

# **Scheme for greenhouse gas emission allowance trading within the Community. EU Emissions Trading System (EU ETS) Directive**

2001/0245(COD) - 02/07/2003 - Text adopted by Parliament, 2nd reading

The European Parliament adopted a resolution based on the report by Jorge MOREIRA DA SILVA (EPP-ED, Portugal). It made the following principal compromise amendments to the common position: - for the three-year period beginning 01/01/05, Member States will allocate 95% (rather than 100%) of the allowances free of charge. Furthermore, there should be further harmonisation of the method of allocation to include auctioning for the time after 2012; - the Commission may not amend criteria (1), (5) or (7) of Annex III through comitology; - the Commission will develop guidance to describe the circumstances under which force majeure is demonstrated by 31/12/03; - the Commission shall make a proposal on how and whether the Annex I should be amended to include "other relevant sectors, inter alia the chemicals, aluminium and transport sectors" with a view to further improving the economic efficiency of the scheme; - Member States may apply to the Commission for installations to be temporarily excluded until 31 December 2007. This amends the Council common position, in which such provision would apply for "certain" installations as well as "activities"; - the Commission must look at the practicality of developing Community-wide benchmarks as a basis for allocation, taking into account the best available techniques and cost-benefit analysis.