



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 20 June 2012

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PROPOSAL

from:	European Commission
dated:	20 June 2012
No Cion doc.:	COM(2012) 333 final
Subject:	Proposal for a Council decision on the position to be taken by the European Union in the EEA Joint Committee concerning an amendment to Annex XX (Environment) to the EEA Agreement

Delegations will find attached a proposal from the Commission, submitted under a covering letter from Mr Jordi AYET PUIGARNAU, Director, to Mr Uwe CORSEPIUS, Secretary-General of the Council of the European Union.

Encl.: COM(2012) 333 final



EUROPEAN COMMISSION

Brussels, 20.6.2012
COM(2012) 333 final

2012/0161 (NLE)

Proposal for a

COUNCIL DECISION

**on the position to be taken by the European Union
in the EEA Joint Committee
concerning an amendment to Annex XX
(Environment)
to the EEA Agreement**

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

In order to ensure the requisite legal security and homogeneity of the Internal Market, the EEA Joint Committee is to integrate all the relevant EU legislation into the EEA Agreement as soon as possible after its adoption.

2. RESULTS OF CONSULTATIONS WITH THE INTERESTED PARTIES AND IMPACT ASSESSMENTS

The draft Decision of the EEA Joint Committee (annexed to the proposed Council Decision) aims to incorporate Directive 2009/29/EC of 23 April 2009 amending Directive 2003/87/EC so as to improve and extend the EU Emission Trading Scheme (EU ETS). It aims to incorporate, as well, Commission Regulation (EU) No 1031/2010 of 12 November 2010 on the timing, administration and other aspects of auctioning of greenhouse gas emission allowances pursuant to Directive 2003/87/EC establishing a scheme for greenhouse gas emission allowances trading within the EU, as amended by Commission Regulation (EU) 1210/2011 of 23 November 2011 amending Regulation (EU) No 1031/2010 in particular to determine the volume of greenhouse gas emission allowances to be auctioned prior to 2013, as well as other Commission acts adopted pursuant to Directive 2003/87/EC or amending previous Commission acts in the same field.

The EEA EFTA States have participated in the EU ETS since 2008, following the incorporation into the EEA Agreement of Directive 2003/87/EC. In line with the principle of homogeneity underpinning the European Economic Area, the acts purporting to revise or to implement the EU ETS should be incorporated into the EEA Agreement.

The adaptations proposed by the EFTA side are prompted by the extension of the EU ETS to the EFTA States. They concern Directive 2003/87/EC, as amended by Directive 2009/29/EC and Regulation (EU) No 1031/2010.

A large number of adaptations included in the present draft JCD are already provided for in Annex XX to the EEA Agreement, in relation to Directive 2003/87/EC. The wording of the adaptations has been reviewed for simplification purposes.

Moreover, the EFTA side proposes an adaptation aimed at adjusting Iceland's share of allowances to be auctioned (see Article 1, point 2, letter (l) of the draft JCD).

3. LEGAL ELEMENTS OF THE PROPOSAL

Article 1(3) of Council Regulation (EC) No 2894/94 concerning arrangements for implementing the EEA Agreement provides that the Council establishes the position to be adopted on the Union's behalf on such Decisions, on a proposal from the Commission.

The Commission submits the Draft Decision of the EEA Joint Committee for adoption by the Council as the Union's position. The Commission would hope to be able to present it in the EEA Joint Committee at the earliest possible opportunity.

Proposal for a

COUNCIL DECISION

**on the position to be taken by the European Union
in the EEA Joint Committee
concerning an amendment to Annex XX
(Environment)
to the EEA Agreement**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 192(1) in conjunction with Article 218(9) thereof,

Having regard to Council Regulation (EC) No 2894/94 of 28 November 1994 concerning arrangements for implementing the Agreement on the European Economic Area¹, and in particular Article 1(3) thereof,

Having regard to the proposal from the European Commission,

¹ OJ L 305, 30.11.1994, p. 6.

