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AUCTIONS BY THE TRANSITIONAL COMMON AUCTION PLATFORM

The world's largest auctioning of emissions allowances

March 2016

Auctions by the *Transitional Common Auction Platform*

March 2016

Auction platform: European Energy Exchange (EEX)

Auction dates/reporting period:

General Allowances:

1, 2(PL)¹, 3, 7, 8, 10, 14, 15, 17, 21, 22, 24, 29, 30(PL)¹, 31 March 2016;

Aviation Allowances:

16 March 2016

Auctioning is the default method of allocating allowances within the EU emissions trading system (EU ETS). Since the start of the *Third trading period* in 2013 over 2 billion allowances allocated under the EU ETS have been auctioned. Auctioning of emission allowances at that scale is unprecedented and delivers valuable experience for auction design in other carbon markets and for other environmental assets.

Auctioning is the most transparent and efficient method of allocating allowances and puts into practice the principle that the polluter should pay.

The auctions are conducted pursuant to the modalities stipulated in the *Auctioning Regulation*. Two auction platforms are in place. The European Energy Exchange (EEX) in Leipzig is the common platform for the large majority of countries participating in the EU ETS. EEX also acts as Germany's auction platform. The second auction platform is ICE Futures Europe (ICE) in London, which acts as the United Kingdom's platform. Poland may appoint an opt-out auction platform but is using for the time being the common auction platform.

The numbers of *General Allowances* to be auctioned by each State on behalf of which they are auctioned are determined on the basis of their historical share of emissions from installations covered by the EU ETS, taking into account the free allocation volumes. Up to 2020 ten per cent are allocated to the least wealthy EU Member States and the remaining two per cent is given as a 'Kyoto bonus' to nine EU Member States which by 2005 had reduced their greenhouse gas emissions by at least 20% of levels in their Kyoto Protocol base year or period.

At least half of auctioning revenues, or the equivalent in financial value, and all of the revenues from auctioning allowances to the aviation sector, should be used by the Member States to combat climate change in Europe or other countries.

For further information: http://ec.europa.eu/clima/policies/ets/cap/auctioning/index_en.htm

Editor's note: This report has been prepared by the Commission on behalf of the following Member States: Austria, Belgium, Bulgaria, Republic of Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden. The report complies with the requirement laid down in the fourth paragraph of Article 10(4) of the *ETS Directive*.

Methodology: The report is based on the reports submitted by EEX, on the discussions in regular meetings between the Commission, its advisors and EEX and on any further relevant information available to the Commission. The authors of the report did not actively verify EEX's compliance with the specific rules and provisions applicable under European or national law. EEX has supplied the data used in this report and been consulted before its publication, whereas the *participating Member States* have been consulted on its template.

For reasons of confidentiality and proper enforcement of the applicable rules, the report refers to reporting on the auctions held based on information provided by EEX. Any data not directly related to the auctions is based only on public reports.

Disclaimer: The authors have made every effort to ensure that the information provided is complete, correct and precise for the reporting period. Nevertheless, the report is based on limited information available to the authors in a market context where much information has to remain confidential. The authors did not actively verify the information. Therefore, the authors and the Member States on whose behalf this report was drafted deny any responsibility or liability whatsoever for its contents, regardless of the nature of such contents. Any reliance by any person or entity on the information provided in this report is solely at that person's or entity's own risk. Monthly averages provided are weighted by each auction's auction volume, unless otherwise indicated.

Glossary: terms and expressions written in *italics* are included in the glossary.

Executive summary

This report covers the auctioning of emission allowances in the period March 2016. In that period, EEX, in its capacity as the common auction platform, auctioned a total of 44 525 000 *general allowances* in 13 auctions for the *third trading period* and 683 500 *aviation allowances* in one auction on behalf of those EU Member States (*participating Member States*) that participate in the *Transitional Common Auction Platform (TCAP)*. During this period EEX also auctioned on behalf of Poland 7 052 000 *general allowances* in two auctions.

All auctions were held successfully and no irregularities or deviations from the requirements were observed. The table below contains a summary of the information concerning the conducted auctions.

The March 2016 auctions at a glance:

	<i>General Allowances March</i>	<i>Aviation Allowances March</i>
General		
Number of auctions	15	1
Total volume auctioned	51 577 000	683 500
Amount raised from the auctions (€)	251 299 820	3 376 490
Average Auction Clearing Price (€/allowance)	4.87	4.94
Total bid volume	117 768 000	2 625 500
Average <i>Cover ratio</i>	2.3	3.8
Participation		
Number of eligible bidders	70	70
Number of participating bidders ⁽¹⁾	35	8
Number of successful bidders ⁽¹⁾	31	3
Average number of bidders per auction	20.7	8.0
Average number of successful bidders per auction	14.8	3.0
Auction data		
Average total volume bid per bidder per auction	384 552	328 187
Average bid size (volume per bid)	105 729	79 561
Average volume won per bidder per auction	245 210	227 833
Average range of bids (€)	1. 57	1.33

(1): Number of unique individual bidders or unique successful bidders present in a whole month

Introduction

All the *participating Member States* were participating in the auctions as from January 2015.

In accordance with the second subparagraph of Article 30(7) of the *Auctioning Regulation*, pending the procurement, appointment and listing of its opt-out auction platform, Poland contracted EEX to auction its share of allowances to be auctioned. These auctions started on 16 September 2013. Due to the *Back-loading*, no auctions were held for Poland from April to December 2014, the auctions restarted in January 2015.

Accordingly, the present report includes data on the auctions performed by the common auction platform on behalf of the *participating Member States* and Poland.

The Member States of the European Free Trade Association (EFTA) that are Party to the European Economic Area (EEA)¹ have also stated their intention to make use of the *Transitional Common Auction Platform* by aggregating their volumes to those auctioned on behalf of the *participating Member States*. The preparations for this are on-going.

1. Results of the auctions

The total revenues from auctions of *general allowances* accrued to the *participating Member States* and Poland from the start of the *Third trading period* auctions (November 2012) to March 2016 are EUR 8 545 548 615. The total revenues from auctions of *aviation allowances* accrued to the *participating Member States* and Poland from the start of the *Third trading period* auctions (November 2012) to March 2016 are EUR 129 744 300. The revenues per each *participating Member State* in the reporting period as well as cumulative data are provided in Annex 1.

Information on *general allowances'* auctions is provided in section 1.1, and on *aviation allowances* in section 1.2 hereafter. Detailed information on the auctions held in the reporting period March 2016, including results per auction, is provided in Annex 2.

Please note that in all parts of this report monthly averages provided are weighted by each auction's auction volume, unless otherwise indicated.

¹ Iceland, Liechtenstein and Norway.

1.1. General allowances auctions

1.1.1. Clearing prices and participation - general allowances

An overview of the auction results for the *participating Member States* and Poland from March 2015 to March 2016 is provided in Table 1.

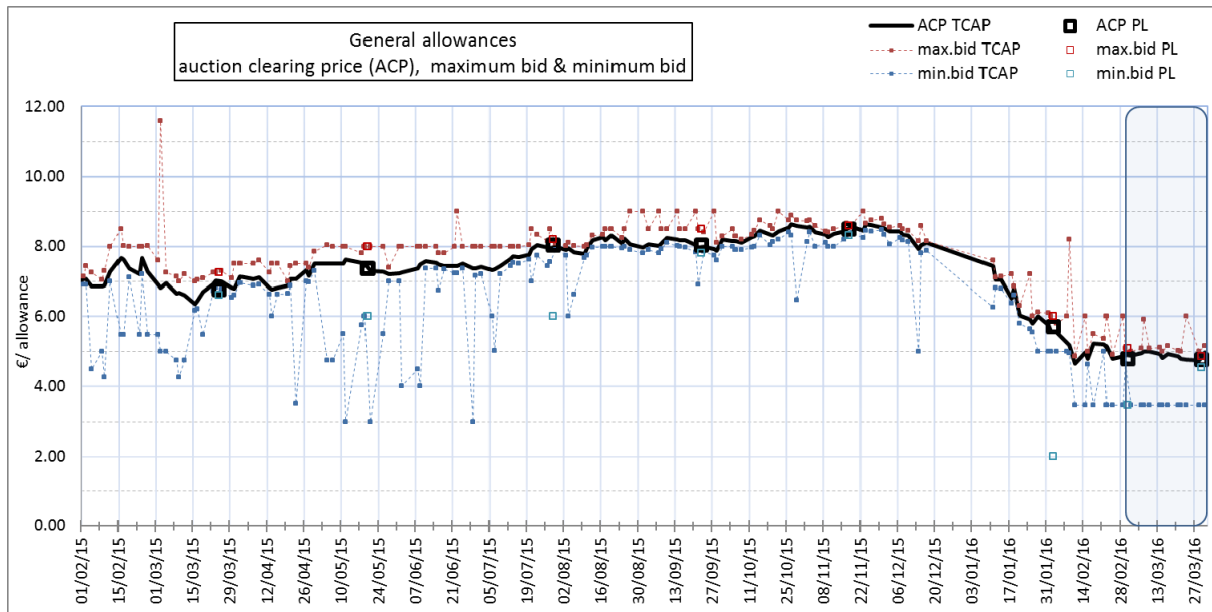
Table 1: General allowances - main statistics on the results of the auctions per month

