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From:	General Secretariat of the Council
To:	Permanent Representatives Committee
Subject:	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 - Preparation for the trilogue - Four-column table

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In view of preparing the trilogue scheduled for 10 November 2022, delegations will find attached the four column table.

**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)**

	<b>Commission Proposal</b>	<b>EP Mandate</b>	<b>Council Mandate</b>	<b>Comments/suggestions</b>
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)	Proposal for a  DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL  amending Decision (EU)	Proposal for a  DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL  amending Decision (EU)	

	Commission Proposal	EP Mandate	Council Mandate	Comments/suggestions
	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	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	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,	
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,	

	Commission Proposal	EP Mandate	Council Mandate	Comments/suggestions
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 <sup>1</sup> ,  _____ 1. OJ C , , p. .	Having regard to the opinion of the European Economic and Social Committee <sup>1</sup> ,  _____ 1. OJ C , , p. .	Having regard to the opinion of the European Economic and Social Committee <sup>1</sup> ,  _____ 1. OJ C , , p. .	

	Commission Proposal	EP Mandate	Council Mandate	Comments/suggestions
Citation 5				
8	<p>Having regard to the opinion of the Committee of the Regions<sup>1</sup>,</p> <p>_____</p> <p>1. OJ C , , p. .</p>	<p>Having regard to the opinion of the Committee of the Regions<sup>1</sup>,</p> <p>_____</p> <p>1. OJ C , , p. .</p>	<p>Having regard to the opinion of the Committee of the Regions<sup>1</sup>,</p> <p>_____</p> <p>1. OJ C , , p. .</p>	
Citation 6				
9	<p>Acting in accordance with the ordinary legislative procedure,</p>	<p>Acting in accordance with the ordinary legislative procedure,</p>	<p>Acting in accordance with the ordinary legislative procedure,</p>	
Formula				
10	<p>Whereas:</p>	<p>Whereas:</p>	<p>Whereas:</p>	

	Commission Proposal	EP Mandate	Council Mandate	Comments/suggestions
Recital 1				
11	<p>(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”)<sup>1</sup>. 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.</p> <p>_____</p> <p>1. Paris Agreement (OJ L 282, 19.10.2016, p. 4).</p>	<p>(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”)<sup>1</sup>. 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. <u>By adopting the Glasgow Climate Pact, the Parties to the Paris Agreement recognised that 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</u></p>	<p>(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”)<sup>1</sup>. 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.</p> <p>_____</p> <p>1. Paris Agreement (OJ L 282, 19.10.2016, p. 4).</p>	<p><b>COUNCIL:</b></p> <p>Open to look at EP amendment provided that wording faithfully reflects agreed language and drafted in a factual manner. Amendments in rows 11 - 11d could be merged into a simpler text, aligned with solution to be found for similar amendments in the ETS directive.</p> <p>Commission to come up with text.</p>

	Commission Proposal	EP Mandate	Council Mandate	Comments/suggestions
		<p><u>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.</u></p> <p>_____</p> <p>1. Paris Agreement (OJ L 282, 19.10.2016, p. 4).</p>		
Recital 1a				
11a		<p><u>(1a) The urgency of the need to keep the Paris Agreement goal of 1,5 °C alive has become more significant following the findings</u></p>		<p>COUNCIL:</p> <p>See under row 11</p>

	Commission Proposal	EP Mandate	Council Mandate	Comments/suggestions
		<u>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.</u>		
Recital 1b				
11b		<u>(1b) In its resolution of 28 November 2019 on the climate and environment emergency<sup>1a</sup>, 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</u>		COUNCIL:  See under row 11



	Commission Proposal	EP Mandate	Council Mandate	Comments/suggestions
		<p><u>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.</u></p> <p>_____</p> <p><u>1a. OJ C 232, 16.6.2021, p. 28.</u></p>		
Recital 1c				
11c		<p><u>(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</u></p>		<p>COUNCIL:</p> <p>See under row 11</p>

	Commission Proposal	EP Mandate	Council Mandate	Comments/suggestions
		<u>significant rise in the number of climate-related disasters.</u>		
Recital 1d				
11d		<u>(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.</u>		COUNCIL: See under row 11
Recital 2				
12	(2) Tackling climate and environmental-related challenges and reaching the objectives of the Paris Agreement are at the core of	(2) Tackling climate and environmental-related challenges and reaching the objectives of the Paris Agreement are <u>therefore</u> at	(2) Tackling climate and environmental-related challenges and reaching the objectives of the Paris Agreement are at the core of	COUNCIL:

	Commission Proposal	EP Mandate	Council Mandate	Comments/suggestions
	<p>the Communication on “The European Green Deal”, adopted by the Commission on 11 December 2019<sup>1</sup>.</p> <p>_____</p> <p>1. COM(2019)640 final.</p>	<p>the core of the Communication on "The European Green Deal", adopted by the Commission on 11 December 2019<sup>1</sup>.</p> <p>_____</p> <p>1. COM(2019)640 final.</p>	<p>the Communication on “The European Green Deal”, adopted by the Commission on 11 December 2019<sup>1</sup>.</p> <p>_____</p> <p>1. COM(2019)640 final.</p>	<p>Openness, although EP amendment not really necessary ('therefore' is not added by the EP in the corresponding identical recital 2 in ETS directive - row 12).</p>
Recital 3				
13	<p>(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</p>	<p>(3) The European Green Deal <del>combines a comprehensive set of mutually reinforcing measures and initiatives aimed at achieving climate neutrality in the EU by 2050, and</del> <u>provides the starting point for the achievement of 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 of the European Parliament and of the Council<sup>1a</sup>.</u> <u>It</u> sets out a new growth strategy that aims to transform the Union into a fair and prosperous society,</p>	<p>(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</p>	<p><b>COUNCIL:</b></p> <p>EP amendment in principle acceptable. To be aligned with solution on similar amendment in the ETS directive (for which Commission to look at exact wording, it should reflect faithfully ECL/EGD language). Work on streamlining the language on just transition and social impact in this row as well as row 14, 16.</p>

	Commission Proposal	EP Mandate	Council Mandate	Comments/suggestions
	<p>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.</p>	<p>with a modern, resource-efficient and competitive economy, <del>where economic growth is decoupled from resource use</del> <u>while leaving no one behind in a just transition that also addresses energy poverty</u>. 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. <del>At the same time, this transition affects women and men</del> <u>This transition affects workers from various sectors and each gender</u> differently and has a particular impact on some disadvantaged <u>and vulnerable</u> groups, such as older people, persons with disabilities <del>and</del>, persons with a minority racial or ethnic background <u>and low and lower-middle income individuals and households. It also imposes greater challenges on certain regions, in particular structurally disadvantaged and peripheral regions, as well as islands</u>. It must therefore be ensured that the transition is just and inclusive, <del>leaving no one behind</del>.</p>	<p>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.</p>	

	Commission Proposal	EP Mandate	Council Mandate	Comments/suggestions
		<p><u><a href="#">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).</a></u></p>		
Recital 4				
14	<p>(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<sup>1</sup>.</p>	<p>(4) The necessity and value of <del>the</del> <u>a well-implemented</u> 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 <u>in a manner that is just and results in no one being left behind, including those at risk of energy poverty.</u> –European citizens</p>	<p>(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<sup>1</sup>.</p>	<p><b>COUNCIL:</b></p> <p>To be aligned with solution on similar EP amendment in ETS directive, in the context of EGD; suggests to refer to "delivering on" or "well-delivered" instead of 'well-implemented'.</p>

	Commission Proposal	EP Mandate	Council Mandate	Comments/suggestions
	<p>_____</p> <p>1. Special Eurobarometer 513 on Climate Change, 2021 (<a href="https://ec.europa.eu/clima/citizens/support_en">https://ec.europa.eu/clima/citizens/support_en</a>).</p>	<p>continue to express strong views that this applies in particular to climate change<sup>1</sup>.</p> <p>_____</p> <p>1. Special Eurobarometer 513 on Climate Change, 2021 (<a href="https://ec.europa.eu/clima/citizens/support_en">https://ec.europa.eu/clima/citizens/support_en</a>).</p>	<p>_____</p> <p>1. Special Eurobarometer 513 on Climate Change, 2021 (<a href="https://ec.europa.eu/clima/citizens/support_en">https://ec.europa.eu/clima/citizens/support_en</a>).</p>	
Recital 4a				
14a		<p><u>(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.</u></p>		<p><b>COUNCIL:</b></p> <p>EP amendment not acceptable – out of scope and also not included as such by the EP in the general recitals of the ETS directive.</p>