Whereas:

- (1) The Agreement on the European Economic Area² (“the EEA Agreement”) entered into force on 1st January 1994.
- (2) Pursuant to Article 98 of the Agreement, the EEA Joint Committee may decide to amend, among others, Annex XX to the EEA Agreement.
- (3) Annex XX to the EEA Agreement contains provisions and arrangements concerning the environment.
- (4) It is appropriate to incorporate Directive 2009/29/EC of the European Parliament and of the Council of 23 April 2009 amending Directive 2003/87/EC so as to improve and extend the greenhouse gas emission allowance trading scheme of the European Union³, into the EEA Agreement.
- (5) It is appropriate to incorporate Commission Regulation (EU) No 1031/2010 of 12 November 2010 on the 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 Community⁴, as amended by Commission Regulation (EU) 1210/2011 of 23 November 2011 amending Regulation (EU) No 1031/2010 in particular to determine the volume of greenhouse gas emission allowances to be auctioned prior to 2013⁵, into the EEA Agreement, as well as other Commission acts adopted pursuant to Directive 2003/87/EC.
- (6) Certain adaptations should be provided for in relation to Directive 2003/87/EC, as amended by Directive 2009/29/EC and Regulation (EU) No 1031/2010; they are justified by the extension of the emission trading scheme of the European Union to the EEA EFTA States.
- (7) Annex XX to the EEA Agreement should therefore be amended accordingly.
- (8) The position of the European Union in the EEA Joint Committee should be based on the attached draft Decision,

HAS ADOPTED THIS DECISION:

² OJ L 1, 3.1.1994, p. 3.

³ OJ L 140, 5.6.2009, p. 63.

⁴ OJ L 302, 18.11.2010, p.1.

⁵ OJ L 308, 24.11.2011, p. 2.

Article 1

The position to be taken by the European Union in the EEA Joint Committee on the proposed amendment to Annex XX (Environment) to the EEA Agreement shall be based on the draft Decision of that Committee, attached to this Decision.

Minor changes to the draft Decision may be agreed to by the representatives of the Union in the EEA Joint Committee without further decision of the Council.

Article 2

After its adoption, the Decision of the EEA Joint Committee shall be published in the *Official Journal of the European Union*.

Article [...]

This Decision shall enter into force on the day of its adoption.

Done at Brussels,

For the Council
The President

ANNEX
DECISION OF THE EEA JOINT COMMITTEE
No

of
amending Annex XX (Environment) to the EEA Agreement

THE EEA JOINT COMMITTEE,

Having regard to the Agreement on the European Economic Area, as amended by the Protocol adjusting the Agreement on the European Economic Area, hereinafter referred to as ‘the Agreement’, and in particular Article 98 thereof,

Whereas:

- (1) Annex XX to the Agreement was amended by Decision of the EEA Joint Committee No .../... of ...¹.
- (2) Commission Regulation (EU) No 1031/2010 of 12 November 2010 on the 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 Community² is to be incorporated into the Agreement.
- (3) Commission Regulation (EU) No 550/2011 of 7 June 2011 on determining, pursuant to Directive 2003/87/EC of the European Parliament and of the Council, certain restrictions applicable to the use of international credits from projects involving industrial gases³ is to be incorporated into the Agreement.
- (4) Commission Regulation (EU) No 1210/2011 of 23 November 2011 amending Regulation (EU) No 1031/2010 in particular to determine the volume of greenhouse gas emission allowances to be auctioned prior to 2013⁴ is to be incorporated into the Agreement.
- (5) Directive 2009/29/EC of the European Parliament and of the Council of 23 April 2009 amending Directive 2003/87/EC so as to improve and extend the greenhouse gas emission allowance trading scheme of the Community⁵ is to be incorporated into the Agreement.
- (6) Commission Decision 2010/2/EU of 24 December 2009 determining, pursuant to Directive 2003/87/EC of the European Parliament and of the Council, a list of sectors

¹ OJ L ...
² OJ L 302, 18.11.2010, p. 1.
³ OJ L 149, 8.6.2011, p. 1.
⁴ OJ L 308, 24.11.2011, p. 2.
⁵ OJ L 140, 5.6.2009, p. 63.

and subsectors which are deemed to be exposed to a significant risk of carbon leakage⁶ is to be incorporated into the Agreement.