Month	Total auction volume	Total bid volume	Total revenue (€)	Average Cover ratio ²	Average number of bidders	Average number of successful bidders	Average auction clearing price (€)
March 2016	51 577 000	117 768 000	251 299 820	2.3	20.7	14.8	4.87
February 2016	48 051 000	106 282 000	249 230 700	2.2	22.7	17.2	5.19
January 2016	30 825 000	74 934 000	200 910 500	2.4	21.6	14.1	6.52
December 2015	23 244 500	64 626 500	192 130 220	2.8	18.9	14.1	8.27
November 2015	40 789 500	130 488 000	346 009 805	3.2	19.6	13.1	8.48
October 2015	37 934 000	116 213 500	316 690 540	3.1	19.7	13.4	8.35
September 2015	40 788 000	126 790 000	328 635 840	3.1	18.7	14.3	8.06
August 2015	17 508 000	65 808 500	141 085 300	3.8	15.4	9.3	8.06
July 2015	40 788 000	114 643 000	315 388 760	2.8	16.5	11.9	7.73
June 2015	37 934 000	117 971 500	281 645 360	3.1	16.8	12.3	7.42
May 2015	29 116 000	101 910 000	216 422 620	3.5	17.8	13.8	7.43
April 2015	35 016 000	83 493 500	247 358 860	2.4	19.5	15.2	7.06
March 2015	43 706 000	155 841 500	295 627 000	3.6	19.2	13.5	6.76
2015 total	413 874 000	1 337 010 500	3 154 940 925	3.2	18.3	13.3	7.62
2014 total	335 052 000	1 796 711 000	1 977 712 120	5.4	17.6	11.9	5.90
2013 total	530 488 000	1 761 639 500	2 349 853 340	3.3	18.4	13.2	4.43

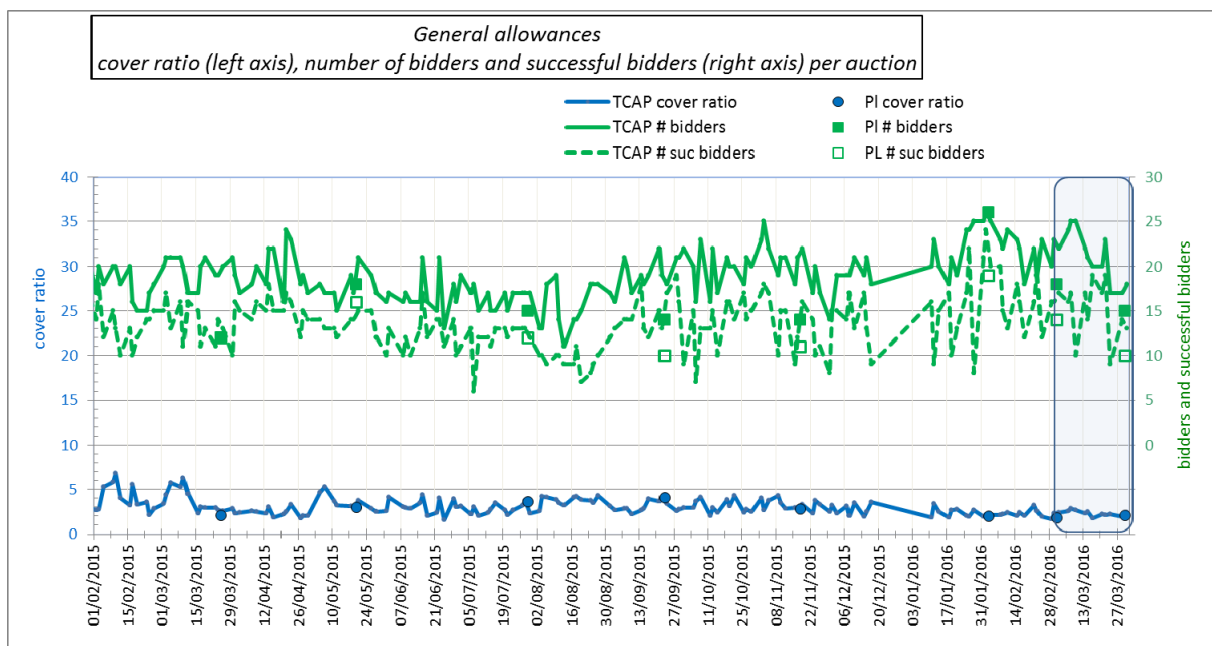
During March 2016, the difference between the Auction Clearing Prices and the mean of the *best-ask* and *best-bid* prices on the EEX *spot secondary market* for *general allowances* at the closure of the auction *bidding window* was on average EUR 0.01, and this difference had a standard deviation of EUR 0.06.

² Cover ratio is the ratio between the total bid volume and the auction volume.

Graph 1: General allowances - auction clearing price (ACP), maximum bid & minimum bid³



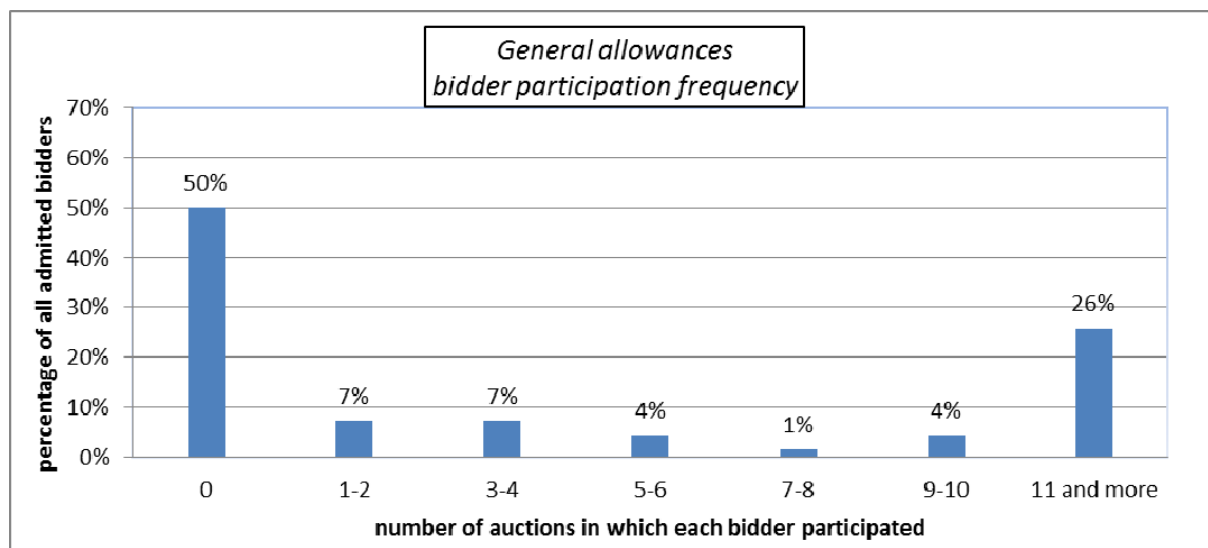
Graph 2: General allowances - cover ratio (left axis), number of bidders and successful bidders (right axis) per auction



There were 70 eligible bidders in March 2016. Out of these, 35 different bidders participated in the auctions in March 2016. Graph 3A indicates the participation frequency in March 2016.

³ Auctions on behalf of Poland were held on the following days: 28/1/2015, 25/3/2015, 20/5/2015, 29/7/2015, 23/9/2015, 18/11/2015, 3/2/2016, 2/3/2016 and 30/3/2016.

Graph 3A: General allowances -bidder participation frequency in March 2016



1.1.2. Bidding behaviour - general allowances

Table 2 provides monthly data on the bids submitted from March 2015 to March 2016. See also Graph 4.

