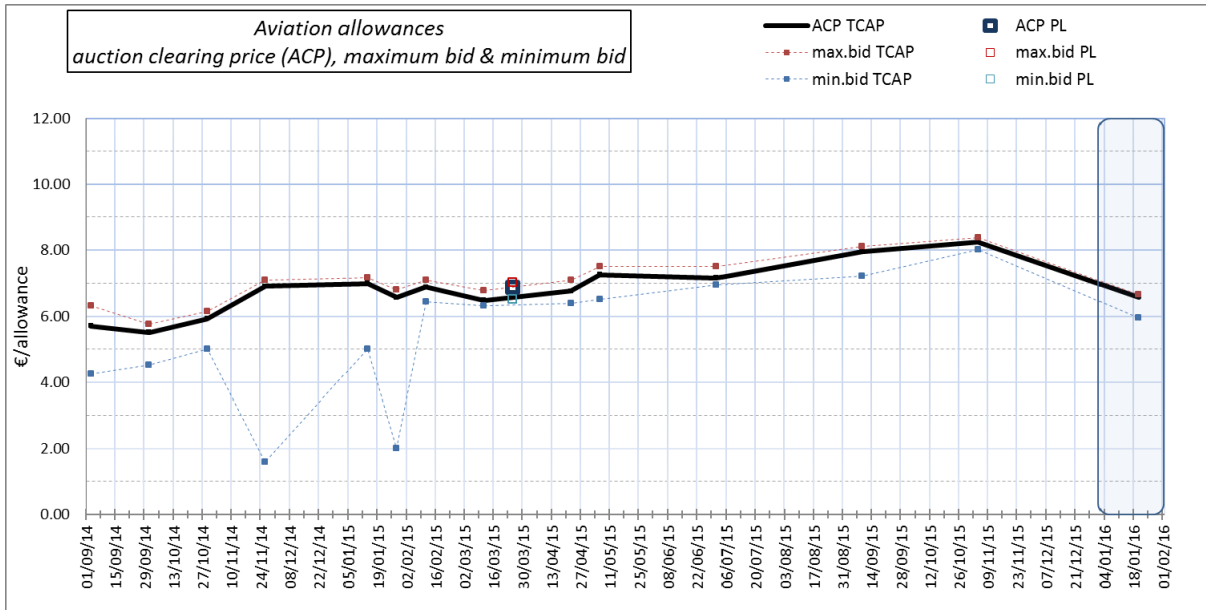
Month	Total auction volume	Total bid volume	Total revenue (€)	Average Cover ratio ¹⁶	Average number of bidders	Average number of successful bidders	Average auction clearing price (€)
January 2016	683 500	3 866 000	4 490 595	5.7	12.0	5.0	6.57
December 2015	-	-	-	-	-	-	-
November 2015	933 000	3 754 000	7 697 250	4.0	11.0	3.0	8.25
October 2015	-	-	-	-	-	-	-
September 2015	935 000	4 683 000	7 423 900	5.0	12.0	5.0	7.94
August 2015	-	-	-	-	-	-	-
July 2015	935 000	4 095 000	6 694 600	4.4	12.0	6.0	7.16
June 2015	-	-	-	-	-	-	-
May 2015	935 000	2 008 000	6 778 750	2.2	11.0	6.0	7.25
April 2015	1 493 500	3 475 500	10 081 125	2.3	11.0	11.0	6.75
March 2015	1 927 500	6 016 500	12 663 600	3.1	11.0	6.7	6.57
February 2015	1 494 000	3 750 000	10 263 780	2.5	9.0	8.0	6.87
January 2015	2 988 000	11 244 000	20 243 700	3.8	11.5	9.0	6.78
2015 total	11,641,000	39,026,000	81,846,705	3.4	11.0	7.5	7.03
2014 total	6 570 500	28 201 500	39 454 510	4.3	13.0	8.0	6.00

¹⁴ 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.

