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**COMMENTS ON THE LIST OF INSTALLATIONS FOR THE 2008-2012  
PERIOD IN GERMANY AS OF NOVEMBER 30<sup>TH</sup> 2009**

## Imprint

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## CHANGES TO THE NAP

Prior to the second trading period, every country participating in the European Emissions Trading Scheme compiled its National Allocation Plan, which was to be approved by the European Commission. It contains, among other things, the allocation rules, the overall supply of emission allowances for the period in question as well as a list of installations subject to emissions trading, including the number of their allowances for the allocation period. Some changes in the allocations for individual installations may occur in the course of the allocation period.

This could be due to the following causes:

- Changes in the allocation to an existing installation due to an appeal, court proceedings or a modification
- Supplementary allocation for the capacity extension of an installation or for a new entrant
- Revocation of an allocation due to plant closures or capacity reduction below the threshold (discontinuation of emissions trading obligations)
- Changes in the allocation due to the splitting or merging of installations
- Cancelling notices because it has been retrospectively established that the installation is not subject to emissions trading during the trading period (installations never subject to emissions trading)
- Allocations for installations that, although subject to emissions trading from the beginning of the allocation period, had not been allocated emission allowances (retrospectively existing installations).

These changes of allocations have been decided by DEHSt. Updates are sent to the EU Commission (COM) at regular intervals. Once COM has agreed to the changes to the NAP, the additionally approved allocations can be issued and the NAP lists at CITL updated. The whole procedure from the collection of several allocation changes to the COM review and the final update can take several weeks.

Since September 2009, an automatic NAP update option is available where the desired NAP changes can be uploaded directly into CITL. The updates undergo some technical and logical checks before they are shown on the CITL registry. The automatic NAP update can be used for allocation changes due to additional allocations, capacity extensions, new entrants, plant closures and discontinuation of emissions trading obligations. Other NAP changes must still be reported in the conventional way.

NAP changes lead to a reassessment of the overall budget and the reserve, as allocations may vary in their effect on these figures.

Changes to the overall budget are caused by “installations never subject to emissions trading” and “retrospectively existing installations”. Allowances that had already been issued must be deleted and thus decrease the budget, whereas allocations for installations that only retrospectively join emissions trading may be generated retrospectively, increasing the budget. These changes do not affect the reserve.

All other allocation changes regarding existing installations as well as capacity extensions and new entrants are balanced from the reserve, which increases or decreases accordingly. The overall budget remains unaffected. However, reduced allocations are recorded differently in CITL on the installation side. The number of allocations issued at the beginning of the allocation period is not modified on the publicly accessible list for the past years. Thus, there may be discrepancies between the list publicised there and CITL records (see also p. 6).

## THE 2012 LIST OF INSTALLATIONS, AS OF 30/11/2009

### Overview of Allocation Changes

Several NAP changes were accepted by the EU Commission and confirmed in CITL by November 30th 2009. Out of these, three changes followed the conventional procedure, while three were automatic NAP updates.

30/11/2009 was the cut-off date, at which 1667 installations were subject to emissions trading. Ten installations were added, whereas according to the most recent data, eight installations are no longer subject to emissions trading during the second trading period.

Overall, there were changes made for 104 installations. The table shows the categories of cases and the number of installations affected with their designation in the installation list.

Table 1: Overview of Allocation Changes

Changes in the 2nd TP	Designation in the Installation List	Number of Installations
No changes		1571
Added	New entrant	10
Allocation changes during the 2nd TP	Capacity extension	40
	Plant closure	3
	Discontinuation of ET obligations	1
	Allocation change	39
	Allocation change, capacity extension	2
	Allocation change/merger	1
Retrospectively not subject to emissions trading during the second TP	Cancellation	1
	Cancellation/merger	5
	Discontinuation of ET obligations before 2nd TP	2
Total		1675

Thus, the overall German budget (CAP) amounts to 2,258,853,485 emission allowances (EUAs) after these changes. It was diminished by the number of allocations for those installations that were given a cancellation notice (441,545 EUAs). The number of allowances allocated to installations that were merged were transferred to the installation that continues to exist.

The reserve is shown in two sections at the bottom of the installation list. The reserve for new installations amounts to 104,656,204 emission allowances, and the total number of allowances for auctioning during the trading period, a further 200,000,000 EUAs.

### Differences between DEHSt and CITL Representations

The list of installations shown here shows the annual allocations, based on DEHSt allocation notices. In CITL, however, allocations that could not be issued the previous year are offset against the allocations of the following year. Thus, CITL is unable to show returned allocations, and the comparison of allocation quantities for individual years is open to misinterpretation (e.g. comparison between allocations and VET for 2008).

The following theoretical example highlights the differences: At the beginning of 2008, an installation was given an annual allocation of 100,000 emission allowances (EUAs). Following an appeal in 2009, the annual allocation is reduced to 75,000 EUAs. When the decision was taken, allocations for 2008 and 2009 had already been issued. Accordingly, DEHSt offsets the surplus of 2008 and 2009 (50,000 EUAs) against the allowances issued for the following year. The reserve is increased by 125,000 EUAs. This is reproduced by CITL and DEHSt as follows:

	Example of Recording a Reduced Allocation					
Representation	2008	2009	2010	2011	2012	Total
DEHSt	75.000 EUAs	75.000 EUAs	75.000 EUAs	75.000 EUAs	75.000 EUAs	375.000 EUAs
CITL	100.000 EUAs	100.000 EUAs	25.000 EUAs	75.000 EUAs	75.000 EUAs	375.000 EUAs

When installations are decommissioned during the trading period, DEHSt will reclaim the relevant proportion of emission allowances for the year of decommissioning. The allocation is adapted accordingly in the DEHSt table. This cannot be shown in the CITL table:

	Example of Recording the Decommissioning of an Installation in Mid-2009					
Representation	2008	2009	2010	2011	2012	Total
DEHSt	100.000 EUAs	50.000 EUAs	0 EUAs	0 EUAs	0 EUAs	150.000 EUAs
CITL	100.000 EUAs	100.000 EUAs	0 EUAs	0 EUAs	0 EUAs	200.000 EUAs

Thus, the allocation shown in CITL for 2009 deviates from the actual allocation issued by DEHSt by 50,000 EUAs, and the 50,000 do not figure in the reserve in the CITL record.