- (7) Commission Decision 2010/345/EU of 8 June 2010 amending Decision 2007/589/EC as regards the inclusion of monitoring and reporting guidelines for greenhouse gas emissions from the capture, transport and geological storage of carbon dioxide⁷ (CO₂) is to be incorporated into the Agreement.
- (8) Commission Decision 2010/670/EU of 3 November 2010 laying down criteria and measures for the financing of commercial demonstration projects that aim at the environmentally safe capture and geological storage of CO₂ as well as demonstration projects of innovative renewable energy technologies under the scheme for greenhouse gas emission allowance trading within the Community established by Directive 2003/87/EC of the European Parliament and of the Council⁸ is to be incorporated into the Agreement.
- (9) Commission Decision 2011/278/EU of 27 April 2011 determining transitional Union-wide rules for harmonised free allocation of emission allowances pursuant to Article 10a of Directive 2003/87/EC of the European Parliament and of the Council⁹ is to be incorporated into the Agreement.
- (10) Commission Decision 2011/540/EU of 18 August 2011 on amending Decision 2007/589/EC as regards the inclusion of monitoring and reporting guidelines for greenhouse gas emissions from new activities and gases¹⁰ is to be incorporated into the Agreement.
- (11) Commission Decision 2011/745/EU of 11 November 2011 amending Decisions 2010/2/EU and 2011/278/EU as regards the sectors and subsectors which are deemed to be exposed to a significant risk of carbon leakage¹¹ is to be incorporated into the Agreement.
- (12) This Joint Committee Decision does not affect the autonomy of the Contracting Parties with respect to international negotiations on climate change, in particular in the context of the United Nations Framework Convention on Climate Change and the Kyoto Protocol or any other international agreement on climate change, other than in respect of aspects relevant to the EU Emission Trading Scheme (EU ETS) that are incorporated into the EEA Agreement. However, the EFTA States shall take due account of the obligations they have undertaken in the EEA Agreement. Each EFTA State is responsible for implementing policies and measures to comply with its international commitments under the United Nations Framework Convention on Climate Change, the Kyoto Protocol and any other international agreement related to climate change.
- (13) The participation of the EFTA States in the EU ETS is without prejudice to the EFTA States' participation in any flexible instruments for mitigating emissions.

⁶ OJ L 1, 5.1.2010, p. 10.

⁷ OJ L 155, 22.6.2010, p. 34.

⁸ OJ L 290, 6.11.2010, p. 39.

⁹ OJ L 130, 17.5.2011, p. 1.

¹⁰ OJ L 244, 21.9.2011, p. 1.

¹¹ OJ L 299, 17.11.2011, p. 9.

