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Delegations will find in the Annex, for information, the 4-column table for the first trilogue on the above-mentioned proposal, which took place in Brussels, on 6 September 2022.

ANNEX

Proposal for a DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Decision (EU) 2015/1814 as regards the amount of allowances to be placed in the market stability reserve for the Union greenhouse gas emission trading scheme until 2030
2021/0202(COD)
[Version for Trilogue on 6 September 2022]

	Commission Proposal	EP Mandate	Council Mandate	Comments/suggestions
Formula				
1	2021/0202 (COD)	2021/0202 (COD)	2021/0202 (COD)	
Proposal Title				
2	Proposal for a DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Decision (EU) 2015/1814 as regards the amount of allowances to be placed in the market stability reserve for the Union greenhouse gas emission trading scheme until 2030	Proposal for a DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Decision (EU) 2015/1814 as regards the amount of allowances to be placed in the market stability reserve for the Union greenhouse gas emission trading scheme until 2030	Proposal for a DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Decision (EU) 2015/1814 as regards the amount of allowances to be placed in the market stability reserve for the Union greenhouse gas emission trading scheme until 2030	
Formula				
3	THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,	THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,	THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,	

	Commission Proposal	EP Mandate	Council Mandate	Comments/suggestions
Citation 1				
4	Having regard to the Treaty on the Functioning of the European Union, and in particular Article 192(1) thereof,	Having regard to the Treaty on the Functioning of the European Union, and in particular Article 192(1) thereof,	Having regard to the Treaty on the Functioning of the European Union, and in particular Article 192(1) thereof,	
Citation 2				
5	Having regard to the proposal from the European Commission,	Having regard to the proposal from the European Commission,	Having regard to the proposal from the European Commission,	
Citation 3				
6	After transmission of the draft legislative act to the national parliaments,	After transmission of the draft legislative act to the national parliaments,	After transmission of the draft legislative act to the national parliaments,	
Citation 4				
7	Having regard to the opinion of the European Economic and Social Committee[1], _____ 1. OJ C , , p. .	Having regard to the opinion of the European Economic and Social Committee[1], _____ 1. OJ C , , p. .	Having regard to the opinion of the European Economic and Social Committee[1], _____ 1. OJ C , , p. .	
Citation 5				
8	Having regard to the opinion of the Committee of the Regions[1],	Having regard to the opinion of the Committee of the Regions[1],	Having regard to the opinion of the Committee of the Regions[1],	

	Commission Proposal	EP Mandate	Council Mandate	Comments/suggestions
	1. OJ C , , p. .	1. OJ C , , p. .	1. OJ C , , p. .	
Citation 6				
9	Acting in accordance with the ordinary legislative procedure,	Acting in accordance with the ordinary legislative procedure,	Acting in accordance with the ordinary legislative procedure,	
Formula				
10	Whereas:	Whereas:	Whereas:	
Recital 1				
11	(1) The Paris Agreement, adopted in December 2015 under the United Nations Framework Convention on Climate Change (UNFCCC) entered into force in November 2016 (“the Paris Agreement”)[1]. The Parties to the Paris Agreement have agreed to hold the increase in the global average temperature well below 2 °C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1,5 °C above pre-industrial levels. 1. Paris Agreement (OJ L 282, 19.10.2016, p. 4).	(1) The Paris Agreement, adopted in December 2015 under the United Nations Framework Convention on Climate Change (UNFCCC) entered into force in November 2016 ("the Paris Agreement")[1]. The Parties to the Paris Agreement have agreed to hold the increase in the global average temperature well below 2 °C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1,5 °C above pre-industrial levels. ***By adopting the Glasgow Climate Pact, the Parties to the Paris Agreement recognised that***	(1) The Paris Agreement, adopted in December 2015 under the United Nations Framework Convention on Climate Change (UNFCCC) entered into force in November 2016 (“the Paris Agreement”)[1]. The Parties to the Paris Agreement have agreed to hold the increase in the global average temperature well below 2 °C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1,5 °C above pre-industrial levels. 1. Paris Agreement (OJ L 282, 19.10.2016, p. 4).	

