



15/02/2022

**AMENDMENTS: 7**

**Peter Liese**

Amending Directive 2003/87/EC establishing a system for greenhouse gas emission allowance trading within the Union, Decision (EU) 2015/1814 concerning the establishment and operation of a market stability reserve for the Union greenhouse gas emission trading scheme and Regulation (EU) 2015/757

**Proposal for a directive** COM(2021)0551 - C9-0318/2021 – 2021/0211(COD)

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## Amendment 6

Peter Liese

### Proposal for a directive

#### Recital 42 a (new)

*Text proposed by the Commission*

*Amendment*

***(42 a) The increasing energy prices are a big concern for citizens, especially low-income families, and industry, especially SMEs. The main cause of rising energy prices is our dependency on fossil fuel imports. That is why the Fit for 55 Package will, in the future, avoid such constraints. In addition to that, the ETS should also be better designed to mitigate the minor part of the problem that is linked to the volatility of ETS market prices.***

Or. en

## Amendment 7

Peter Liese

### Proposal for a directive

#### Recital 42 b (new)

*Text proposed by the Commission*

*Amendment*

***(42 b) Unexpected or sudden market volatility or excessive price shocks on the EUA carbon market, for example, as a result of sudden changes in market behaviour or excessive speculation, negatively affect market predictability and the stable investment climate which is essential for the planning of decarbonization and innovation investments. Therefore, the measures in the event of excessive price fluctuations will be strengthened in a targeted manner to improve the assessment of and reaction to unwarranted price evolutions. These***

*targeted improvements should continue to ensure the proper functioning of the carbon markets, including the role of intermediaries and financial actors in providing liquidity to the market and market access for compliance actors, notably SMEs, while avoiding unexpected or sudden volatility or price shocks.*

Or. en

**Amendment 8**  
**Peter Liese**

**Proposal for a directive**  
**Recital 42 c (new)**

*Text proposed by the Commission*

*Amendment*

*(42 c) The European Securities and Markets Authority (ESMA) is preparing an assessment of carbon market integrity and transparency, expected to be published by the end of March 2022. This report should be followed, as soon as possible, by a legislative proposal by the Commission to introduce a transparency mechanism for the European carbon markets. However, to continuously monitor market integrity and transparency and guide any rapid potential action, the European Securities and Markets Authority (ESMA) should annually assess and report on the market integrity and transparency of the market and, where relevant, issue further recommendations for targeted improvements. This annual assessment should in particular examine market volatility and price evolution, the operation of the auctions and trading operations on the market, liquidity and the volumes traded, and the categories and trading behaviour of market participants. Targeted improvements could, for example, include a modification of the reporting of positions held by*

*different categories of participants and penalty mechanisms for market abuse as set out in Regulation(EU) No 596/2014 [Market Abuse Regulation], for example through a fluctuating penalty based on the previous year's average auction price, the non-delivery of allowances, the adjustment of the quantity of subsequent auctions, or a combination thereof. The recommendations should be assessed in the Commission report pursuant to paragraph 5 which may be accompanied, where appropriate, by a legislative proposal by the Commission to improve integrity and transparency of the European carbon markets.*

Or. en

**Amendment 15**  
**Peter Liese**

**Proposal for a directive**

**Article 1 – paragraph 1 – point 11 – point d a (new)**

Directive 2003/87/EU

Article 10 – paragraph 6 (new)

*Text proposed by the Commission*

*Amendment*

*(d a) the following paragraph 6 is added:*

*Following the first European Securities and Markets Authority (ESMA) assessment of carbon market integrity and transparency to be published by the end of March 2022, the Commission shall, where appropriate, present as soon as possible a legislative proposal to introduce a transparency mechanism for the European carbon markets.*

Or. en

*Justification*

*High carbon prices have led to concerns over the role and behaviour of certain market actors, notably the potential for speculation by financial intermediaries. Although no market*

*manipulation could be detected so far, the integrity of the EU carbon market should be safeguarded and the transparency improved. Any intervention should avoid price shocks or sudden volatility and ensure the proper functioning of the EUA markets.*

## **Amendment 16**

**Peter Liese**

### **Proposal for a directive**

#### **Article 1 – paragraph 1 – point 11 – point d b (new)**

Directive 2003/87/EU

Article 10 – paragraph 6 (new)

*Text proposed by the Commission*

*Amendment*

***(d b) The European Securities and Markets Authority (ESMA) shall regularly monitor the market integrity and transparency of the European carbon market. Each year, it shall produce a public report on the market integrity and transparency of the market, in particular examining the functioning of the market in light of any market volatility and price evolution, the operation of the auctions and trading operations on the market, liquidity and the volumes traded, and the categories and trading behaviour of market participants. Where relevant, this report shall include recommendations to strengthen market integrity and transparency. These recommendations shall, in particular, consider targeted revisions of the measures in the event of excessive price fluctuations or a modification of the penalty mechanisms, for example through a fluctuating penalty based on the previous year's average auction price, the non-delivery of allowances, the adjustment of the quantity of subsequent auctions, or a combination thereof. These recommendations shall be assessed in the Commission report pursuant to paragraph 5 which shall be accompanied, where appropriate, by a legislative proposal by the Commission to***