- (14) The extension of the scheme to installations in the EFTA States implies an increase of the total quantity of allowances in the EU ETS as a whole under Articles 9 and 9a of Directive 2003/87/EC of the European Parliament and of the Council. The EFTA States provide in Part A of the Appendix to the Directive, the relevant figures in order to allow the Commission to determine the average annual EEA-wide total quantity of allowances.
- (15) The Commission shall keep the EFTA States informed regarding the negotiation and conclusion of agreements with third countries as referred to in Article 11a of Directive 2003/87/EC and the consequence this might have on the use of Certified Emission Reductions (CERs).
- (16) When an agreement pursuant to Articles 11a or 25 of Directive 2003/87/EC is concluded, the EFTA States and their operators shall not be discriminated against as compared to EU Member States and their operators.
- (17) The Commission shall keep the EFTA States informed regarding the implementation of Article 24a(1) of Directive 2003/87/EC and the consequence this might have on the amount of allowances in the EU ETS.
- (18) The EFTA States fully support that the amount of allowances allocated by auctioning is increasing in the EU ETS, with a view to reaching no free allocation in 2027. It has always been the aim of the EFTA States to increase the percentage of allowances that are allocated against payment. The EFTA States recall adaptation (e) as set out in Article 1 point 2 of EEA Joint Committee Decision No 146/2007¹² incorporating Directive 2003/87/EC into the Agreement.
- (19) The EFTA States will make use of the common auction platforms appointed pursuant to Article 26 of Regulation 1031/2010 and appoint the auction monitor selected pursuant to Article 24 of that Regulation for monitoring the auctioning of their allowances. Due to the fact that the EFTA States are not participating in the joint action, they do not have to fulfil any specific tasks in the procurement procedures for appointing the common auction platforms and auction monitor. Once these are appointed, each EFTA State will use its best endeavours to enter into a contract with them. The Commission will, to the extent feasible, see to it that the auction platforms enter into a contract with the EFTA States subject, *mutatis mutandis*, to the same conditions envisaged for participating EU Member States in the contracts resulting from the joint procurement procedures, provided that the EFTA States aggregate the auctioning of their allowances with the allowances of the participating EU Member States. For the auction monitor, the Commission will, to the extent feasible, see to it that the auction monitor enters into a contract with the EFTA States subject, *mutatis mutandis*, to the same conditions applicable to either the participating EU Member States or the non-participating EU Member States depending on whether or not the EFTA States choose to aggregate the auctioning of their allowances with the allowances of the participating EU Member States.
- (20) Budgetary issues are not part of the Agreement. Financial contributions from the EFTA States to the EU Member States are negotiated through the EEA Financial Mechanisms. The application of the provisions of Directive 2003/87/EC concerning

¹² OJ L 100, 10.4.2008, p. 92.

these issues and the application of the criteria for distribution amongst certain EU Member States of certain percentages of the total quantity of allowances to be auctioned pursuant to Article 10(2)(b) and (c) and Annexes IIa and IIb of Directive 2003/87/EC is therefore without prejudice to the scope of the Agreement.

- (21) The EFTA Surveillance Authority shall coordinate closely with the Commission whenever it is called to undertake tasks relating to the EFTA States for which the Commission is responsible with respect to the EU Member States pursuant to Directive 2003/87/EC, Regulation (EC) No 2216/2004, Decision 2007/589/EC and Decision 2006/780/EC. These tasks include *inter alia* the assessment of the national implementation measures referred to in Article 11 and any application for the unilateral inclusion of additional activities and gases under Article 24 of Directive 2003/87/EC,

HAS ADOPTED THIS DECISION:

Article 1

Annex XX to the Agreement shall be amended as follows:

1. The following indent shall be added in point 21a (Directive 2003/87/EC of the European Parliament and of the Council):

‘- **32009 L 0029**: Directive 2009/29/EC of the European Parliament and of the Council of 23 April 2009 (OJ L 140, 5.6.2009, p. 63).’

2. The adaptations in point 21a (Directive 2003/87/EC of the European Parliament and of the Council) shall be replaced by the following:

‘The provisions of the Directive shall, for the purposes of this Agreement, be read with the following adaptations:

- (a) Without prejudice to future development by the EEA Joint Committee, it should be noted that the following Community acts are not incorporated into the EEA Agreement:

- (i) Council Decision 2002/358/EC of 25 April 2002 concerning the approval, on behalf of the European Community, of the Kyoto Protocol to the United Nations Framework Convention on Climate Change and the joint fulfilment of commitments thereunder¹³,

- (ii) 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 Protocol¹⁴.

- (b) At the time of incorporation of the Directive, Liechtenstein does not have any aviation activities as defined in the Directive operated on its territory.

¹³ OJ L 130, 15.5.2002, p. 1.

¹⁴ OJ L 49, 19.2.2004, p. 1.