	Commission Proposal	EP Mandate	Council Mandate	Comments/suggestions
		limiting the increase in the global average temperature to 1,5 °C above pre-industrial levels would significantly reduce the risks and impacts of climate change, and they committed to strengthening their 2030 targets by the end of 2022 to close the ambition gap, in line with the findings of the Intergovernmental Panel on Climate Change (IPCC). This should be done in a manner that is equitable and respects the principle of common but differentiated responsibilities and respective capabilities, in the light of different national circumstances. The revision of the European Union Emissions Trading System (EU ETS), including of its market stability reserve, is a unique opportunity to contribute to stepping up the Union's climate action before the 27th session of the Conference of the Parties (COP 27) to the UNFCCC in Egypt.		

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1. Paris Agreement (OJ L 282, 19.10.2016, p. 4).

Recital 1a				
11a		***(1a) The urgency of the need to keep the Paris Agreement goal of 1,5 °C alive has become more significant following the findings of the IPCC in its report of 7 August 2021 entitled 'Climate Change 2021: The Physical Science Basis'. The IPCC found that global temperature will reach or exceed the 1,5 °C mark earlier than previously anticipated, namely within the next 20 years. It also found that unless there are immediate and ambitious reductions in greenhouse gas emissions, it will no longer be possible to limit global warming to close to 1,5 °C or even 2 °C.***		
Recital 1b				
11b		***(1b) In its resolution of 28 November 2019 on the climate and environment emergency[1a], the European Parliament urged the Commission to take immediate and ambitious action to limit global warming to 1,5 °C and to avoid massive biodiversity loss, including by addressing the inconsistencies of current Union***		

		policies on the climate and environment emergency and by ensuring that all relevant future legislative and budgetary proposals are fully aligned with the objective of limiting global warming to under 1,5 °C and that they do not contribute to biodiversity loss. ***1a. OJ C 232, 16.6.2021, p. 28.***		
Recital 1c				
11c		***(1c) The need for urgent action is further intensified by the increase in the frequency and intensity of extreme weather conditions as a direct result of climate change. According to the United Nations Office for Disaster Risk Reduction, the number of disasters recorded worldwide and the scale of global economic losses have nearly doubled in the last 20 years, much of which increase corresponds to the significant rise in the number of climate-related disasters.***		
Recital 1d				
11d		***(1d) The Union should therefore***		

		address this urgency by stepping up its efforts and establishing itself as an international leader in the fight against climate change, while reflecting the principles of equity and of common but differentiated responsibilities and respective capabilities, as laid down in Article 2(2) of the Paris Agreement.		
Recital 2				
12	(2) Tackling climate and environmental-related challenges and reaching the objectives of the Paris Agreement are at the core of the Communication on "The European Green Deal", adopted by the Commission on 11 December 2019[1]. _____ 1. COM(2019)640 final.	(2) Tackling climate and environmental-related challenges and reaching the objectives of the Paris Agreement are ***therefore*** at the core of the Communication on "The European Green Deal", adopted by the Commission on 11 December 2019[1]. _____ 1. COM(2019)640 final.	(2) Tackling climate and environmental-related challenges and reaching the objectives of the Paris Agreement are at the core of the Communication on "The European Green Deal", adopted by the Commission on 11 December 2019[1]. _____ 1. COM(2019)640 final.	
Recital 3				
13	(3) The European Green Deal combines a comprehensive set of mutually reinforcing measures and initiatives aimed at achieving climate neutrality in the EU by 2050, and sets out a new growth strategy that aims to transform the	(3) The European Green Deal ~~*combines a comprehensive set of mutually reinforcing measures and initiatives aimed at achieving climate neutrality in the EU by 2050, and*~~ ***provides the starting point for the achievement of the***	(3) The European Green Deal combines a comprehensive set of mutually reinforcing measures and initiatives aimed at achieving climate neutrality in the EU by 2050, and sets out a new growth strategy that aims to transform the	