Table 2: General Allowances - monthly statistics on the submitted bids

Month	Nr of auctions	Nr of bidders ⁽¹⁾	Total volume of bids	Average total volume bid per bidder per auction ⁴	Average total volume bid per bidder per auction over the month ⁵	standard deviation of total volume bid per bidder per auction over the month ⁶	Total monthly nr of bids	Average nr. of bids per bidder per auction ⁷	Average bid size ⁸
March 2016	15	35	117 768 000	384 552	379 897	457 186	1147	3.7 ⁺⁺	105 729
February 2016	14	30	106 282 000	338 333	334 220	461 502	1104	3.5 ⁺⁺	98 299
January 2016	9	32	74 394 000	386 086	383 474	547 998	692	3.6 ⁺⁺	110 917
December 2015	8	31	64 626 500	433 690	427 990	543 279	538	3.6 ⁺⁺	119 573
November 2015	14	30	130 488 000	483 238	476 234	628 078	923	3.4 ⁺⁺	142 930
October 2015	13	32	116 213 500	455 083	453 959	576 354	862	3.4 ⁺⁺	134 450
September 2015	14	30	126 790 000	492 634	483 931	641 235	917	3.5 ⁺⁺	138 422
August 2015	12	27	65 808 500	362 597	355 722	410 715	630	3.5 ⁺⁺	104 910
July 2015	14	29	114 643 000	498 144	496 290	590 569	932	4.1 ⁺⁺	122 445
June 2015	13	27	117 971 500	534 698	541 154	668 622	826	3.8 ⁺⁺	142 270
May 2015	10	29	101 910 000	576 652	572 528	1 126 584	619	3.5 ⁺⁺	170 179
April 2015	12	29	83 493 500	358 748	356 810	453 453	798	3.4 ⁺⁺	104 562
March 2015	15	29	155 841 500	539 041	541 116	997 195	1108	3.9 ⁺⁺	138 843

++: indicates simple average

(1): Number of unique individual bidders or unique successful bidders present in a whole month

⁴ Monthly weighted average of the average bid volume per bidder in each auction (total bid volume in each auction divided by number of bidders participating in that auction), weighted by volume auctioned in each auction.

⁵ Average over the whole month of the volume bid by bidders each time they are present in an auction (computed as total volume bid for the month / sum over whole month of number of bidders present in each auction).

⁶ Standard deviation of total volume bid per bidder in each auction over the month.

⁷ Monthly simple average of the average number of bids per bidder in each auction (total number of bids in each auction divided by number of bidders participating in that auction).

⁸ Monthly weighted average of the average bid size per bidder in each auction (total bid volume in each auction divided by number of bids in that auction), weighted by volume auctioned in each auction.

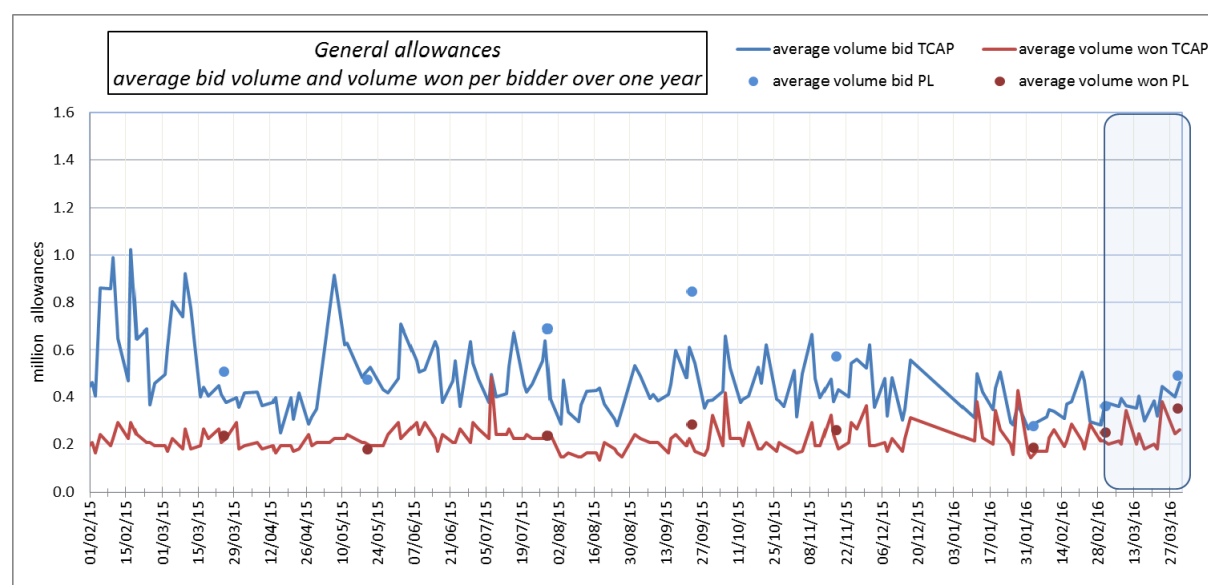
Table 3 provides monthly data on successful bids from March 2015 to March 2016. See also Graph 4.

Table 3: General Allowances - monthly statistics on successful bids

Month	Nr of auctions	Nr of successful bidders ⁽¹⁾	Total auction volume	Average volume won per bidder per auction ⁹	Average volume won per bidder per auction over the month ¹⁰	Standard deviation of volume won per bidder per auction over the month ¹¹	Total monthly nr of successful bids
March 2016	15	31	51 577 000	245 210	232 329	256 557	416
February 2015	14	27	48 051 000	207 756	199 382	213 657	468
January 2016	9	30	30 825 000	268 407	242 717	293 170	264
December 2015	8	29	23 244 500	212 431	205 704	218 453	219
November 2015	14	26	40 789 500	237 529	222 893	253 845	311
October 2015	13	26	37 934 000	232 204	218 011	244 823	302
September 2015	14	27	40 788 000	209 499	203 940	218 967	378
August 2015	12	23	17 508 000	158 449	156 321	187 135	173
July 2015	14	24	40 788 000	255 324	245 711	314 528	334
June 2015	13	24	37 934 000	243 436	237 088	345 804	284
May 2015	10	28	29 116 000	212 874	210 986	232 455	267
April 2015	12	26	35 016 000	194 267	192 396	224 960	305
March 2015	15	29	43 706 000	220 982	215 300	270 467	362

(1): Number of unique individual bidders or unique successful bidders present in a whole month

Graph 4: General allowances - average bid volume and volume won per bidder over one year¹²



⁹ Monthly weighted average of the average volume won per bidder in each auction (total volume won in each auction divided by the number of successful bidders in that auction), weighted by volume auctioned in each auction.

¹⁰ Average over the whole month of the volume won per bidder each time they are successful in an auction (computed as total volume auctioned for the month / sum over whole month of number of bidders successful in each auction).

¹¹ Standard deviation of volume won per bidder in each auction over the month.

¹² Auctions on behalf of Poland were held on the following days: 8/1/2014, 5/2/2014, 5/3/2014, 28/1/2015, 25/3/2015, 20/5/2015, 29/7/2015, 23/9/2015, 18/11/2015, 3/2/2016, 2/3/2016 and 30/3/2016.

1.1.3. Type of bidders - general allowances

In March 2016, almost all volume bid was done on own account, with 0.00% of the volume (no bids) submitted by intermediaries on behalf of a client. The shares in the total successful bid volume per bidder category are indicated in graph 5 and in table 4.

Graph 5: General allowances - distribution of successful won volume per bidder category over one year