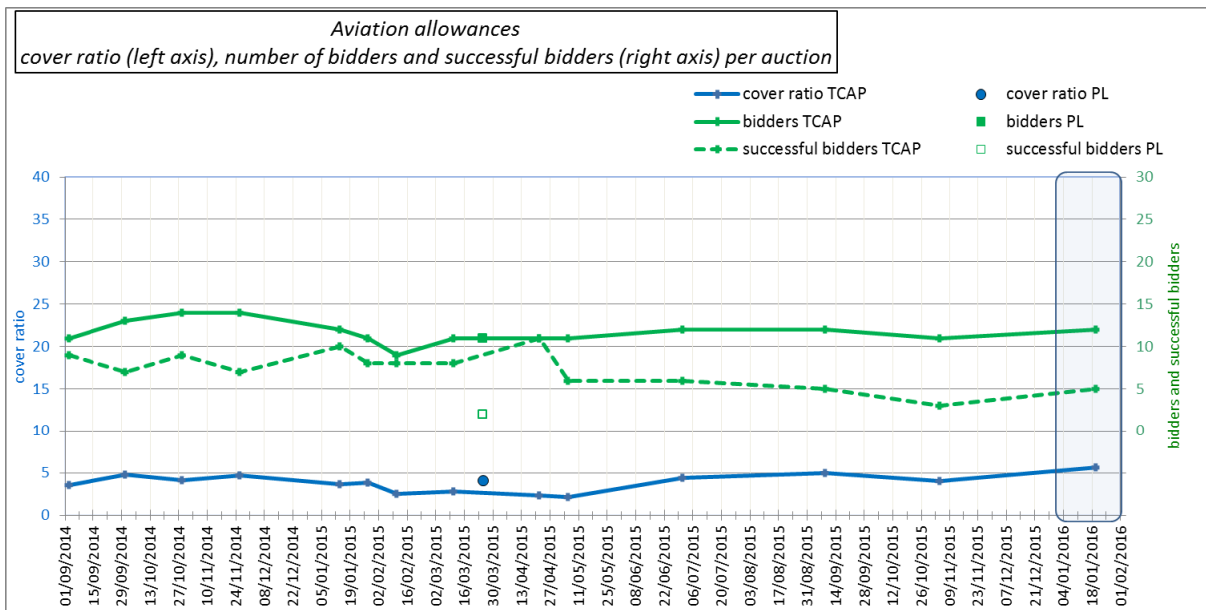
¹⁵ See also the regulatory update published by the Commission on 29 July 2014; http://ec.europa.eu/clima/news/articles/news_2014072901_en.htm.

¹⁶ The cover ratio is the ratio between the total bid volume and the auction volume.

Graph 8: Aviation allowances - auction clearing price (ACP) & maximum prices bid & minimum prices bid¹⁷



Graph 9: Aviation allowances - cover ratio (left axis), number of bidders and successful bidders (right axis) per auction



¹⁷ Auctions on behalf of Poland were held on the following days: 25/3/2015.

1.2.2 Bidding behaviour – aviation allowances

Table 6 provides monthly data on the bids submitted from January 2015 to January 2016. See also Graph 11.

Table 6: Aviation allowances – monthly statistics on the submitted bids

Month	Nr of auctions	Nr of bidders ⁽¹⁾	Total volume of bids	Average total volume bid per bidder per auction ¹⁸	Average total volume bid per bidder per auction over the month ¹⁹	standard deviation of total volume bid per bidder per auction over the month ²⁰	Total monthly nr of bids	Average nr. of bids per bidder per auction ²¹	Average bid size ²²
January 2016	1	12	3 866 000	322 167	322 167	234 168	45	3.8 ⁺⁺	85 911
December 2015	-	-	-	-	-	-	-	-	-
November 2015	1	11	3 754 000	341 273	341 273	271 392	37	3.4 ⁺⁺	101 459
October 2015	-	-	-	-	-	-	-	-	-
September 2015	1	12	4 683 000	390 250	390 250	259 804	49	4.1 ⁺⁺	95 571
August 2015	-	-	-	-	-	-	-	-	-
July 2015	1	12	4 095 000	341 250	341 250	219 603	42	3.5 ⁺⁺	97 500
June 2015	-	-	-	-	-	-	-	-	-
May 2015	1	11	2 008 000	182 545	182 545	80 364	28	2.5 ⁺⁺	71 714
April 2015	1	11	3 475 500	315 955	315 955	400 818	35	3.2 ⁺⁺	99 300
March 2015	2	13	6 016 500	333 461	273 477	290 869	60	2.7 ⁺⁺	122 269
Feb. 2015	1	9	3 750 000	416 667	416 667	434 388	39	4.3 ⁺⁺	96 154
Jan. 2015	2	12	11 244 000	490 432	488 870	512 660	70	3.0 ⁺⁺	168 321