	Union into a fair and prosperous society, with a modern, resource-efficient and competitive economy, where economic growth is decoupled from resource use. It also aims to protect, conserve and enhance the Union's natural capital, and protect the health and well-being of citizens from environment-related risks and impacts. At the same time, this transition affects women and men differently and has a particular impact on some disadvantaged groups, such as older people, persons with disabilities and persons with a minority racial or ethnic background. It must therefore be ensured that the transition is just and inclusive, leaving no one behind.	***Union's climate-neutrality objective by 2050, at the latest, and the aim to achieve negative emissions thereafter, as laid down in Article 2(1) of Regulation (EU) 2021/1119 of the European Parliament and of the Council[1a]. It*** sets out a new growth strategy that aims to transform the Union into a fair and prosperous society, with a modern, resource-efficient and competitive economy, ~~*where economic growth is decoupled from resource use*~~***while leaving no one behind in a just transition that also addresses energy poverty.***~~.~~ It also aims to protect, conserve and enhance the Union's natural capital, and protect the health and well-being of citizens from environment-related risks and impacts. ~~*At the same time, this transition affects women and men*~~ ***This transition affects workers from various sectors and each gender*** differently and has a particular impact on some disadvantaged ***and vulnerable*** groups, such as older people, persons with disabilities ~~*and*~~, persons with a minority racial or ethnic background ***and low and lower-middle income individuals and households. It also imposes greater challenges on certain***	Union into a fair and prosperous society, with a modern, resource-efficient and competitive economy, where economic growth is decoupled from resource use. It also aims to protect, conserve and enhance the Union's natural capital, and protect the health and well-being of citizens from environment-related risks and impacts. At the same time, this transition affects women and men differently and has a particular impact on some disadvantaged groups, such as older people, persons with disabilities and persons with a minority racial or ethnic background. It must therefore be ensured that the transition is just and inclusive, leaving no one behind.	

		regions, in particular structurally disadvantaged and peripheral regions, as well as islands. It must therefore be ensured that the transition is just and inclusive~~,~~ ~~*leaving no one behind*~~. _____ ***1a. Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1).***		
Recital 4				
14	(4) The necessity and value of the European Green Deal have only grown in light of the very severe effects of the COVID-19 pandemic on the health, living and working conditions and well-being of the Union's citizens, which have shown that our society and our economy need to improve their resilience to external shocks and act early to prevent or mitigate them. European citizens continue to express strong views that this applies in particular to climate change[1]. _____ 1. Special Eurobarometer 513 on Climate Change, 2021	(4) The necessity and value of ~~*the*~~***a well-implemented*** European Green Deal have only grown in light of the very severe effects of the COVID-19 pandemic on the health, living and working conditions and well-being of the Union's citizens, which have shown that our society and our economy need to improve their resilience to external shocks and act early to prevent or mitigate them ***in a manner that is just and results in no one being left behind, including those at risk of energy poverty.*** ~~.~~ European citizens continue to express strong views	(4) The necessity and value of the European Green Deal have only grown in light of the very severe effects of the COVID-19 pandemic on the health, living and working conditions and well-being of the Union's citizens, which have shown that our society and our economy need to improve their resilience to external shocks and act early to prevent or mitigate them. European citizens continue to express strong views that this applies in particular to climate change[1]. _____ 1. Special Eurobarometer 513 on Climate Change, 2021	

	(https://ec.europa.eu/clima/citizens/support_en).	that this applies in particular to climate change[1]. _____ 1. Special Eurobarometer 513 on Climate Change, 2021 (https://ec.europa.eu/clima/citizens/support_en).	(https://ec.europa.eu/clima/citizens/support_en).	
Recital 4a				
14a		***(4a) The Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES), in its report of 29 October 2020 entitled 'Biodiversity and Pandemics', pointed out that the underlying causes of pandemics are the same global environmental changes that drive biodiversity loss and climate change. Climate change should therefore be mitigated in order to sustain and improve the health of our biodiversity, in turn protecting human health.***		
Recital 5				
15	(5) The Union committed to reduce the Union's economy-wide net greenhouse gas emissions by at least 55 % by 2030 below 1990 levels in the updated nationally determined contribution submitted	(5) The Union committed to reduce the Union's economy-wide net greenhouse gas emissions by at least 55 % by 2030 below 1990 levels in the updated nationally determined contribution submitted	(5) The Union committed to reduce the Union's economy-wide net greenhouse gas emissions by at least 55 % by 2030 below 1990 levels in the updated nationally determined contribution submitted	