*improve the transparency and integrity of the European carbon market pursuant to Article 29.*

Or. en

*Justification*

*High carbon prices have led to concerns over the role and behaviour of certain market actors, notably the potential for speculation by financial intermediaries. Although no market manipulation could be detected so far, the integrity of the EU carbon market should be safeguarded and the transparency improved. Any intervention should avoid price shocks or sudden volatility and ensure the proper functioning of the EUA markets.*

**Amendment 22**  
**Peter Liese**

**Proposal for a directive**  
**Article 1 – paragraph 1 – point 19 a (new)**  
Directive 2007/87/EU  
Article 29a – paragraph 1

*Present text*

*Amendment*

Article 29a

Measures in the event of excessive price fluctuations

1. If, for more than six consecutive months, the allowance price is more than **three** times the average price of allowances during the two preceding years on the European carbon market, the Commission shall immediately convene a meeting of the Committee established by Article 9 of Decision *No 280/2004/EC*.

2. If the price evolution referred to in paragraph 1 does not correspond to changing market fundamentals, one of the following measures **may be adopted**, taking into account the degree of price

***(19 a) Article 29a is amended in the following way:***

"Article 29a

Measures in the event of excessive price fluctuations

1. If, for more than six consecutive months, the **average** allowance price is more than **two** times the average price of allowances during the two preceding years on the European carbon market, the Commission shall **release 100 million allowances covered by this Chapter from the Market Stability Reserve in accordance with Article 1(7) of Decision (EU) 2015/1814 over a period of six months.**

***1a. If, after the period of six months referred to in paragraph 1, the condition in paragraph 1 is still met, the Commission shall immediately convene a meeting of the Committee established by***

evolution:

(a) a measure which allows Member States to bring forward the auctioning of a part of the quantity to be auctioned;

(b) a measure which allows Member States to auction up to 25 % of the remaining allowances in the new entrants reserve.

Those measures shall be adopted in accordance with the management procedure referred to in Article 23(4).

3. Any measure shall take utmost account of the reports submitted by the Commission to the European Parliament and to the Council pursuant to Article 29, as well as any other relevant information provided by Member States.

4. The arrangements for the application of these provisions shall be laid down in the acts referred to in Article 10(4).

Article 9 of Decision *No280/2004/EC to assess if the price evolution referred to in paragraph 1 corresponds to changing market fundamentals.*

2. If the price evolution referred to in paragraph 1 does not correspond to changing market fundamentals, *as a matter of urgency*, one of the following measures *shall be taken*, taking into account the degree of price evolution:

(a) a measure which allows Member States to bring forward the auctioning of a part of the quantity to be auctioned;

(b) a measure which allows Member States to auction up to 25 % of the remaining allowances in the new entrants reserve.

Those measures shall be adopted in accordance with the management procedure referred to in Article 23(4).

3. Any measure shall take utmost account of the reports submitted by the Commission to the European Parliament and to the Council pursuant to Article 29, as well as any other relevant information provided by Member States.

**4. The arrangements for the application of these provisions shall be laid down in the acts referred to in Article 10(4).**

"

Or. en

<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02003L0087-20210101>

#### *Justification*

*High carbon prices have led to concerns regarding excessive price increases and market volatility. Any intervention, however, should avoid price shocks or sudden volatility and ensure the proper functioning of the EUA markets. Therefore, the Rapporteur suggests a moderately faster triggering of Art. 29a with a two-step approach. First, 100 million allowances should be released from the MSR. If the excessive price increase is not solved, the currently applicable procedure shall be followed and additional measures should be taken on top of the release of*

100 million allowances.

## Amendment 27

Peter Liese

### Proposal for a directive

#### Article 2 – paragraph 1 – point 1 – point c a (new)

Decision 2015/1814/EU

Article 1 – paragraph 7

#### *Present text*

7. In any year, if paragraph 6 of this Article is not applicable and measures are adopted under Article 29a of Directive 2003/87/EC, 100 million allowances shall be released from the reserve and added to the volume of allowances to be auctioned by the Member States under Article 10(2) of Directive 2003/87/EC. Where fewer than 100 million allowances are in the reserve, all allowances in the reserve shall be released under this paragraph.

#### *Amendment*

**(c a)** "7. In any year, if paragraph 6 of this Article is not applicable and measures are adopted under Article 29a, **paragraph 1** of Directive 2003/87/EC, 100 million allowances shall be released from the reserve and added to the volume of allowances to be auctioned by the Member States under Article 10(2) of Directive 2003/87/EC. Where fewer than 100 million allowances are in the reserve, all allowances in the reserve shall be released under this paragraph.

"

Or. en

*(<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02015D1814-20180408&qid=1644861141149>)*

#### *Justification*

*Technical alignment with Amendment on Article 29a.*