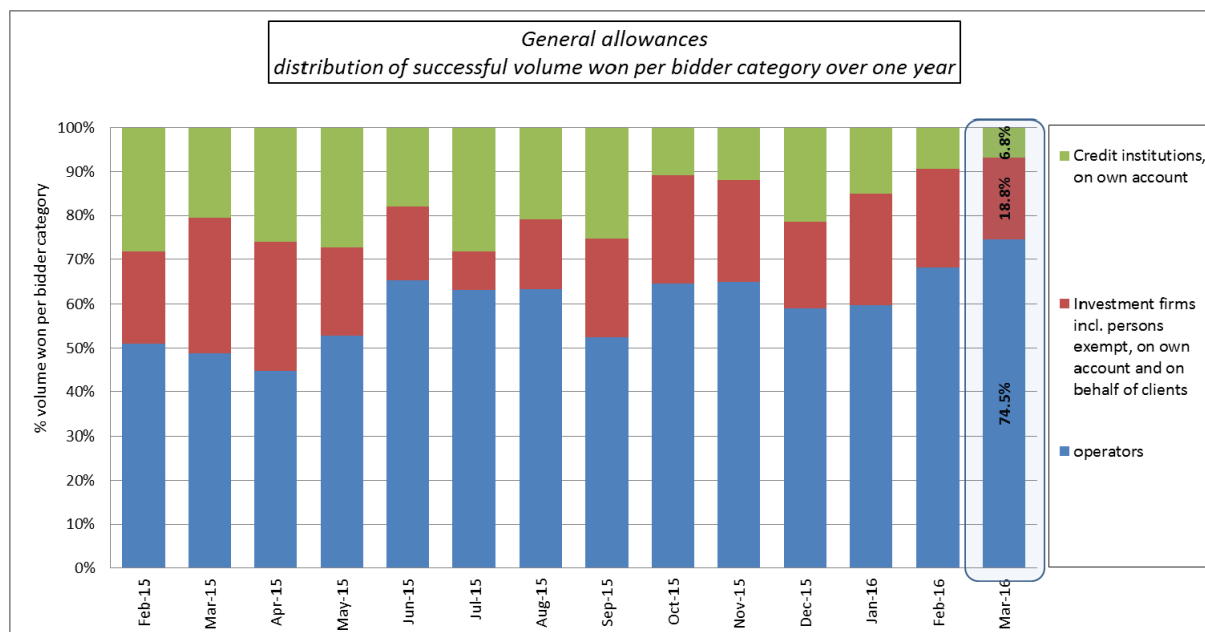


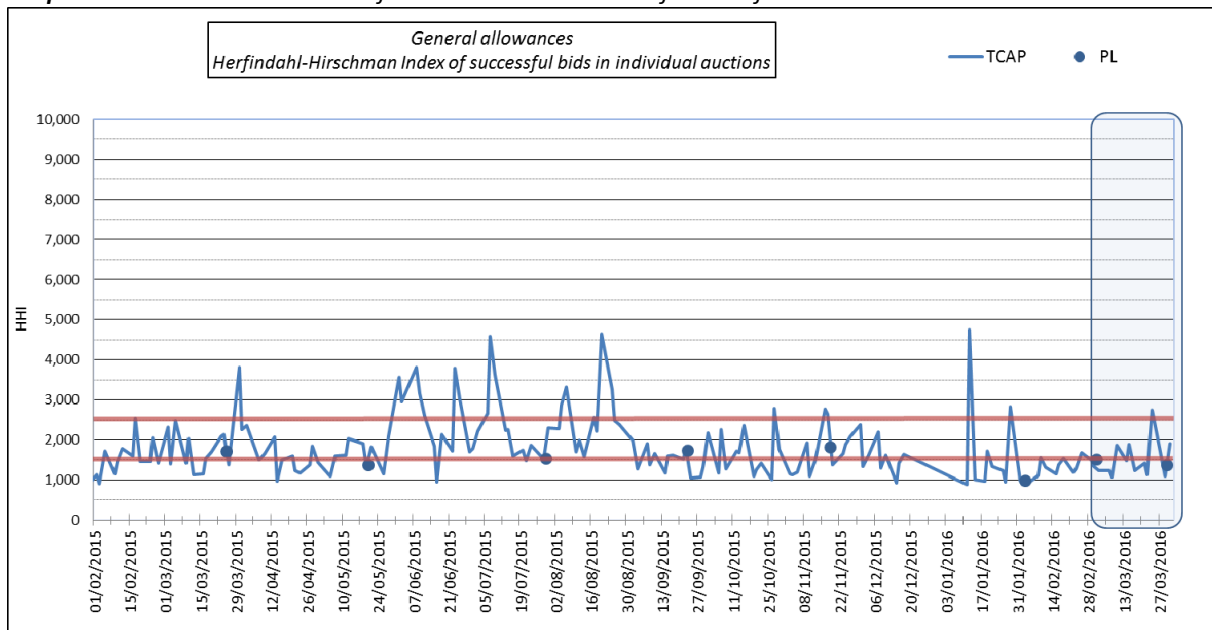
Table 4: General allowances – distribution of volume won per bidder category and their standard deviations

Month	% volume won coming from bidding on behalf of a client	Bidder category	% volume won	Standard deviation of % of volume won
March 2016	0.00%	Operators (including Business groupings)	74.5%	10.5 % points
		Investment firms (including persons exempt)	18.8%	10.0 % points
		Credit institutions	6.8%	3.8 % points

1.1.4. Concentration - general allowances

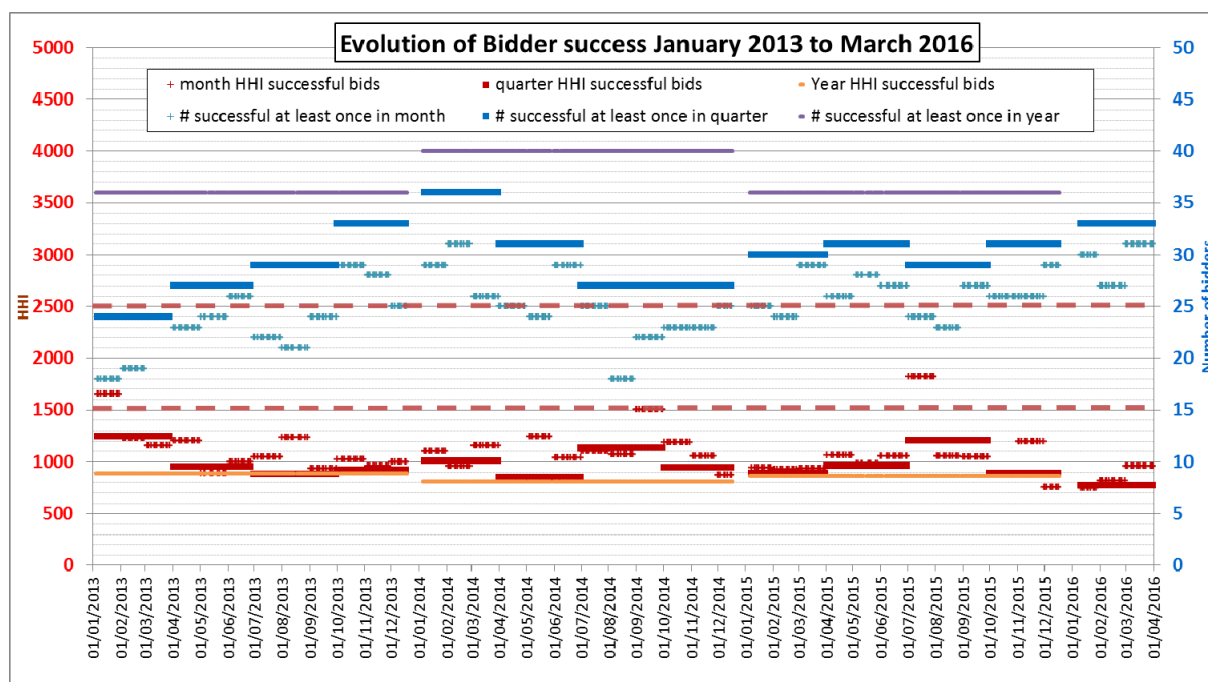
The Herfindahl-Hirschman Index (HHI) of successful bids is used to measure market concentration¹³. The HHI ranges from a value of 0 (perfect competition) to 10 000 (a single buyer). A common interpretation of the HHI is that a score below 1 500 is 'not-concentrated', between 1 500 and 2 500 is 'moderately concentrated,' and above 2 500 is 'highly concentrated' – these thresholds are indicated in Graphs 6 and 7. Graph 6 indicates the HHI of the individual auctions. Graph 7 indicates the monthly and quarterly HHI and successful bidder participation (number of bidders successful at least once in the period of interest) so as to show the variation over different periods, due to the turnover of participants in the auctions.

Graph 6: General allowances - Herfindahl-Hirschman Index of successful bids in individual auctions



¹³ The HHI is calculated as the sum of the squares of all successful bidders' shares (in % points) of the total auctioned volume over the period of interest.

Graph 7: General allowances - Herfindahl-Hirschman Index of successful bids and successful bidder participation at monthly, quarterly and yearly level



1.2 Aviation allowances auctions

The auctioning of *aviation allowances* restarted as of November 2014¹⁴. Pursuant to the published *auction calendar*, only *aviation allowances* for the calendar year 2012 were auctioned in 2014¹⁵; the *aviation allowances* for the calendar years 2013-2015 were auctioned in 2015, in accordance with the published 2015 *auction calendar*. Poland decided to aggregate the *aviation allowances* for the calendar years 2012 to 2015 in a single auction held in March 2015.

1.2.1 Clearing prices and participation – aviation allowances

An overview of the auction results from March 2015 to March 2016 is provided in Table 5.

Table 5: Aviation allowances – main statistics on the results of the auctions per month