	to the UNFCCC Secretariat on 17 December 2020[1]. _____ 1. https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/European %20Union %20First/EU_NDC_Submission_December %202020.pdf	to the UNFCCC Secretariat on 17 December 2020[1]. _____ 1. https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/European %20Union %20First/EU_NDC_Submission_December %202020.pdf	to the UNFCCC Secretariat on 17 December 2020[1]. _____ 1. https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/European %20Union %20First/EU_NDC_Submission_December %202020.pdf	
Recital 6				
16	(6) In Regulation (EU) 2021/1119 of the European Parliament and of the Council[1] the Union has enshrined the target of economy-wide climate neutrality by 2050 in legislation. That Regulation also establishes a binding Union domestic reduction commitment of net greenhouse gas emissions (emissions after deduction of removals) of at least 55 % below 1990 levels by 2030. _____ 1. Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1).	(6) In Regulation (EU) 2021/1119 ~~*of the European Parliament and of the Council*~~[1] the Union has enshrined ***in legislation*** the target of economy-wide climate neutrality by 2050***, at the latest, and the aim to achieve negative emissions thereafter*** ~~*in legislation*~~. That Regulation also establishes a binding Union domestic reduction commitment of net greenhouse gas emissions (emissions after deduction of removals) of at least 55 % below 1990 levels by 2030. ***This should be carried out as a just transition where no one is left behind.*** _____ ~~*1. Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1).*~~	(6) In Regulation (EU) 2021/1119 of the European Parliament and of the Council[1] the Union has enshrined the target of economy-wide climate neutrality by 2050 in legislation. That Regulation also establishes a binding Union domestic reduction commitment of net greenhouse gas emissions (emissions after deduction of removals) of at least 55 % below 1990 levels by 2030. _____ 1. Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1).	

Recital 7				
17	(7) All sectors of the economy need to contribute to achieving those emission reductions. Therefore, the ambition of the EU Emissions Trading System (EU ETS), established by Directive 2003/87/EC of the European Parliament and of the Council[1], should be adjusted to be in line with the economy-wide net greenhouse gas emissions reduction commitment for 2030. _____ 1. Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a system for greenhouse gas emission allowance trading within the Union and amending Council Directive 96/61/EC (OJ L 275, 25.10.2003, p. 32).	(7) All sectors of the economy need to contribute to achieving those emission reductions. Therefore, the ambition of the EU Emissions Trading System (EU ETS), established by Directive 2003/87/EC of the European Parliament and of the Council[1], should be adjusted to be in line with the economy-wide net greenhouse gas emissions reduction commitment for 2030***, the Union's climate-neutrality objective to be achieved by 2050, at the latest, and the aim to achieve negative emissions thereafter, as laid down in Article 2(1) of Regulation (EU) 2021/1119***. _____ 1. Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a system for greenhouse gas emission allowance trading within the Union and amending Council Directive 96/61/EC (OJ L 275, 25.10.2003, p. 32).	(7) All sectors of the economy need to contribute to achieving those emission reductions. Therefore, the ambition of the EU Emissions Trading System (EU ETS), established by Directive 2003/87/EC of the European Parliament and of the Council[1], should be adjusted to be in line with the economy-wide net greenhouse gas emissions reduction commitment for 2030. _____ 1. Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a system for greenhouse gas emission allowance trading within the Union and amending Council Directive 96/61/EC (OJ L 275, 25.10.2003, p. 32).	
Recital 8				
18	(8) In order to address the structural imbalance between	(8) In order to address the structural imbalance between	(8) In order to address the structural imbalance between	

	supply and demand of allowances in the market, Decision (EU) 2015/1814 of the European Parliament and of the Council[1] established a market stability reserve (the 'reserve') in 2018, which has been operational since 2019. _____ 1. Decision (EU) 2015/1814 of the European Parliament and of the Council of 6 October 2015 concerning the establishment and operation of a market stability reserve for the Union greenhouse gas emission trading scheme and amending Directive 2003/87/EC (OJ L 264, 9.10.2015, p. 1).	supply and demand of allowances in the market, ***which weakened the EU ETS through lower carbon prices, thus preventing the EU ETS from providing strong incentives for emissions reduction,*** Decision (EU) 2015/1814 of the European Parliament and of the Council[1] established a market stability reserve (the 'reserve') in 2018, which has been operational since 2019. ***The creation of the reserve contributed to reducing the surplus of allowances in circulation by 29 % in 2019 from its record level in 2013. However, according to the 2021 Carbon Market Report, the total number of allowances in circulation increased again in 2020 to 1 579 billion allowances, compared to 1 385 billion allowances in 2019. That sharp increase in the overall surplus was linked to a lower demand due to the COVID-19 crisis. The Commission estimates that it will take up to four years for that additional 2020 surplus to be absorbed, thereby further delaying the urgent need to absorb the historical surplus and make the EU ETS fit for purpose. Therefore, and without prejudice to further revisions of the reserve as part of the general revision of***	supply and demand of allowances in the market, Decision (EU) 2015/1814 of the European Parliament and of the Council[1] established a market stability reserve (the 'reserve') in 2018, which has been operational since 2019. _____ 1. Decision (EU) 2015/1814 of the European Parliament and of the Council of 6 October 2015 concerning the establishment and operation of a market stability reserve for the Union greenhouse gas emission trading scheme and amending Directive 2003/87/EC (OJ L 264, 9.10.2015, p. 1).	