++: indicates simple average

(1): Number of unique individual bidders or unique successful bidders present in a whole month

¹⁸ Monthly weighted average of the average bid volume per bidder in each auction (total bid volume in each auction divided by number of bidders participating in that auction), weighted by volume auctioned in each auction.

¹⁹ Average over the whole month of the volume bid by bidders each time they are present in an auction (computed as total volume bid for the month / sum over the whole month of number of bidders present in each auction).

²⁰ Standard deviation of total volume bid per bidder in each auction over the month.

²¹ Monthly simple average of the average number of bids per bidder in each auction (total number of bids in each auction divided by number of bidders participating in that auction).

²² Monthly weighted average of the average bid size per bidder in each auction (total bid volume in each auction divided by number of bids in that auction), weighted by volume auctioned in each auction.

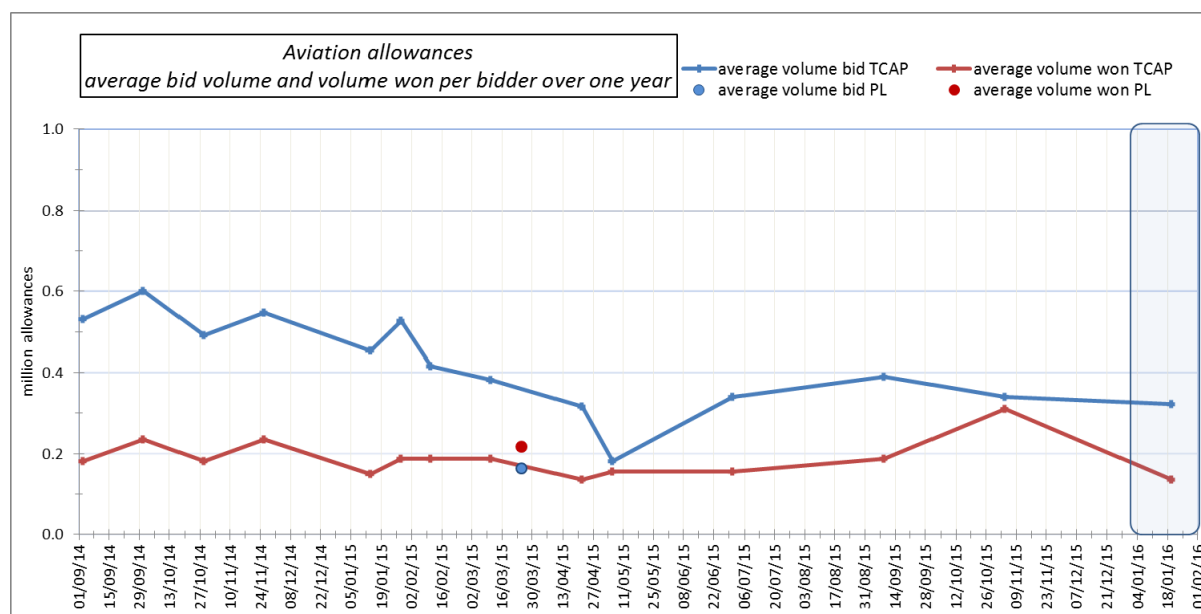
Table 7 provides monthly data on successful bids from January 2015 to January 2016. See also Graph 11.