Liechtenstein will comply with the Directive when relevant aviation activities take place on its territory.

- (c) The following subparagraph shall be added in Article 3c(4):

“The EEA Joint Committee shall, in accordance with the procedures laid down in the Agreement and based on figures provided by the EFTA Surveillance Authority in cooperation with Eurocontrol, decide on the EEA-wide historical aviation emissions by adding the relevant numbers concerning flights within and between the territories of the EFTA States and flights between the EFTA States and third countries to the Commission decision when incorporating the latter into the EEA Agreement.”

- (d) In Article 3d(4), the second subparagraph shall be deleted.

- (e) The following subparagraph shall be added in Articles 3e(2) and 3f(4):

“By the same date, the EFTA States shall submit applications received to the EFTA Surveillance Authority, which shall promptly pass them onto the Commission.”

- (f) The following subparagraphs shall be added in Article 3e(3):

“The EEA Joint Committee shall, in accordance with the procedures laid down in the Agreement and based on figures provided by the EFTA Surveillance Authority in cooperation with Eurocontrol, decide on the EEA-wide number for the total number of allowances, the number of allowances to be auctioned, the number of allowances in the special reserve and the number of free allowances, by adding the relevant numbers concerning flights within and between the territories of the EFTA States and flights between the EFTA States and third countries to the Commission decision when incorporating the latter into the EEA Agreement.

The Commission shall decide on the EEA-wide benchmark. During the decision-making process the Commission shall cooperate closely with the EFTA Surveillance Authority. The calculation and publication by the EFTA States under Article 3e(4) shall take place subsequent to the decision of the EEA Joint Committee incorporating the decision adopted by the Commission into the EEA Agreement.”

- (g) The following subparagraph shall be added in Article 3f(5):

“The Commission shall decide on the EEA-wide benchmark. During the decision-making process the Commission shall cooperate closely with the EFTA Surveillance Authority. The calculation and publication by the EFTA States under Article 3f(7) shall take place subsequent to the decision of the EEA Joint Committee incorporating the decision adopted by the Commission into the EEA Agreement.”

- (h) The following paragraphs shall be inserted in Article 9:

“The increase in the average annual total quantity of allowances in the EU ETS due to the extension of the scheme to cover Liechtenstein and Norway pursuant to paragraph 1 shall be in accordance with the EFTA Surveillance Authority’s decisions concerning their national allocation plans for the period from 2008 to 2012.

The increase in the average annual total quantity of allowances in the EU ETS due to the extension of the scheme to cover Iceland pursuant to paragraph 1 shall correspond to 23 934 tonnes of CO₂ equivalent.

In respect of the EFTA States, the figures to be taken into account for the calculation of the EEA-wide quantity of allowances to be issued from 2013 onwards pursuant to this Article are set out in Part A of the Appendix.”

- (i) The following sentence shall be added in Article 9a(1):

“For Norway, the average annual quantity of allowances issued in respect of the installations mentioned in this paragraph is 878 850.”

- (j) The following subparagraph shall be added in Article 9a(2):

“With regard to installations in the EFTA States carrying out activities listed in Annex I which are only included in the Community scheme from 2013 onwards, the average annual emissions of the reported period for the adjustment shall be:

Iceland: 1 862 571 tonnes of CO₂ equivalent.

Liechtenstein: 0 tonnes of CO₂ equivalent.

Norway: 5 269 254 tonnes of CO₂ equivalent.”

- (k) The following paragraphs shall be added after Article 9a(4):

“5. In respect of the EFTA States, the figures to be taken into account for the adjustment of the EEA-wide quantity of allowances to be issued from 2013 onwards pursuant to this Article are set out in Part A of the Appendix.

6. The Commission shall calculate and adjust the annual EEA-wide quantity of allowances to be issued from 2013 onwards in accordance with Article 9 and this Article in order to include the EFTA States’ figures as set out in Part A of the Appendix. The Commission shall publish the adjusted EEA-wide quantities of allowances for 2013 and onwards.”