		Directive 2003/87/EC and Decision (EU) 2015/1814 taking place in 2022, the Commission should continuously monitor the functioning of the reserve and ensure that the reserve is kept fit for purpose in case of future unforeseeable external shocks. _____ 1. Decision (EU) 2015/1814 of the European Parliament and of the Council of 6 October 2015 concerning the establishment and operation of a market stability reserve for the Union greenhouse gas emission trading scheme and amending Directive 2003/87/EC (OJ L 264, 9.10.2015, p. 1).		
Recital 8a				
18a		***(8a) A robust and forward-looking reserve is essential to ensure the integrity of and effectively steer the EU ETS in order for it to contribute, as a policy tool, to achieving the Union's climate-neutrality objective by 2050, at the latest, and the aim to achieve negative emissions thereafter as laid down in Article 2(1) of Regulation (EU) 2021/1119. The EU ETS, and therefore the reserve, should also be aligned with the efforts to limit the global temperature increase to***		

		1,5°C above pre-industrial levels, recognising that this would significantly reduce the risks and impacts of climate change, while reflecting equity and the principle of common but differentiated responsibilities and respective capabilities, in the light of different national circumstances, as laid down in Article 2 of the Paris Agreement.		
Recital 9				
19	(9) The reserve functions by triggering adjustments to the annual volumes of allowances to be auctioned. In order to preserve a maximum degree of predictability, Decision (EU) 2015/1814 established clear rules for placing and releasing allowances in the reserve.	(9) The reserve functions by triggering adjustments to the annual volumes of allowances to be auctioned. In order to preserve a maximum degree of predictability, Decision (EU) 2015/1814 established clear rules for placing and releasing allowances in the reserve.	(9) The reserve functions by triggering adjustments to the annual volumes of allowances to be auctioned. In order to preserve a maximum degree of predictability, Decision (EU) 2015/1814 established clear rules for placing and releasing allowances in the reserve.	
Recital 10				
20	(10) Where the number of allowances in circulation is above the established upper threshold, an amount of allowances corresponding to a given percentage of these allowances is deducted from the volumes of	(10) ***Currently,*** where the number of allowances in circulation is above the established upper threshold, an amount of allowances corresponding to a given percentage of these allowances is deducted from the volumes of	(10) Where the number of allowances in circulation is above the established upper threshold, an amount of allowances corresponding to a given percentage of these allowances is deducted from the volumes of	

	allowances to be auctioned and placed in the reserve. Meanwhile, a corresponding number of allowances is released from the reserve to Member States, and added to the volumes of the allowances to be auctioned, if the total number of allowances in circulation falls below the established lower threshold.	allowances to be auctioned and placed in the reserve. Meanwhile, a corresponding number of allowances is released from the reserve to Member States, and added to the volumes of the allowances to be auctioned, if the total number of allowances in circulation falls below the established lower threshold.	allowances to be auctioned and placed in the reserve. Meanwhile, a corresponding number of allowances is released from the reserve to Member States, and added to the volumes of the allowances to be auctioned, if the total number of allowances in circulation falls below the established lower threshold.	
Recital 11				
21	(11) Directive (EU) 2018/410 of the European Parliament and of the Council[1] amended Decision (EU) 2015/1814 by doubling the percentage rate to be used for determining the number of allowances to be placed each year in the reserve from 12 % to 24 % until 31 December 2023. _____ 1. Directive (EU) 2018/410 of the European Parliament and of the Council of 14 March 2018 amending Directive 2003/87/EC to enhance cost-effective emission reductions and low-carbon investments, and Decision (EU) 2015/1814 (OJ L 76, 19.3.2018, p. 3).	(11) Directive (EU) 2018/410 of the European Parliament and of the Council[1] amended Decision (EU) 2015/1814 by doubling the percentage rate to be used for determining the number of allowances to be placed each year in the reserve from 12 % to 24 % until 31 December 2023***, as a way of rapidly absorbing the historical surplus in order to provide a stronger price signal to reduce greenhouse gas emissions in a cost-efficient manner. That decision was taken in the context of the former Union 2030 climate target of reducing economy-wide greenhouse gas emissions by at least 40 % compared to 1990 levels.*** _____	(11) Directive (EU) 2018/410 of the European Parliament and of the Council[1] amended Decision (EU) 2015/1814 by doubling the percentage rate to be used for determining the number of allowances to be placed each year in the reserve from 12 % to 24 % until 31 December 2023. _____ 1. Directive (EU) 2018/410 of the European Parliament and of the Council of 14 March 2018 amending Directive 2003/87/EC to enhance cost-effective emission reductions and low-carbon investments, and Decision (EU) 2015/1814 (OJ L 76, 19.3.2018, p. 3).	