Table 7: Aviation Allowances – Monthly statistics on successful bids

Month	Nr of auctions	Nr of successful bidders ⁽¹⁾	Total auction volume	Average volume won per bidder per auction ²³	Average volume won per bidder per auction over the month ²⁴	Standard deviation of volume won per bidder per auction over the month ²⁵	Total monthly nr of successful bids
January 2016	1	5	683 500	136 700	136 700	32 366	6
December 2015	-	-	-	-	-	-	-
November 2015	1	3	933 000	311 000	311 000	212 228	8
October 2015	-	-	-	-	-	-	-
September 2015	1	5	935 000	187 000	187 000	99 615	8
August 2015	-	-	-	-	-	-	-
July 2015	1	6	935 000	155 833	155 833	100 847	11
June 2015	-	-	-	-	-	-	-
May 2015	1	11	935 000	155 833	155 833	91 750	13
April 2015	1	11	1 493 500	135 773	135 773	132 536	20
March 2015	2	9	1 927 500	193 497	192 750	176 192	18
Feb. 2015	1	8	1 494 000	186 750	186 750	136 102	17
Jan. 2015	2	10	2 988 000	168 075	166 000	170 471	24

(1): Number of unique individual bidders or unique successful bidders present in a whole month

Graph 11: Aviation allowances - average bid volume and volume won per bidder over one year



²³ Monthly weighted average of the average volume won per bidder in each auction (total volume won in each auction divided by the number of successful bidders in that auction), weighted by volume auctioned in each auction.

²⁴ Average over the whole month of the volume won per bidder each time they are successful in an auction (computed as total volume auctioned for the month / sum over the whole month of number of bidders present in each auction).

²⁵ Standard deviation of volume won per bidder in each auction over the month.

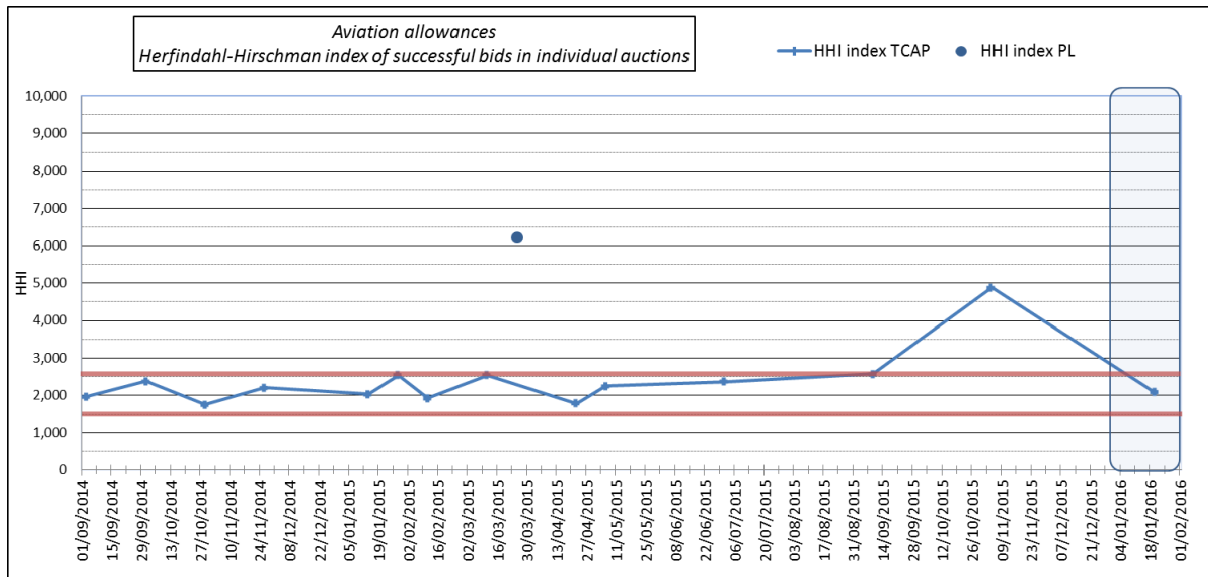
1.2.3 Type of bidders – aviation allowances

In January 2016, all volume bid was done on own account.

1.2.4 Concentration – aviation allowances

The HHI of successful bids is used to measure market concentration²⁶. The HHI ranges from a value of 0 (perfect competition) to 10 000 (a single buyer). A common interpretation of the HHI is that a score below 1 500 is ‘not-concentrated’, between 1 500 and 2 500 is ‘moderately concentrated,’ and above 2 500 is ‘highly concentrated’. Graph 12 indicates the HHI of the individual auctions.