- (l) The following paragraph shall be added in Article 10(2):

“For the purposes of point (a), in respect of Liechtenstein and Norway, their shares shall be calculated on the basis of the following emissions:

Liechtenstein: 20 943 tonnes of CO₂ equivalent.

Norway: 18 635 669 tonnes of CO₂ equivalent.

In respect of Iceland, the share referred to in point (a) shall be calculated on the basis of 36 196 tonnes of CO₂ equivalent adjusted by 899 645 tonnes of CO₂ equivalent, representing the share of verified emissions for 2005 from installations carrying out activities listed in Annex I, which are only included in the Community scheme from 2013 onwards. Iceland's share shall thus be calculated on the basis of 935 841 tonnes of CO₂ equivalent.”

- (m) Article 10(3) shall not apply to the EFTA States.
- (n) The following subparagraph shall be added after the fifth subparagraph of Article 11a(8):

“In respect of the EFTA States, the figures to be taken into account for the calculation of the EEA-wide reductions pursuant to the fifth subparagraph are set out in Part B of the Appendix.”
- (o) The second sentence in Article 16(3) shall be replaced by the following:

“The EFTA States shall provide for excess emissions penalties that are equivalent to those in the EU Member States.”
- (p) The following paragraph shall be inserted after Article 16(12):

“13. The EFTA States shall submit any requests pursuant to Article 16(5) and (10) to the EFTA Surveillance Authority, which shall promptly pass them on to the Commission.”
- (q) The following subparagraph shall be added in Article 18a(1):

“Reallocation of aircraft operators to the EFTA States should take place during year 2011, after fulfilment by the operator of its 2010 obligations. A different timeline for reallocation of aircraft operators initially assigned to a Member State on the basis of the criteria mentioned under (b), can be agreed by the initial administering Member State, further to an explicit request introduced by the operator within 6 months from the adoption by the Commission of the EEA-wide list of operators provided for in Article 18a(3)(b). In this case, reallocation shall take place no later than in 2020 with regard to the trading period beginning in 2021.”
- (r) In Article 18a(3)(b), the words “for the whole EEA” shall be inserted after the words “aircraft operators”.
- (s) The following subparagraph shall be added in Article 18b:

“For the purposes of carrying out their tasks under the Directive, the EFTA States and the EFTA Surveillance Authority may request the assistance of Eurocontrol or another relevant organisation and may conclude to that effect any appropriate agreements with those organisations.”
- (t) The following paragraph shall be added to Article 20:

- “4. The issue, transfer and cancellation of allowances concerning the EFTA States, their operators and the aircraft operators administered by them shall be registered in the independent transaction log referred to in paragraph 1.

The Central Administrator shall be competent to perform the tasks referred to in paragraphs 1 to 3 when the EFTA States, their operators or the aircraft operators administered by them are concerned.”

- (u) The following paragraph shall be added to Article 25:

- “3. Allowances of the Community system include allowances issued or traded by the EFTA States or their operators under the Community system. Upon conclusion by the Community of an agreement referred to in this Article, no distinction shall be made between such allowances.

The Commission shall keep the EFTA States informed at an early stage regarding the negotiation and conclusion of agreements or non-binding arrangements according to this Article.”

- (v) The EFTA States participating in the EU Emission Trading Scheme will provide information according to the relevant requirements in the first subparagraph of Article 30(3), while the reporting requirements under the second subparagraph shall not apply to them.

- (w) The following shall be added after Annex V:

“APPENDIX

PART A

EFTA States’ figures relevant to the calculation and adjustment of the EEA-wide quantity of allowances to be issued from 2013 onwards pursuant to Articles 9 and 9a of Directive 2003/87/EC

1. EFTA States’ figures pursuant to Article 9

For the determination of these figures, the linear factor of 1.74% has been applied.

Iceland

These figures are based on the average annual verified emissions from 2005 to 2010 from activities falling in principle under Directive 2003/87/EC during the period from 2008 to 2012 corresponding to 23 934 allowances.

