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COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 27.12.2004  
C(2004)5295

**COMMISSION DECISION**

**of 27 December 2004**

**concerning the national allocation plan for the allocation of greenhouse gas emission allowances notified by the Republic of Cyprus in accordance with Directive 2003/87/EC of the European Parliament and of the Council**

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### **concerning the national allocation plan for the allocation of greenhouse gas emission allowances notified by the Republic of Cyprus in accordance with Directive 2003/87/EC of the European Parliament and of the Council**

(Only the Greek text is authentic)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to 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<sup>1</sup>, and in particular Article 9(3) thereof,

Whereas:

- (1) The national allocation plan of the Republic of Cyprus for the period 2005-2007, developed under Article 9(1) of Directive 2003/87/EC, was notified to the Commission by letter dated 19 October 2004. Cyprus submitted additional information completing the notified plan in reply to questions from the Commission by a letter dated 2 December 2004.
- (2) The Climate Change Committee has considered the national allocation plan and has called on the Commission to compare Cyprus' allocation to recent historic and projected emissions, and to examine in particular the assumptions made on growth rates for the trading sectors. The Climate Change Committee also urged the Commission to carefully examine the provisions relating to the new entrant reserve, taking into account that the total quantity of allowances is fixed, and examine the coverage of activities in the plan in view of the importance of preserving the integrity of the internal market and avoiding undue distortions of competition. The views of the Climate Change Committee have been taken into account.
- (3) The national allocation plan, including the total quantity of allowances stated therein, has been evaluated in accordance with the Commission Communication on guidance to assist Member States in the implementation of the criteria listed in Annex III to Directive 2003/87/EC<sup>2</sup>.

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<sup>1</sup> OJ L 275, 25.10.2003, p. 32.

<sup>2</sup> COM(2003)830 final

- (4) Pursuant to criterion 5, the Commission has assessed whether the plan unduly favours certain undertakings or activities contrary to the requirements of the Treaty, in particular Articles 87 and 88 thereof. On the basis of the information provided by the Member State, the Commission considers that any potential aid is likely to be compatible with the common market should it be assessed in accordance with Article 88(3) of the Treaty.
- (5) This Decision is without prejudice to the Republic of Cyprus' obligations under Directive 2001/77/EC of the European Parliament and of the Council of 27 September 2001 on the promotion of electricity produced from renewable energy sources in the internal electricity market<sup>3</sup>.
- (6) The reports on the implementation of policies and measures and the use of the Kyoto Protocol's mechanisms submitted by Member States pursuant to Decision No 280/2004/EC of the European Parliament and of the Council of 11 February 2004 concerning a mechanism for monitoring Community greenhouse gas emissions and for implementing the Kyoto Protocol<sup>4</sup> are taken into account for evaluation of the national allocation plans pursuant to criterion 2 of Annex III to Directive 2003/87/EC,

HAS ADOPTED THIS DECISION:

*Article 1*

No objections are raised to the national allocation plan of Cyprus with regard to the criteria of Annex III to the Directive or with regard to Article 10 thereof.

*Article 2*

1. The total quantity of allowances to be allocated by the Republic of Cyprus according to its national allocation plan to installations listed therein shall not be exceeded, nor shall the total quantity to be allocated to new entrants be exceeded.
2. The national allocation plan may be amended if the amendment consists in modifications of the allocation of allowances to individual installations within the total quantity to be allocated to installations listed therein resulting from improvements to data quality.

*Article 3*

This Decision is addressed to the Republic of Cyprus.

Done at Brussels, 27 December 2004

*For the Commission*

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<sup>3</sup> OJ L 283, 27.10.2001, p. 33.

<sup>4</sup> OJ L 49, 19.02.2004, p. 1.