Graph 12: Aviation allowances - Herfindahl-Hirschman index of successful bids in individual auctions



²⁶ The HHI is calculated as the sum of the squares of all successful bidders' shares (in % points) of the total auctioned volume over the period of interest.

2. 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*. Table 9 presents the number of eligible bidders under each category in January 2016

Most of the active participants in the secondary carbon market are assumed to also have been admitted to bid in the auctions²⁷.

Table 8: Eligible participants to the auctions in January 2016, by category

Number of participants	Operator		Investment firm	Credit Institution	Business grouping	Person exempt from MiFID requirements	Total
	Stationary	Aircraft					
Participants admitted to EEX's emissions spot secondary market							114
Participants eligible to bid in the auctions	48	1	11	4	0	6	70
(Of which:) Participants eligible to bid in the auctions on behalf of clients	-	-	2	2	-	1	5
(Of which:) Auction-only access	2	0	1	0	0	0	3

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

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

Transparency

The results for each auction 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.

²⁷ This assessment is based on the auction participants' activity in EEX's secondary market and general market knowledge of EEX.

Other aspects

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

A new auctioneer was appointed by Greece in November 2014 and by Hungary in January 2015.

3. 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.

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.

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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 Clearing Price	Price determined upon closure of the <i>bidding window</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/documentation_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 <i>Bidding window</i> , during the <i>Bidding window</i> and following the closure of the <i>Bidding window</i> until <i>Settlement</i> , involving the management of any risks arising during that interval including margining, netting or novation or any other services carried out possibly by a <i>Clearing</i> or <i>Settlement</i> 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 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.

General Allowance	Allowance to emit one tonne of CO ₂ -equivalent, see Article 3(a) of the <i>ETS Directive</i> , also referred to as <i>EUA</i> .
Aviation Allowance	Allowance to emit one tonne of CO ₂ -equivalent that can be used by aircraft operators, also referred to as <i>EUA</i> . 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 from MiFID	Natural or legal 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', consisting 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	<i>Secondary market</i> for allowances with delivery within 5 days from the transaction.
Transitional common auction platform	Auction platform appointed pursuant to Article 26(2) of the <i>Auctioning Regulation</i> , also referred to as <i>TCAP</i> .
Third trading period	The period 2013-2020, including the allowances referred to in Article 10(1) of the <i>Auctioning Regulation</i> auctioned in 2012. Allowances are valid during a given period without distinction as regards the year within that period. See Article 13 of the <i>ETS Directive</i> .

Annex 1 Auction revenues per Member State until January 2016 (reported in euros)

(The data used in this annex can also be obtained directly from the EEX website.)

	General Allowances		Aviation Allowances		All Allowances
	12 November 2012 – December 2015	January 2016	12 November 2012 – December 2015	January 2016	12 November 2012 – January 2016
Austria	195 208 285	4 986 100	3 537 155	134 685	203 866 225
Belgium	348 977 630	9 092 300	4 743 200	154 395	362 967 525
Bulgaria	231 867 685	7 215 180	1 134 355	52 560	240 269 780
Croatia	86 398 200	1 701 140	490 150	32 850	88 622 340
Cyprus	2 359 150	-	1 718 960	82 125	4 160 235
Czech Republic	246 225 860	10 030 860	1 663 080	68 985	257 988 785
Denmark	172 686 160	4 516 820	3 876 285	154 395	181 233 660
Estonia	46 607 975	1 994 440	192 340	9 855	48 804 610
Finland	234 564 580	5 983 320	2 941 855	121 545	243 611 300
France	767 942 745	19 709 760	22 230 130	693 135	810 575 770
Greece	482 612 725	12 494 580	6 090 795	282 510	501 480 610
Hungary	177 069 500	5 396 720	1 279 790	55 845	183 801 855
Ireland	128 102 785	3 343 620	3 018 520	121 545	134 586 470
Italy	1 351 725 615	34 726 720	19 656 685	821 250	1 406 930 270
Latvia	37 761 915	938 560	672 395	29 565	39 402 435
Lithuania	68 673 655	1 759 800	344 315	16 425	70 794 195
Luxemburg	16 852 725	410 620	855 570	13 140	18 132 055
Malta	14 168 550	351 960	668 880	32 850	15 222 240
The Netherlands	469 047 475	12 025 300	9 152 435	210 240	49 0435 450
Poland	451 872 680	-	2 982 480	-	454 855 160
Portugal	245 577 270	6 335 280	4 162 335	164 250	256 239 135
Romania	453 631 850	16 483 460	1 920 130	91 980	472 127 420
Slovak Republic	215 798 595	5 514 040	241 890	9 855	221 564 380
Slovenia	62 125 380	1 583 820	184 315	6 570	63 900 085
Spain	1 211 378 400	31 119 130	22 886 385	926 370	126 6310 285
Sweden	124 870 205	3 196 970	4 656 785	203 670	132 927 630
TOTAL	7 844 107 595	200 910 500	121 301 215	4 490 595	8 170 809 905