		1. Directive (EU) 2018/410 of the European Parliament and of the Council of 14 March 2018 amending Directive 2003/87/EC to enhance cost-effective emission reductions and low-carbon investments, and Decision (EU) 2015/1814 (OJ L 76, 19.3.2018, p. 3).		
Recital 12				
22	(12) In accordance with Decision (EU) 2015/1814, within three years of the start of the operation of the reserve, the Commission is to carry out its first review on the basis of an analysis of the orderly functioning of the European carbon market and, where appropriate, submit a proposal to the European Parliament and to the Council.	(12) In accordance with Decision (EU) 2015/1814, within three years of the start of the operation of the reserve, the Commission is to carry out its first review on the basis of an analysis of the orderly functioning of the European carbon market and, where appropriate, submit a proposal to the European Parliament and to the Council.	(12) In accordance with Decision (EU) 2015/1814, within three years of the start of the operation of the reserve, the Commission is to carry out its first review on the basis of an analysis of the orderly functioning of the European carbon market and, where appropriate, submit a proposal to the European Parliament and to the Council.	
Recital 13				
23	(13) The review paid particular attention to the percentage figure for the determination of the number of allowances to be placed in the reserve, as well as to the numerical value of the threshold for the total number of allowances in circulation and the number of allowances to be released from the reserve.	(13) The review paid particular attention to the percentage figure for the determination of the number of allowances to be placed in the reserve, as well as to the numerical value of the threshold for the total number of allowances in circulation and the number of allowances to be released from the reserve.	(13) The review paid particular attention to the percentage figure for the determination of the number of allowances to be placed in the reserve, as well as to the numerical value of the threshold for the total number of allowances in circulation and the number of allowances to be released from the reserve.	

Recital 14				
24	(14) The analysis carried out in the context of the reserve's review and the expected developments relevant to the carbon market demonstrate that a rate of 12 % of the total number of allowances in circulation to be placed in the reserve each year after 2023 is insufficient to prevent a significant increase of the surplus of allowances in the EU ETS. Therefore, after 2023 the percentage figure should continue to be 24 %, and the minimum number of allowances to be placed in the reserve should also continue to be 200 million.	(14) The analysis carried out in the context of the reserve's review and the expected developments relevant to the carbon market demonstrate that a rate of 12 % of the total number of allowances in circulation to be placed in the reserve each year after 2023 is insufficient to prevent a significant increase of the surplus of allowances in the EU ETS. ~~*Therefore, after 2023 the percentage figure should continue*~~***If the rate of the total number of allowances in circulation to be placed in the reserve each year reverts to 12 % after 2023, a significant and harmful surplus of allowances in the EU ETS could disturb market stability and the proper functioning of the EU ETS, and as a result jeopardise the achievement of greenhouse gas emission reductions necessary to meet legally binding climate targets, as referred to in the impact assessment that was carried out by the Commission for this Decision.*** ~~*to be 24 %, and the minimum number of allowances to be placed in the reserve should also continue to be 200 million.*~~	(14) The analysis carried out in the context of the reserve's review and the expected developments relevant to the carbon market demonstrate that a rate of 12 % of the total number of allowances in circulation to be placed in the reserve each year after 2023 is insufficient to prevent a significant increase of the surplus of allowances in the EU ETS. Therefore, after 2023 the percentage figure should continue to be 24 %, and the minimum number of allowances to be placed in the reserve should also continue to be 200 million.	