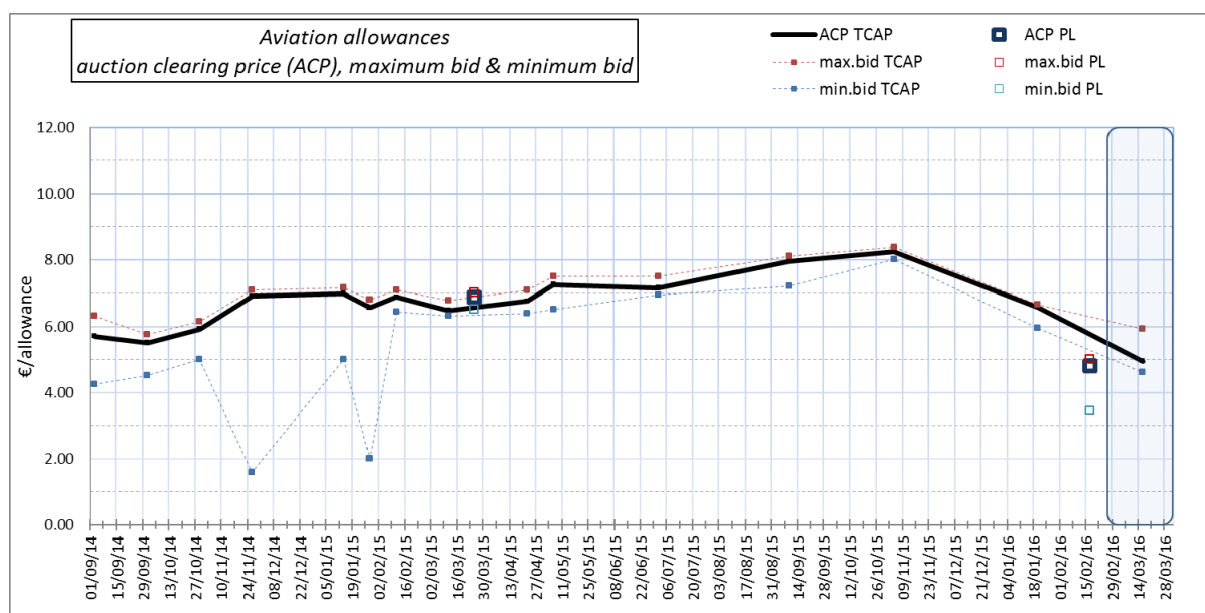
Month	Total auction volume	Total bid volume	Total revenue (€)	Average Cover ratio ¹⁶	Average number of bidders	Average number of successful bidders	Average auction clearing price (€)
March 2016	683 500	2 625 500	3 376 490	3.8	8.0	3.0	4.94
February 2016	120 000	1 663 000	576 000	13.9	12.0	2.0	4.80
January 2016	683 500	3 866 000	4 490 595	5.7	12.0	5.0	6.57
December 2015	-	-	-	-	-	-	-
November 2015	933 000	3 754 000	7 697 250	4.0	11.0	3.0	8.25
October 2015	-	-	-	-	-	-	-
September 2015	935 000	4 683 000	7 423 900	5.0	12.0	5.0	7.94
August 2015	-	-	-	-	-	-	-
July 2015	935 000	4 095 000	6 694 600	4.4	12.0	6.0	7.16
June 2015	-	-	-	-	-	-	-
May 2015	935 000	2 008 000	6 778 750	2.2	11.0	6.0	7.25
April 2015	1 493 500	3 475 500	10 081 125	2.3	11.0	11.0	6.75
March 2015	1 927 500	6 016 500	12 663 600	3.1	11.0	6.7	6.57
2015 total	11,641,000	39,026,000	81,846,705	3.4	11.0	7.5	7.03
2014 total	6 570 500	28 201 500	39 454 510	4.3	13.0	8.0	6.00

¹⁴ The auctions were suspended end 2012, see the Regulatory update published by the Commission on 16 November 2012 http://ec.europa.eu/clima/news/articles/news_2012111601_en.htm.

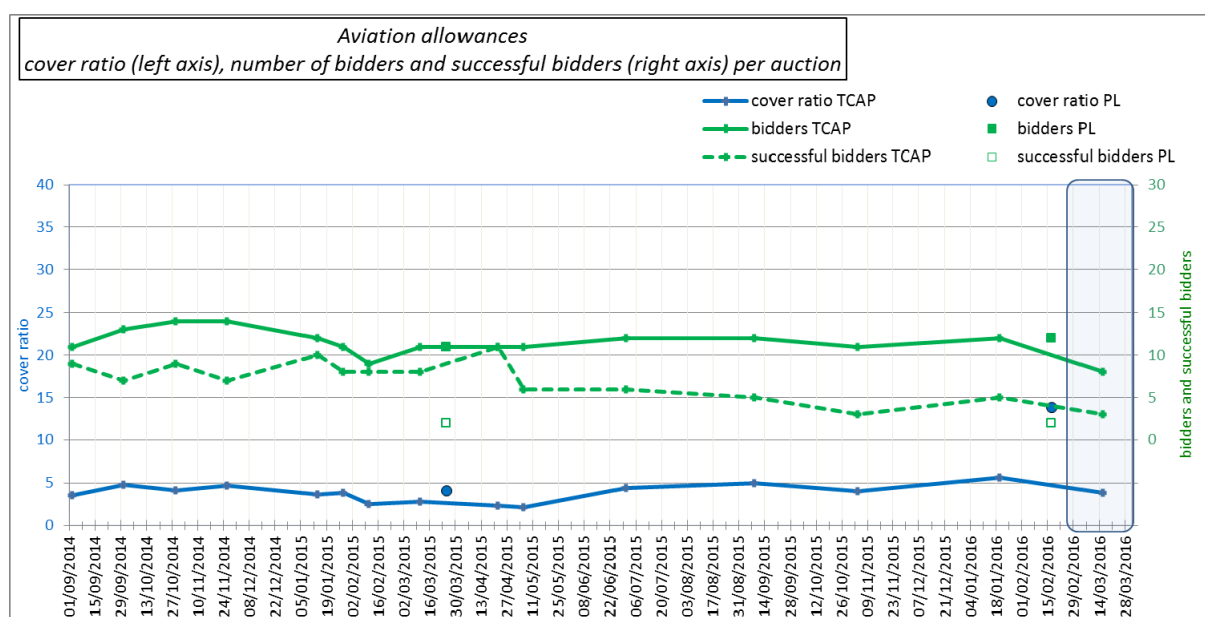
¹⁵ See also the regulatory update published by the Commission on 29 July 2014; http://ec.europa.eu/clima/news/articles/news_2014072901_en.htm.

¹⁶ The cover ratio is the ratio between the total bid volume and the auction volume.

Graph 8: Aviation allowances - auction clearing price (ACP) & maximum prices bid & minimum prices bid¹⁷

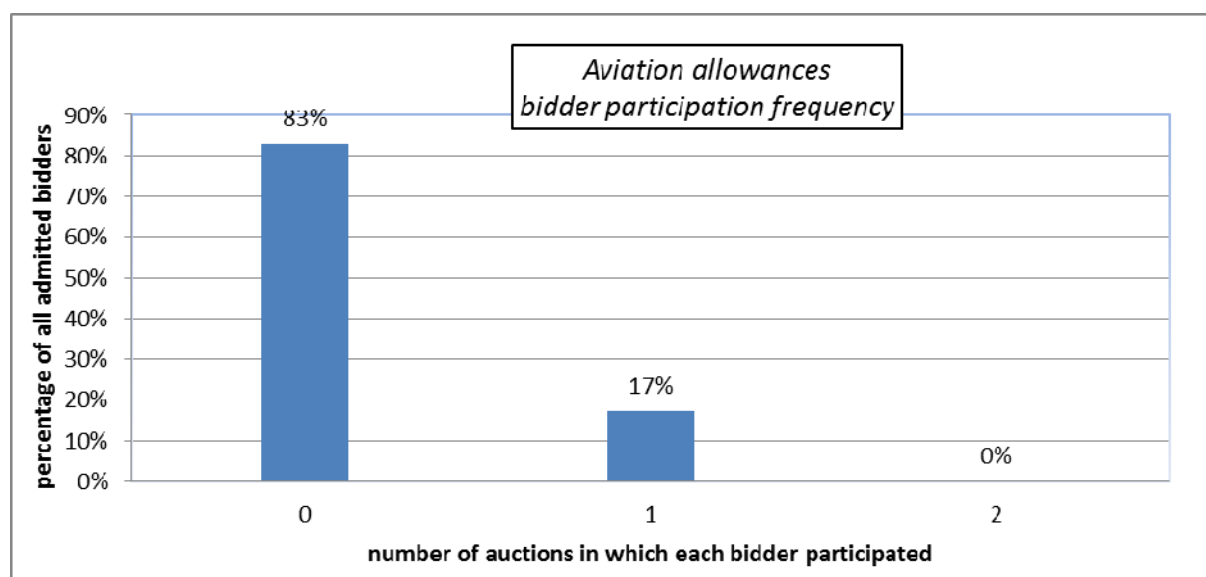


Graph 9: Aviation allowances - cover ratio (left axis), number of bidders and successful bidders (right axis) per auction



¹⁷ Auctions on behalf of Poland were held on the following days: 25/3/2015 and 17/2/2016.

Graph 10: Aviation allowances -bidder participation frequency in March 2016



1.2.2 Bidding behaviour – aviation allowances

Table 6 provides monthly data on the bids submitted from March 2015 to March 2016. See also Graph 11.