Year	Amount of allowances
2013	22 684
2014	22 268
2015	21 851
2016	21 435
2017	21 018
2018	20 602
2019	20 186
2020	19 769

Liechtenstein

These figures are based on an average annual total quantity of allowances by Liechtenstein for the period from 2008 to 2012 corresponding to 17 943 allowances as set out in Liechtenstein’s National Allocation Plan.

Year	Amount of allowances
2013	17 006
2014	16 694

2015	16 382
2016	16 070
2017	15 758
2018	15 445
2019	15 133
2020	14 821

Norway

These figures are based on an average annual total quantity of allowances by Norway for the period from 2008 to 2012 corresponding to 14 255 268 allowances, as set out in the Norwegian National Allocation Plan.

Year	Amount of allowances
2013	13 511 143
2014	13 263 101
2015	13 015 060
2016	12 767 018
2017	12 518 976
2018	12 270 935
2019	12 022 893
2020	11 774 851

2. EFTA States' figures pursuant to Article 9a(1)

For the determination of these figures, the linear factor of 1.74% has been applied.

Norway

Year	Amount of allowances
2013	832 974
2014	817 682

2015	802 390
2016	787 098
2017	771 806
2018	756 514
2019	741 222
2020	725 930

3. EFTA States' figures pursuant to Article 9a(2)

For the determination of these figures, the linear factor of 1.74% has been applied.

Iceland

Year	Amount of allowances
2013	1 732 936
2014	1 700 527
2015	1 668 119
2016	1 635 710
2017	1 603 301
2018	1 570 892
2019	1 538 484
2020	1 506 075

Norway

Year	Amount of allowances
2013	4 994 199
2014	4 902 514
2015	4 810 829
2016	4 719 144

2017	4 627 459
2018	4 535 774
2019	4 444 089
2020	4 352 404

PART B

EFTA States' figures relevant to the calculation of the EEA-wide reductions pursuant to the fifth subparagraph of Article 11a(8)

	Emissions in 2005 from existing sectors (in tonnes of CO ₂ equivalent)	Emissions in 2005 from new sectors included as of 2013 (in tonnes of CO ₂ equivalent)
Iceland	36 196	899 645
Liechtenstein	18 121	0
Norway	19 730 000	6 140 000

”

3. The following points shall be inserted after point 21a1 (Directive 2003/87/EC of the European Parliament and of the Council):

‘21a1.**32010 R 1031**: Commission Regulation (EU) No 1031/2010 of 12 November 2010 on the 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 (OJ L 302, 18.11.2010, p.1), as amended by:

- **32011 R 1210**: Commission Regulation (EU) No 1210/2011 of 23 November 2011(OJ L 308, 24.11.2011, p. 2).

The provisions of the Regulation shall, for the purposes of this Agreement, be read with the following adaptations:

- (a) The first sentence in Article 22(7) shall read as follows:

“The EFTA States shall notify the identity of the auctioneer and its contact details to the EFTA Surveillance Authority, which will forward the information to the Commission.”

- (b) The following sentences shall be added in Article 24(2):

“The EFTA States shall contract the auction monitor appointed following the joint procurement procedure between the Commission and the Member States to monitor all auction processes. In Article 25(1), (2), (3), (4) and (5), the term ‘Member State(s)’ shall be understood to include the EFTA States.”

- (c) The following subparagraph shall be added in Article 26(1) and (2):

“The EFTA States shall contract the auction platform appointed jointly by the Commission and the participating EU Member States for the auctioning of their shares of the allowances to be auctioned where the EFTA States

choose to aggregate the auctioning of their allowances with the allowances of the EU Member States participating in the joint action.

(d) The following sentence shall be added in Article 27(1) and Article 28(1):

“Without prejudice to the arrangements in the contract to be concluded between the EFTA States and the auction platform, the auction platform appointed following the joint procurement procedure between the Commission and the Member States participating in the joint action may provide the above-mentioned services also to the EFTA States.”