Recital 15				
25	(15) If the rate of the total number of allowances in circulation to be placed in the reserve each year reverts to 12 % after 2023, a potentially harmful surplus of allowances in the EU ETS may disturb market stability. In addition, the rate of 24 % after 2023 should be established separately from the general review of Directive 2003/87/EC and Decision (EU) 2015/1814 to strengthen the EU Emissions Trading System in line with the Union's increased climate ambition for 2030 to ensure market predictability.	(15) ~~*If the rate of the total number of allowances in circulation to be placed in the reserve each year reverts to 12*~~***Therefore, it is important to ensure that the rate does not revert to below 24 % after 2023 and that the minimum number***~~*% after 2023, a potentially harmful surplus*~~ of allowances ~~*in the EU ETS may disturb market stability. In addition, the rate of 24 % after 2023*~~***to be placed in the reserve does not fall below 200 million. This*** should be ~~*established*~~***done*** separately from the general review of Directive 2003/87/EC and Decision (EU) 2015/1814 to strengthen the EU Emissions Trading System in line with the Union's increased climate ambition for 2030 to ensure ***its timely entry into force, and thereby provide*** market predictability ***by eliminating the risk that the rate falls back below 24 %. Maintaining the rate of 24 % in this Decision should be without prejudice to further revisions of the reserve, including, if appropriate, revision of the rate of allowances to be placed in the***	(15) If the rate of the total number of allowances in circulation to be placed in the reserve each year reverts to 12 % after 2023, a potentially harmful surplus of allowances in the EU ETS may disturb market stability. In addition, the rate of 24 % after 2023 should be established separately from the general review of Directive 2003/87/EC and Decision (EU) 2015/1814 to strengthen the EU Emissions Trading System in line with the Union's increased climate ambition for 2030 to ensure market predictability.	

		reserve, as part of the general revision of Directive 2003/87/EC and Decision (EU) 2015/1814 taking place in 2022.		
Recital 15a				
25a		***(15a) The rate of 24 % after 2023 should be established separately from the general review of Directive 2003/87/EC and Decision (EU) 2015/1814 to strengthen the EU ETS in line with the Union's increased climate ambition for 2030 to ensure that there is market predictability.***		
Recital 15b				
25b		***(15b) Since the objective of this Decision, namely the continuation of the current parameters of the market stability reserve as established pursuant to Directive (EU) 2018/410, cannot be sufficiently achieved by the Member States but can rather, by reason of its scale and effects, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5***		

		of the Treaty on European Union. In accordance with the principle of proportionality as set out in that Article, this Decision does not go beyond what is necessary in order to achieve that objective.		
Recital 16				
26	(16) Decision (EU) 2015/1814 should therefore be amended accordingly,	(16) Decision (EU) 2015/1814 should therefore be amended accordingly,	(16) Decision (EU) 2015/1814 should therefore be amended accordingly,	
Formula				
27	HAVE ADOPTED THIS DECISION:	HAVE ADOPTED THIS DECISION:	HAVE ADOPTED THIS DECISION:	
Article 1				
28	Article 1 Amendments to Decision (EU) 2015/1814	Article 1 Amendments to Decision (EU) 2015/1814	Article 1 Amendments to Decision (EU) 2015/1814	
Article 1, first paragraph, introductory part				
29	In Article 1(5), first subparagraph, of Decision (EU) 2015/1814, the last sentence is replaced by the following:	In Article 1(5), first subparagraph, of Decision (EU) 2015/1814, the last sentence is replaced by the following:	In Article 1(5), first subparagraph, of Decision (EU) 2015/1814, the last sentence is replaced by the following:	

Article 1, first paragraph, amending provision, first paragraph				
30	‘ By way of derogation from the first and second sentences, until 31 December 2030, the percentages and the 100 million allowances referred to in those sentences shall be doubled. ’,	‘ By way of derogation from the first and second sentences, until 31 December 2030, the percentages and the 100 million allowances referred to in those sentences shall be doubled. ’,	‘ By way of derogation from the first and second sentences, until 31 December 2030, the percentages and the 100 million allowances referred to in those sentences shall be doubled. ’,	
Article 2				
31	Article 2 Entry into force	Article 2 Entry into force	Article 2 Entry into force	
Article 2, first paragraph				
32	This Decision shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.	This Decision shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.	This Decision shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.	
Formula				
33	Done at Brussels,	Done at Brussels,	Done at Brussels,	
Formula				
34	For the European Parliament	For the European Parliament	For the European Parliament	

Formula				
35	The President	The President	The President	
Formula				
36	For the Council	For the Council	For the Council	
Formula				
37	The President	The President	The President	