Annex 2 Results of individual auctions on behalf of participating Member States and Poland in January 2016

(The data used in the highlighted subsection of the tables presented in this annex can also be obtained directly from the EEX website.)

General Allowances – January 2016																			
Date	Auction Clearing Price	Minimum Bid price	Maximum Bid price	Mean Bid price	Median Bid price	Total Auction Volume	Total Bid Volume	Cover ratio	Nr of Bidders	Nr of Successful Bidders	Total Revenue	Nr of Bids	Nr of Successful Bids	Avg nr of bids per bidder	Average bid size	Avg total volume bid per bidder	standard deviation of total volume bid per bidder	Average volume won per bidder	Standard deviation of volume won per bidder
11/01/2016	7.45	6.27	7.60	7.46	7.48	3 425 000	6 264 000	1.8	20	16	25 516 250	79	50	4.0	79 291	313 200	344 801	214 063	138 270
12/01/2016	7.04	6.82	7.12	6.98	6.98	3 425 000	11 488 000	3.6	23	9	24 112 000	67	12	2.9	171 463	499 478	828 302	380 556	689 289
14/01/2016	7.05	6.80	7.15	7.02	7.04	3 425 000	8 448 000	2.5	20	15	24 146 250	71	23	3.6	118 986	422 400	399 958	228 333	162 610
18/01/2016	6.52	6.38	7.20	6.55	6.54	3 425 000	6 243 000	1.8	18	17	22 331 000	70	43	3.9	89 186	346 833	341 942	201 471	162 996
19/01/2016	6.81	6.60	6.86	6.75	6.76	3 425 000	9 248 000	2.7	21	10	23 324 250	76	16	3.6	121 684	440 381	397 660	342 500	289 942
21/01/2016	6.04	5.80	6.30	6.03	6.02	3 425 000	9 599 000	2.8	19	13	20 687 000	61	27	3.2	157 361	505 211	882 085	263 462	227 326
25/01/2016	5.93	5.65	7.20	5.93	5.92	3 425 000	7 054 000	2.1	24	17	20 310 250	76	27	3.2	92 816	293 917	374 737	201 471	211 206
26/01/2016	5.80	5.56	6.00	5.81	5.80	3 425 000	6 810 000	2.0	24	22	19 865 000	97	49	4.0	70 206	283 750	465 942	155 682	162 783
28/01/2016	6.02	5.00	6.12	5.88	5.91	3 425 000	9 240 000	2.7	25	8	20 618 500	95	17	3.8	97 263	369 600	523 971	428 125	479 530
Monthly Value	-	-	-	-	-	30 825 000	74 394 000	-	32 ⁽¹⁾	30 ⁽¹⁾	200 910 500	692	264	3.6 ⁽²⁾	107 506 ⁽³⁾	383 474 ⁽⁴⁾	547 998 ⁽⁵⁾	242 717 ⁽⁶⁾	293 170 ⁽⁷⁾
Monthly minimum	5.80	5.00	6.00	-	-	3 425 000	6 243 000	1.8	18	8	19 865 000	61	12	2.9	70 206	283 750	-	155 682	-
Monthly average	6.52	6.10	6.84	6.49 ⁺⁺	-	3 425 000 ⁺⁺	8 266 000	2.4	21.6	14.1	22 323 389 ⁺⁺	76.9	29.3	3.6 ⁺⁺	110 917	386 086	-	268 407	-
Monthly maximum	7.45	6.82	7.60	-	-	3 425 000	11 488 000	3.6	25	22	25 516 250	97	50	4.0	171 463	505 211	-	428 125	-