	Commission Proposal	EP Mandate	Council Mandate	Comments/suggestions
Recital 5				
15	<p>(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<sup>1</sup>.</p> <p>1.  <a href="https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/European%20Union%20First/EU_NDC_Submission_December%202020.pdf">https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/European %20Union %20First/EU_NDC_Submission_December %202020.pdf</a></p>	<p>(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<sup>1</sup>.</p> <p>1.  <a href="https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/European%20Union%20First/EU_NDC_Submission_December%202020.pdf">https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/European %20Union %20First/EU_NDC_Submission_December %202020.pdf</a></p>	<p>(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<sup>1</sup>.</p> <p>1.  <a href="https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/European%20Union%20First/EU_NDC_Submission_December%202020.pdf">https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/European %20Union %20First/EU_NDC_Submission_December %202020.pdf</a></p>	
Recital 6				
16	<p>(6) In Regulation (EU) 2021/1119 of the European Parliament and of the Council<sup>1</sup> the Union has enshrined the target of economy-wide climate neutrality by 2050 in</p>	<p>(6) In Regulation (EU) 2021/1119 <del>of the European Parliament and of the Council<sup>1</sup></del> the Union has enshrined <u>in legislation</u> the target of economy-wide climate</p>	<p>(6) In Regulation (EU) 2021/1119 of the European Parliament and of the Council<sup>1</sup> the Union has enshrined the target of economy-wide climate neutrality by 2050 in</p>	<p><b>COUNCIL:</b></p> <p>EP amendment acceptable in</p>

	Commission Proposal	EP Mandate	Council Mandate	Comments/suggestions
	<p>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.</p> <p>_____</p> <p>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).</p>	<p>neutrality by 2050, <u>at the latest, and the aim to achieve negative emissions thereafter in legislation.</u> 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.</p> <p><u>This should be carried out as a just transition where no one is left behind.</u></p> <p>_____</p> <p><del>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).</del></p>	<p>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.</p> <p>_____</p> <p>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).</p>	<p>principle to the extent that it is kept in line with ECL.</p>
Recital 7				
17	<p>(7) All sectors of the economy need to contribute to achieving those emission reductions. Therefore, the ambition of the EU</p>	<p>(7) All sectors of the economy need to contribute to achieving those emission reductions. Therefore, the ambition of the EU</p>	<p>(7) All sectors of the economy need to contribute to achieving those emission reductions. Therefore, the ambition of the EU</p>	<p>COUNCIL:</p>



	Commission Proposal	EP Mandate	Council Mandate	Comments/suggestions
	<p>Emissions Trading System (EU ETS), established by Directive 2003/87/EC of the European Parliament and of the Council<sup>1</sup>, should be adjusted to be in line with the economy-wide net greenhouse gas emissions reduction commitment for 2030.</p> <p>_____</p> <p>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).</p>	<p>Emissions Trading System (EU ETS), established by Directive 2003/87/EC of the European Parliament and of the Council<sup>1</sup>, should be adjusted to be in line with the economy-wide net greenhouse gas emissions reduction commitment for 2030, <u>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.</u></p> <p>_____</p> <p>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).</p>	<p>Emissions Trading System (EU ETS), established by Directive 2003/87/EC of the European Parliament and of the Council<sup>1</sup>, should be adjusted to be in line with the economy-wide net greenhouse gas emissions reduction commitment for 2030.</p> <p>_____</p> <p>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).</p>	<p>EP amendment acceptable if insert after 2030 "and be in line with" - as also suggested in corresponding recital in ETS directive.</p>
Recital 8				
18	(8) In order to address the	(8) In order to address the	(8) In order to address the	

	Commission Proposal	EP Mandate	Council Mandate	Comments/suggestions
	<p>structural imbalance between supply and demand of allowances in the market, Decision (EU) 2015/1814 of the European Parliament and of the Council<sup>1</sup> established a market stability reserve (the ‘reserve’) in 2018, which has been operational since 2019.</p> <p>_____</p> <p>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).</p>	<p>structural imbalance between supply and demand of allowances in the market, <u>which weakened the EU ETS through lower carbon prices, thus preventing the EU ETS from providing strong incentives for emissions reduction.</u></p> <p>Decision (EU) 2015/1814 of the European Parliament and of the Council<sup>1</sup> established a market stability reserve (the ‘reserve’) in 2018, which has been operational since 2019. <u>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.</u></p>	<p>structural imbalance between supply and demand of allowances in the market, Decision (EU) 2015/1814 of the European Parliament and of the Council<sup>1</sup> established a market stability reserve (the ‘reserve’) in 2018, which has been operational since 2019.</p> <p>_____</p> <p>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).</p>	<p>COUNCIL: Open to consider parts of the EP amendment, provided further work on streamlined text.</p>