(e) Articles 30 to 32 shall not apply to the EFTA States, provided that they have contracted the auction platforms appointed according to Article 26 in accordance with adaptation (c) above.

(f) The following subparagraphs shall be added in Article 52(3):

“The share of the costs of the auction monitor relating to an auction platform appointed pursuant to Article 26(1) or (2) and contracted by the EFTA States shall be distributed between the Member States participating in the joint action and the EFTA States in accordance with their shares of the total volume of allowances auctioned on the auction platform concerned provided that the EFTA States aggregate the auctioning of their allowances with the allowances of the EU Member States participating in the joint action.

The share of the costs of the auction monitor relating to an auction platform appointed pursuant to Article 30(1) or (2) and contracted by an EFTA State, including the cost of any report requested pursuant to Article 25(4), shall be borne by the EFTA State concerned in the same way as for EU Member States not participating in the joint action.”

21alb.**32010 D 0002**: Commission Decision 2010/2/EU of 24 December 2009 determining, pursuant to Directive 2003/87/EC of the European Parliament and of the Council, a list of sectors and subsectors which are deemed to be exposed to a significant risk of carbon leakage (OJ L 1, 5.1.2010, p. 10), as amended by:

- **32011 D 0745**: Commission Decision 2011/745/EU of 11 November 2011 (OJ L 299, 17.11.2011, p. 9).

21alc.**32011 D 0278**: Commission Decision 2011/278/EU of 27 April 2011 determining transitional Union-wide rules for harmonised free allocation of emission allowances pursuant to Article 10a of Directive 2003/87/EC of the European Parliament and of the Council (OJ L 130, 17.5.2011, p. 1), as amended by:

- **32011 D 0745**: Commission Decision 2011/745/EU of 11 November 2011 (OJ L 299, 17.11.2011, p. 9).

21ald.**32010 D 0670**: Commission Decision 2010/670/EU of 3 November 2010 laying down criteria and measures for the financing of commercial

demonstration projects that aim at the environmentally safe capture and geological storage of CO₂ as well as demonstration projects of innovative renewable energy technologies under the scheme for greenhouse gas emission allowance trading within the Community established by Directive 2003/87/EC of the European Parliament and of the Council (OJ L 290, 6.11.2010. p. 39).

21ale. **32011 R 0550**: Commission Regulation (EU) No 550/2011 of 7 June 2011 on determining, pursuant to Directive 2003/87/EC of the European Parliament and of the Council, certain restrictions applicable to the use of international credits from projects involving industrial gases (OJ L 149, 8.6.2011, p. 1).’

4. The following indents shall be added in point 21am (Commission Decision 2007/589/EC):

- ‘ - **32010 D 0345**: Commission Decision 2010/345/EU of 8 June 2010 (OJ L 155, 22.6.2010, p. 34),
- **32011 D 0540**: Commission Decision 2011/540/EU of 18 August 2011 (OJ L 244, 21.9.2011, p. 1).’

Article 2

The texts of Regulations (EU) No 1031/2010, (EU) No 550/2011 and (EU) No 1210/2011, Directive 2009/29/EC and Decisions 2010/2/EU, 2010/345/EU, 2010/670/EU, 2011/278/EU, 2011/540/EU and 2011/745/EU in the Icelandic and Norwegian languages, to be published in the EEA Supplement to the *Official Journal of the European Union*, shall be authentic.

Article 3

This Decision shall enter into force on [...] or the day following the last notification to the EEA Joint Committee under Article 103(1) of the Agreement, whichever is the latest*.

Article 4

This Decision shall be published in the EEA Section of, and in the EEA Supplement to, the *Official Journal of the European Union*.

Done at Brussels, .

For the EEA Joint Committee

The President

*The Secretaries
to the EEA Joint Committee*

* [No constitutional requirements indicated.] [Constitutional requirements indicated.]