Table 6: Aviation allowances – monthly statistics on the submitted bids

Month	Nr of auctions	Nr of bidders ⁽¹⁾	Total volume of bids	Average total volume bid per bidder per auction ¹⁸	Average total volume bid per bidder per auction over the month ¹⁹	standard deviation of total volume bid per bidder per auction over the month ²⁰	Total monthly nr of bids	Average nr. of bids per bidder per auction ²¹	Average bid size ²²
March 2016	1	8	2 625 500	328 188	328 187	271 282	33	4.1 ⁺⁺	79 561
February 2016	1	12	1 663 000	138 583	138 583	126 140	40	3.3 ⁺⁺	41 575
January 2016	1	12	3 866 000	322 167	322 167	234 168	45	3.8 ⁺⁺	85 911
December 2015	-	-	-	-	-	-	-	-	-
November 2015	1	11	3 754 000	341 273	341 273	271 392	37	3.4 ⁺⁺	101 459
October 2015	-	-	-	-	-	-	-	-	-
September 2015	1	12	4 683 000	390 250	390 250	259 804	49	4.1 ⁺⁺	95 571
August 2015	-	-	-	-	-	-	-	-	-
July 2015	1	12	4 095 000	341 250	341 250	219 603	42	3.5 ⁺⁺	97 500
June 2015	-	-	-	-	-	-	-	-	-
May 2015	1	11	2 008 000	182 545	182 545	80 364	28	2.5 ⁺⁺	71 714
April 2015	1	11	3 475 500	315 955	315 955	400 818	35	3.2 ⁺⁺	99 300
March 2015	2	13	6 016 500	333 461	273 477	290 869	60	2.7 ⁺⁺	122 269

++: indicates simple average

(1): Number of unique individual bidders or unique successful bidders present in a whole month

¹⁸ Monthly weighted average of the average bid volume per bidder in each auction (total bid volume in each auction divided by number of bidders participating in that auction), weighted by volume auctioned in each auction.

¹⁹ Average over the whole month of the volume bid by bidders each time they are present in an auction (computed as total volume bid for the month / sum over the whole month of number of bidders present in each auction).

²⁰ Standard deviation of total volume bid per bidder in each auction over the month.

²¹ Monthly simple average of the average number of bids per bidder in each auction (total number of bids in each auction divided by number of bidders participating in that auction).

²² Monthly weighted average of the average bid size per bidder in each auction (total bid volume in each auction divided by number of bids in that auction), weighted by volume auctioned in each auction.

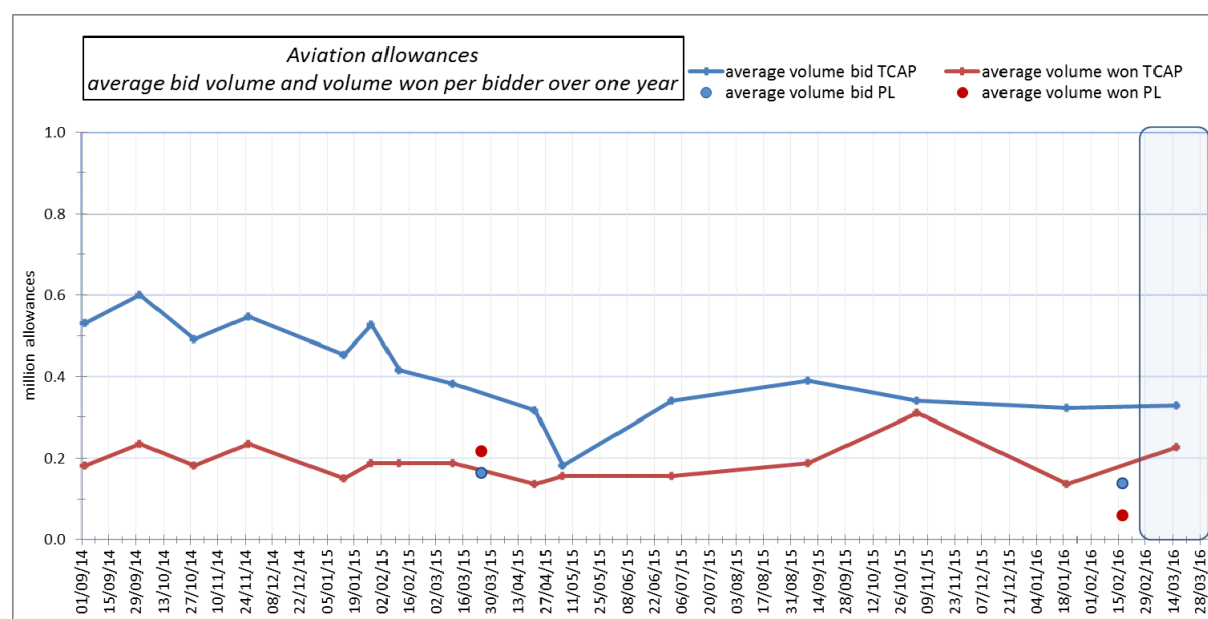
Table 7 provides monthly data on successful bids from March 2015 to March 2016. See also Graph 11.

Table 7: Aviation Allowances – Monthly statistics on successful bids

Month	Nr of auctions	Nr of successful bidders ⁽¹⁾	Total auction volume	Average volume won per bidder per auction ²³	Average volume won per bidder per auction over the month ²⁴	Standard deviation of volume won per bidder per auction over the month ²⁵	Total monthly nr of successful bids
March 2016	1	3	683 500	227 833	227 833	199 581	7
February 2016	1	2	120 000	60 000	60 000	40 000	2
January 2016	1	5	683 500	136 700	136 700	32 366	6
December 2015	-	-	-	-	-	-	-
November 2015	1	3	933 000	311 000	311 000	212 228	8
October 2015	-	-	-	-	-	-	-
September 2015	1	5	935 000	187 000	187 000	99 615	8
August 2015	-	-	-	-	-	-	-
July 2015	1	6	935 000	155 833	155 833	100 847	11
June 2015	-	-	-	-	-	-	-
May 2015	1	11	935 000	155 833	155 833	91 750	13
April 2015	1	11	1 493 500	135 773	135 773	132 536	20
March 2015	2	9	1 927 500	193 497	192 750	176 192	18

(1): Number of unique individual bidders or unique successful bidders present in a whole month

Graph 11: Aviation allowances - average bid volume and volume won per bidder over one year



²³ Monthly weighted average of the average volume won per bidder in each auction (total volume won in each auction divided by the number of successful bidders in that auction), weighted by volume auctioned in each auction.

²⁴ Average over the whole month of the volume won per bidder each time they are successful in an auction (computed as total volume auctioned for the month / sum over the whole month of number of bidders present in each auction).

²⁵ Standard deviation of volume won per bidder in each auction over the month.

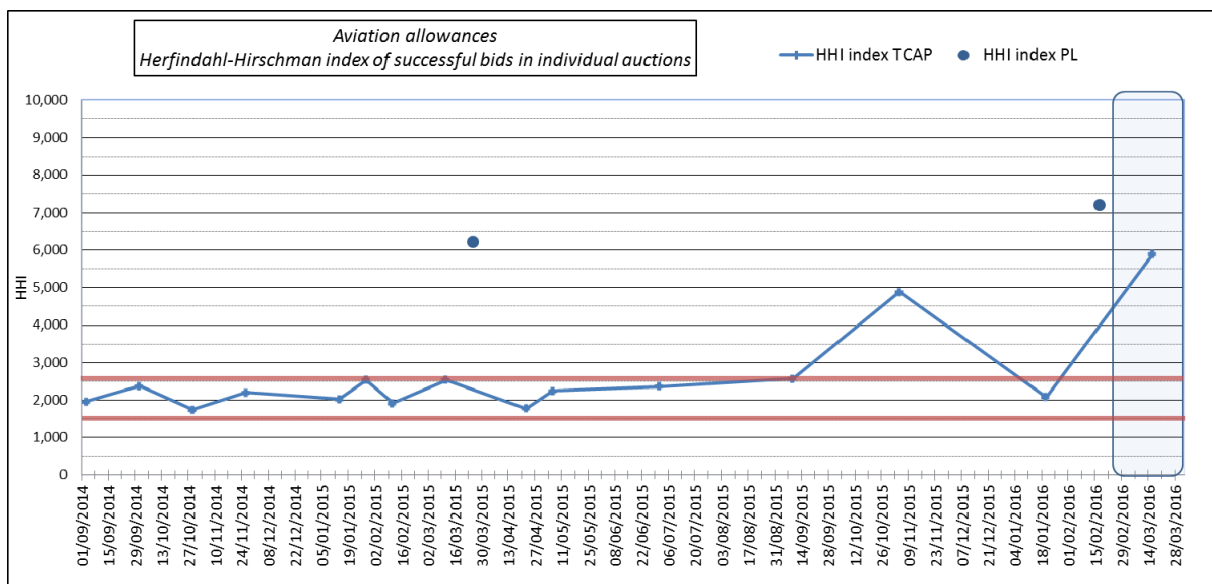
1.2.3 Type of bidders – aviation allowances

In March 2016, all volume bid was done on own account.

1.2.4 Concentration – aviation allowances

The HHI of successful bids is used to measure market concentration²⁶. The HHI ranges from a value of 0 (perfect competition) to 10 000 (a single buyer). A common interpretation of the HHI is that a score below 1 500 is ‘not-concentrated’, between 1 500 and 2 500 is ‘moderately concentrated,’ and above 2 500 is ‘highly concentrated’. Graph 12 indicates the HHI of the individual auctions.