	Commission Proposal	EP Mandate	Council Mandate	Comments/suggestions
		<p><u>Therefore, and without prejudice to further revisions of the reserve as part of the general revision of 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.</u></p> <p>_____</p> <p>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).</p>		
Recital 8a				
18a		<p><u>(8a) A robust and forward-looking reserve is essential to ensure the integrity of and effectively steer the EU ETS in</u></p>		COUNCIL:

	Commission Proposal	EP Mandate	Council Mandate	Comments/suggestions
		<p><u>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.</u></p>		<p>See under row 18, but sceptical towards parts of the EP amendment on market stability reserve aligned with goals of Paris Agreement (going too far beyond scope and purpose of MSR).</p>
Recital 9				
19	(9) The reserve functions by triggering adjustments to the annual volumes of allowances to	(9) The reserve functions by triggering adjustments to the annual volumes of allowances to	(9) The reserve functions by triggering adjustments to the annual volumes of allowances to	

	Commission Proposal	EP Mandate	Council Mandate	Comments/suggestions
	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.	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.	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 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.	(10) <u>Currently</u> , 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.	(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.	COUNCIL: EP amendment deemed unnecessary.

	Commission Proposal	EP Mandate	Council Mandate	Comments/suggestions
Recital 11				
21	<p>(11) Directive (EU) 2018/410 of the European Parliament and of the Council<sup>1</sup> 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.</p> <p>_____</p> <p>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).</p>	<p>(11) Directive (EU) 2018/410 of the European Parliament and of the Council<sup>1</sup> 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, <u>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.</u></p> <p>_____</p> <p>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</p>	<p>(11) Directive (EU) 2018/410 of the European Parliament and of the Council<sup>1</sup> 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.</p> <p>_____</p> <p>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).</p>	<p><b>COUNCIL:</b></p> <p>Open to consider second part of the EP amendment.</p>

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		(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	(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	(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	

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	for the total number of allowances in circulation and the number of allowances to be released from the reserve.	for the total number of allowances in circulation and the number of allowances to be released from the reserve.	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. <del>Therefore, after 2023 the percentage figure should continue</del> <u>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</u>	(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.	COUNCIL: maintains position.



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		<p><u>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.</u> <del>to be 24 %, and the minimum number of allowances to be placed in the reserve should also continue to be 200 million.</del></p>		
Recital 15				
25	<p>(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</p>	<p>(15) <del>If the rate of the total number of allowances in circulation to be placed in the reserve each year reverts to 12</del> <u>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</u></p>	<p>(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</p>	<p>COUNCIL: maintains position.</p>

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	Trading System in line with the Union's increased climate ambition for 2030 to ensure market predictability.	<u>million. This</u> should be <del>established</del> <u>done</u> 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 <u>its timely entry into force, and thereby provide</u> market predictability <u>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 reserve, as part of the general revision of Directive 2003/87/EC and Decision (EU) 2015/1814 taking place in 2022.</u>	Trading System in line with the Union's increased climate ambition for 2030 to ensure market predictability.	
Recital 15a				
25a		<u>(15a) The rate of 24 % after 2023 should be established separately from the general review of</u>		COUNCIL: EP amendment not

	Commission Proposal	EP Mandate	Council Mandate	Comments/suggestions
		<u><a href="#">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.</a></u>		acceptable.
Recital 15b				
25b		<u><a href="#">(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</a></u>		COUNCIL:  Open to consider EP amendment subject to verification that possible compromise wording is aligned with usual language on subsidiarity and proportionality.

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		<u>to achieve that objective.</u>		
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)	Article 1 Amendments to Decision (EU)	Article 1 Amendments to Decision (EU)	

	Commission Proposal	EP Mandate	Council Mandate	Comments/suggestions
	2015/1814	2015/1814	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	<p>‘</p> <p>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.</p> <p>’</p>	<p>‘</p> <p>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.</p> <p>’</p>	<p>‘</p> <p>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.</p> <p>’</p>	

	Commission Proposal	EP Mandate	Council Mandate	Comments/suggestions
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	

	Commission Proposal	EP Mandate	Council Mandate	Comments/suggestions
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	