Note: volume variables reported in tCO₂, monetary variables reported in €

(1): Number of unique individual bidders or unique successful bidders present in a whole month. (2): Average number of bids submitted over the whole month by each bidder in each auction. Computed as total number of bids for the month / sum over whole month of number of bidders present in each auction. (3): Average size of all bids submitted in all auctions over the month. Computed as total bid volume for the month / number of bids for the month. (4): Average over the whole month of the volume bid by bidders each time they are present in an auction. Computed as total volume bid for the month / sum over whole month of number of bidders present in each auction. (5): Standard deviation of the total volume bid, by each bidder in each auction, over the whole month. (6): Average over the whole month of the volume won by bidders each time they are successful in an auction. Computed as total auction volume for the month / sum over whole month of number of bidders successful in each auction. (7): Standard deviation of the total volume won by each bidder in each auction, over the whole month.

++: indicates simple average

Aviation Allowances – January 20016

Date	Auction Clearing Price	Minimum Bid price	Maximum Bid price	Mean Bid price	Median Bid price	Total Auction Volume	Total Bid Volume	Cover ratio	Nr of Bidders	Nr of Successful Bidders	Total Revenue	Nr of Bids	Nr of Successful Bids	Avg nr of bids per bidder	Average bid size	Avg total volume bid per bidder	standard deviation of total volume bid per bidder	Average volume won per bidder	Standard deviation of volume won per bidder
20/01/2016	6.57	5.95	6.65	6.40	6.42	683 500	3 866 000	5.7	12	5	4 490 595	45	6	3.8	85 911	322 167	234 168	136 700	32 366
Monthly Value	-	-	-	-	-	683 500	3 866 000	-	12 ⁽¹⁾	5 ⁽¹⁾	4 490 595	45	6	3.8 ⁽²⁾	85 911 ⁽³⁾	322 167 ⁽⁴⁾	234 168 ⁽⁵⁾	136 700 ⁽⁶⁾	32 366 ⁽⁷⁾
Monthly minimum	6.57	5.95	6.65	-	-	683 500	3 866 000	5.7	12	5	4 490 595	45	6	3.8	85 911	-	-	136 700	-
Monthly average	6.57	5.95	6.65	6.40 ⁺⁺	-	683 500	3 866 000	5.7	12.0	5.0	4 490 595 ⁺⁺	45.0	6.0	3.8 ⁺⁺	85 911	-	-	136 700	-
Monthly maximum	6.57	5.95	6.65	-	-	683 500	3 866 000	5.7	12	5	4 490 545	45	6	3.8	85 911	-	-	136 700	-

Note: volume variables reported in tCO₂, monetary variables reported in €

(1): Number of unique individual bidders or unique successful bidders present in a whole month. (2): Average number of bids submitted over the whole month by each bidder in each auction. Computed as total number of bids for the month / sum over whole month of number of bidders present in each auction. (3): Average size of all bids submitted in all auctions over the month. Computed as total bid volume for the month / number of bids for the month. (4): Average over the whole month of the volume bid by bidders each time they are present in an auction. Computed as total volume bid for the month / sum over whole month of number of bidders present in each auction. (5): Standard deviation of the total volume bid, by each bidder in each auction, over the whole month. (6) :Average over the whole month of the volume won by bidders each time they are successful in an auction. Computed as total auction volume for the month / sum over whole month of number of bidders successful in each auction. (7): Standard deviation of the total volume won by each bidder in each auction, over the whole month.

++: indicates simple average

The data for previous auctions can be downloaded from EEX's website: <https://www.eex.com/en/market-data/emission-allowances/auction-market/european-emission-allowances-auction/european-emission-allowances-auction-download>