Graph 12: Aviation allowances - Herfindahl-Hirschman index of successful bids in individual auctions



²⁶ The HHI is calculated as the sum of the squares of all successful bidders' shares (in % points) of the total auctioned volume over the period of interest.

2. Implementation of and compliance with the applicable rules

Fair and open access

EEX verified that each auction participant belonged to one of the categories of eligible bidders set out in Article 18 of the *Auctioning Regulation*. Table 9 presents the number of eligible bidders under each category in March 2016

Most of the active participants in the secondary carbon market are assumed to also have been admitted to bid in the auctions²⁷.

Table 8: Eligible participants to the auctions in March 2016, by category

Number of participants	Operator		Investment firm	Credit Institution	Business grouping	Person exempt from MiFID requirements	Total
	Stationary	Aircraft					
Participants admitted to EEX's emissions <i>spot secondary market</i>							114
Participants eligible to bid in the auctions	48	1	11	4	0	6	70
(Of which:) Participants eligible to bid in the auctions on behalf of clients	-	-	2	2	-	1	5
(Of which:) Auction-only access	2	0	1	0	0	0	3

Throughout the period, EEX actively promoted the auctions in view of attracting bidders.

No irregularities or deviations from the admission and access requirements were found.

Transparency

The results for each auction were published in accordance with Article 61 of the *Auctioning Regulation*, not later than 15 minutes after the close of the *bidding window*.

EEX revised its webpage on auctioning where necessary for keeping it up to date.

Technical and operational aspects

No irregularities or deviations from the requirements were found as regards the auctions themselves or the *clearing* and *settlement* processes.

EEX's Market Surveillance department surveyed all auctions with a view to detecting any *market abuse*, money laundering, terrorist financing or other criminal activities. No such wrongdoing was publicly reported. EEX's Market Surveillance department takes its instructions only from SMWA (Saxony's Ministry for Economy and Employment) and is independent of the exchange itself.

No infringements of the confidentiality requirements were identified.

²⁷ This assessment is based on the auction participants' activity in EEX's secondary market and general market knowledge of EEX.

Other aspects

No problems or issues were identified as regards coordination of the auctions between the various auction platforms.

A new auctioneer was appointed by Greece in November 2014 and by Hungary in January 2015.

3. Overview of, and any updates on breaches of provisions or ongoing proceedings

No breaches or problems of non-conformity were reported. There were no proceedings on such breaches or problems of non-conformity dating from before the reporting period.

Comments of the auction platform on the draft of this report and the way they have been taken into account

EEX made no comments on the report.

Date of publication: 17/05/2016

Glossary

Auction calendar	Document setting out the <i>bidding windows</i> , individual volumes and auction dates of the auctions in a given calendar year. See Articles 11, 13 and 32 of the <i>Auctioning Regulation</i> .
Auction Clearing Price	Price determined upon closure of the <i>bidding window</i> .
Auction-only access	Access to the auctions without becoming a member of or participant in other markets organised by the auction platform.
Auctioning Regulation	Commission Regulation (EU) No 1031/2010 — Timing, administration and other aspects of auctioning of greenhouse gas emission allowances pursuant to Directive 2003/87/EC of the European Parliament and of the Council establishing a scheme for greenhouse gas emission allowances trading within the Community, Official Journal L 302, 18.11.2010, p. 1, as subsequently amended. See: http://ec.europa.eu/clima/policies/ets/cap/auctioning/documentation_en.htm .
Auctioneer	Entity appointed by a Member State that offers the allowances to be auctioned to the auction platform and receives the auction proceeds due to the appointing Member State. See Articles 22 and 23 of the <i>Auctioning Regulation</i> .
Back-loading	Proposal by the Commission to postpone, as a short-term measure, the auctioning of 900 million allowances from the years 2013-2015 until 2019-2020. See: http://ec.europa.eu/clima/policies/ets/reform/index_en.htm .
Best-bid and best-ask prices	The best-bid price is the highest price any buyer is willing to pay and the best-ask price is the lowest price any seller is willing to accept.
Business groupings	Groupings of operators or aircraft operators. See Article 18(1)(d) of the <i>Auctioning Regulation</i> .
Bidding window	Time during which bidders can submit bids. See Article 8(1) of the <i>Auctioning Regulation</i> .
Clearing	Processes preceding the opening of the <i>Bidding window</i> , during the <i>Bidding window</i> and following the closure of the <i>Bidding window</i> until <i>Settlement</i> , involving the management of any risks arising during that interval including margining, netting or novation or any other services carried out possibly by a <i>Clearing</i> or <i>Settlement</i> system. See Article 3(31) of the <i>Auctioning Regulation</i> .
Cover ratio	Total bid volume divided by the available volume in the auction.
Credit institution	Credit institution as defined in EU legislation on credit institutions (Article 4(1) of Directive 2006/48/EC).
ETS Directive	Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive

96/61/EC, OJ L 275, 25.10.2003, p. 32, as subsequently amended. See: http://ec.europa.eu/clima/policies/ets/documentation_en.htm.

General Allowance	Allowance to emit one tonne of CO ₂ -equivalent, see Article 3(a) of the <i>ETS Directive</i> , also referred to as <i>EUA</i> .
Aviation Allowance	Allowance to emit one tonne of CO ₂ -equivalent that can be used by aircraft operators, also referred to as <i>EUA</i> . See Article 12(2a) and (3) of the <i>ETS Directive</i> .
Investment firms	Investment firms as defined in EU financial markets legislation (point (1) of Article 4(1) of Directive 2004/39/EC).
Market abuse	Insider dealing and market manipulation. See Article 36 of the <i>Auctioning Regulation</i> and Article 1 of Directive 2003/6/EC ('Market Abuse Directive').
Participating Member States	All EU Member States except Germany, Poland and the UK, which decided to opt out from the joint procurement of a common auction platform pursuant to Article 30 of the <i>Auctioning Regulation</i> .
Persons exempt from MiFID	Natural or legal persons exempt from the authorisation requirements in EU financial law because their trading and investment services activities are only ancillary to their main business (Article 2(1)(i) of Directive 2004/39/EC) and that have been authorised under national legislation implementing the rules laid down in the <i>Auctioning Regulation</i> to bid for allowances in the auctions. See Article 18(2) of the <i>Auctioning Regulation</i> .
Secondary market	Market in which persons buy or sell allowances either before or after they are allocated either free of charge or through auctioning. To be distinguished from the 'primary market', consisting of the auctions of allowances.
Settlement	Payment on delivery of the allowances. See Article 3(34) of the <i>Auctioning Regulation</i> .
Spot secondary market	<i>Secondary market</i> for allowances with delivery within 5 days from the transaction.
Transitional common auction platform	Auction platform appointed pursuant to Article 26(2) of the <i>Auctioning Regulation</i> , also referred to as <i>TCAP</i> .
Third trading period	The period 2013-2020, including the allowances referred to in Article 10(1) of the <i>Auctioning Regulation</i> auctioned in 2012. Allowances are valid during a given period without distinction as regards the year within that period. See Article 13 of the <i>ETS Directive</i> .

Annex 1 Auction revenues per Member State until March 2016 (reported in euros)

(The data used in this annex can also be obtained directly from the EEX website.)

	General Allowances		Aviation Allowances		All Allowances
	12 November 2012 – February 2016	March 2016	12 November 2012 – February 2016	March 2016	12 November 2012 – March 2016
Austria	205 880 885	5 399 200	3 671 840	101 270	215 053 195
Belgium	368 439 430	9 845 600	4 897 595	116 090	383 298 715
Bulgaria	247 311 565	7 812 960	1 186 915	39 520	256 350 960
Croatia	90 039 440	1 842 080	523 000	24 700	92 429 220
Cyprus	2 359 150	-	1 801 085	61 750	4 221 985
Czech Republic	267 696 620	10 861 920	1 732 065	51 870	280 342 475
Denmark	182 354 280	4 891 040	4 030 680	116 090	191 392 090
Estonia	50 877 015	2 159 680	202 195	7 410	53 246 300
Finland	247 371 700	6 479 040	3 063 400	91 390	257 005 530
France	810 130 905	21 342 720	22 923 265	521 170	854 918 060
Greece	509 357 005	13 529 760	6 373 305	212 420	529 472 490
Hungary	188 621 020	5 843 840	1 335 635	41 990	195 842 485
Ireland	135 259 705	3 620 640	3 140 065	91 390	142 111 800
Italy	1 426 057 135	37 603 840	20 477 935	617 500	1 484 756 410
Latvia	39 770 875	1 016 320	701 960	22 230	41 511 385
Lithuania	72 440 455	1 905 600	360 740	12 350	74 719 145
Luxemburg	17 731 645	444 640	868 710	9 880	19 054 875
Malta	14 921 910	381 120	701 730	24 700	16 029 460
The Netherlands	494 787 275	13 021 600	9 362 675	158 080	517 329 630
Poland	471,970,880	33,743,820	3 558 480	-	509,273,180
Portugal	259,137,750	6,860,160	4 326 585	123 500	270,447,995
Romania	488 914 210	17 849 120	2 012 110	69 160	508 844 600
Slovak Republic	227 601 235	5 970 880	251 745	7 410	233 831 270
Slovenia	65 515 500	1 715 040	190 885	4 940	67 426 365
Spain	1 277 987 980	33 697 360	23 812 755	696 540	1 336 194 635
Sweden	131 713 225	3 461 840	4 860 455	153 140	140 188 660
TOTAL	8 294 248 795	251 299 820	126 367 810	3 376 490	8 675 292 915

Annex 2 Results of individual auctions on behalf of participating Member States and Poland in March 2016

(The data used in the highlighted subsection of the tables presented in this annex can also be obtained directly from the EEX website.)

General Allowances – March 2016																			
Date	Auction Clearing Price	Minimum Bid price	Maximum Bid price	Mean Bid price	Median Bid price	Total Auction Volume	Total Bid Volume	Cover ratio	Nr of Bidders	Nr of Successful Bidders	Total Revenue	Nr of Bids	Nr of Successful Bids	Avg nr of bids per bidder	Average bid size	Avg total volume bid per bidder	standard deviation of total volume bid per bidder	Average volume won per bidder	Standard deviation of volume won per bidder
01/03/2016	4.90	4.66	5.10	4.88	4.89	3 425 000	8 020 500	2.3	23	16	16 782 500	71	26	3.1	112 965	348 717	453 608	214 063	228 620
02/03/2016	4.80	3.45	5.10	4.74	4.80	3 526 000	6 503 000	1.8	18	14	16 924 800	69	33	3.8	94 246	361 278	451 576	251 857	266 032
03/03/2016	4.88	3.45	5.00	4.79	4.84	3 425 000	8 239 000	2.4	22	17	16 714 000	95	26	4.3	86 726	374 500	413 670	201 471	211 970
07/03/2016	4.95	3.45	5.10	4.87	4.92	3 425 000	8 694 000	2.5	24	16	16 953 750	94	26	3.9	92 489	362 250	381 239	214 063	210 492
08/03/2016	5.00	3.45	5.92	4.92	4.97	3 425 000	9 847 500	2.9	25	17	17 125 000	90	25	3.6	109 417	393 900	533 943	201 471	180 848
10/03/2016	5.00	3.45	5.10	4.89	4.96	3 425 000	9 068 000	2.7	25	10	17 125 000	79	15	3.2	114 785	362 720	453 720	342 500	318 389
14/03/2016	4.92	3.45	5.12	4.84	4.90	3 425 000	7 774 000	2.3	22	17	16 851 000	88	29	4.0	88 341	353 364	441 770	201 471	249 072
15/03/2016	4.81	3.45	5.00	4.73	4.79	3 425 000	8 475 000	2.5	21	14	16 474 250	92	27	4.4	92 120	403 571	485 473	244 643	314 304
17/03/2016	4.92	3.45	5.15	4.88	4.95	3 425 000	5 977 000	1.8	20	19	16 851 000	78	53	3.9	76 628	298 850	393 884	180 263	207 650
21/03/2016	4.86	3.45	5.01	4.80	4.86	3 425 000	7 721 000	2.3	20	17	16 645 500	77	40	3.9	100 273	386 050	393 733	201 471	238 554
22/03/2016	4.80	3.45	5.00	4.74	4.80	3 425 000	7 346 000	2.1	23	19	16 440 000	88	43	3.8	83 477	319 391	387 060	180 263	193 512
24/03/2016	4.76	3.45	6.00	4.68	4.72	3 425 000	7 595 000	2.2	17	9	16 303 000	57	14	3.4	133 246	446 765	433 913	380 556	462 534
29/03/2016	4.75	3.45	5.00	4.65	4.73	3 425 000	6 827 000	2.0	17	14	16 268 750	56	20	3.3	121 911	401 588	451 177	244 643	178 160
30/03/2016	4.77	4.54	4.87	4.73	4.74	3 526 000	7 356 000	2.1	15	10	16 819 020	51	17	3.4	144 235	490 400	550 691	352 600	211 783
31/03/2016	4.97	3.45	5.15	4.86	4.95	3 425 000	8 325 000	2.4	18	13	17 022 250	62	22	3.4	134 274	462 500	581 243	263 462	319 169
Monthly Value	-	-	-	-	-	51 577 000	117 768 000	-	35 ⁽¹⁾	31 ⁽¹⁾	251 299 820	1147	416	3.7 ⁽²⁾	102 675 ⁽³⁾	379 897 ⁽⁴⁾	457 186 ⁽⁵⁾	232 329 ⁽⁶⁾	256 557 ⁽⁷⁾
Monthly minimum	4.75	3.45	4.87	4.65	4.72	3 425 000	5 977 000	1.8	15	9	16 268 750	51	14	3.1	76 628	298 850	-	180 263	-
Monthly average	4.87	3.60	5.17	4.80 ⁺⁺	-	3 438 467 ⁺⁺	7 847 590	2.3	20.7	14.8	16 753 321 ⁺⁺	76.4	27.7	3.7 ⁺⁺	105 729	384 552	-	245 210	-
Monthly maximum	5.00	4.66	6.00	4.92	4.97	3 526 000	9 847 500	2.9	25	19	17 125 000	95	53	4.4	144 235	490 400	-	380 556	-

Note: volume variables reported in tCO₂, monetary variables reported in €

(1): Number of unique individual bidders or unique successful bidders present in a whole month. (2): Average number of bids submitted over the whole month by each bidder in each auction. Computed as total number of bids for the month / sum over whole month of number of bidders present in each auction. (3): Average size of all bids submitted in all auctions over the month. Computed as total bid volume for the month / number of bids for the month. (4): Average over the whole month of the volume bid by bidders each time they are present in an auction. Computed as total volume bid for the month / sum over whole month of number of bidders present in each auction. (5): Standard deviation of the total volume bid, by each bidder in each auction, over the whole month. (6): Average over the whole month of the volume won by bidders each time they are successful in an auction. Computed as total auction volume for the month / sum over whole month of number of bidders successful in each auction. (7): Standard deviation of the total volume won by each bidder in each auction, over the whole month.

++: indicates simple average

Auctions by the transitional common auction platform March 2016

Aviation Allowances – March 20016																			
Date	Auction Clearing Price	Minimum Bid price	Maximum Bid price	Mean Bid price	Median Bid price	Total Auction Volume	Total Bid Volume	Cover ratio	Nr of Bidders	Nr of Successful Bidders	Total Revenue	Nr of Bids	Nr of Successful Bids	Avg nr of bids per bidder	Average bid size	Avg total volume bid per bidder	standard deviation of total volume bid per bidder	Average volume won per bidder	Standard deviation of volume won per bidder
16/03/2016	4.94	4.60	5.93	4.96	4.82	683 500	2 625 500	3.8	8	3	3 376 490	33	7	4.1	79 561	328 188	271 282	227 833	199 581
Monthly Value	-	-	-	-	-	683 500	2 625 500	-	8 ⁽¹⁾	3 ⁽¹⁾	3 376 490	33	7	4.1 ⁽²⁾	79 561 ⁽³⁾	328 188 ⁽⁴⁾	271 282 ⁽⁵⁾	227 833 ⁽⁶⁾	199 581 ⁽⁷⁾
Monthly minimum	4.94	4.60	5.93	-	-	683 500	2 625 500	3.8	8	3	3 376 490	33	7	4.1	79 561	-	-	227 833	-
Monthly average	4.94	4.60	5.93	4.96 ⁺⁺	-	683 500	2 625 500	3.8	8.0	3.0	3 376 490 ⁺⁺	33.0	7.0	4.1 ⁺⁺	79 561	-	-	227 833	-
Monthly maximum	4.94	4.60	5.93	-	-	683 500	2 625 500	3.8	8	3	3 376 490	33	7	4.1	79 561	-	-	227 833	-

Note: volume variables reported in tCO₂, monetary variables reported in €

(1): Number of unique individual bidders or unique successful bidders present in a whole month. (2): Average number of bids submitted over the whole month by each bidder in each auction. Computed as total number of bids for the month / sum over whole month of number of bidders present in each auction. (3): Average size of all bids submitted in all auctions over the month. Computed as total bid volume for the month / number of bids for the month. (4): Average over the whole month of the volume bid by bidders each time they are present in an auction. Computed as total volume bid for the month / sum over whole month of number of bidders present in each auction. (5): Standard deviation of the total volume bid, by each bidder in each auction, over the whole month. (6): Average over the whole month of the volume won by bidders each time they are successful in an auction. Computed as total auction volume for the month / sum over whole month of number of bidders successful in each auction. (7): Standard deviation of the total volume won by each bidder in each auction, over the whole month.

++: indicates simple average

The data for previous auctions can be downloaded from EEX's website: <https://www.eex.com/en/market-data/emission-allowances/auction-market/european-emission-allowances-auction/european-emission-allowances-auction-download>

