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Emissions trading: Certificates for 2009

Federal Environment Agency credits emissions allowances to traders' accounts

The German Emissions Trading Authority (DEHSt) at the Federal Environment Agency is issuing the 'emissions allowances' for 2009: they will be issued to operators' accounts in the German Emissions Trading Registry by 28 February. The total 2009 budget in Germany is 451.86 million emissions allowances, of which DEHSt allocates some 390 million free of charge to 1,625 participating installations and their operators. DEHSt takes any changes, such as installation shut-downs or capacity increases which occurred since operators were notified of their allocation in early 2008, into account when distributing allowances.

Operators applied for emissions allowances for the entire 2008-2012 trading period. As per the stipulations set out in the Allocation Act, DEHSt decides on the number of emissions allowances each carbon-dioxide emitting installation is to receive until the end of 2012. Installation operators do not receive the allowances for the trading period all at once. DEHSt transfers the allowances in yearly batches to installation operators' accounts in the German Emissions Trading Registry by 28 February of the calendar year.

Every year since 2005 operators in the energy sector and emissions-intensive sector have had to surrender emissions allowances equivalent to their actual CO₂ emission volumes to DEHSt. Emissions trading combines the goals of environmental protection with economic efficiency: it is an economic instrument that sets greenhouse gas reduction goals and affords operators the flexibility to achieve climate protection goals at low cost. DEHSt is the authority responsible for implementation of emissions trading in Germany. It first allocates a certain number of free emissions allowances to participants, then gradually reduces that number in accordance with statutory regulations. Operators who make an effort to protect the climate or demonstrate special innovativeness and thereby reduce their CO₂ emissions may sell any surplus allowances, which provides them with an additional source of revenue. However, operators must purchase additional allowances if the volume allocated to them is insufficient in accounting for their CO₂ emissions. If they fail to do so they risk having to make payments to DEHSt that run at 100 euros per tonne of CO₂. Operators must obtain any lacking emissions allowances afterwards and surrender them to the Emissions Trading Registry of DEHSt. Emissions reductions occur through emissions trading among operators whose avoidance costs are lowest.

The DEHSt Emissions Trading Registry, acting as a combination of electronic land register and online banking, is a database accessible to participants that allocates the allowances to their owners. Installation operators can call up their account statements on the Internet and make transactions. The registry is needed to do the annual accounting for the emissions allowances. Furthermore, the Emissions Trading Registry acts as the national account for the Federal Republic of Germany as per the UN Kyoto Protocol. The Emissions Trading Registry is neither a trading platform nor does it reveal any orders or prices.

For more information about [DEHSt](http://www.dehst.de), emissions trading in the EU, and project-based mechanisms (Joint Implementation and Clean Development Mechanism), see: www.dehst.de

The publication showing results of the allocation procedure, [Ergebnisse des Zuteilungsverfahrens 2008-2012](http://www.dehst.de/Publikationen), can be downloaded free at: www.dehst.de/Publikationen

Information on participating installations and the volumes allocated to them are listed in the appendix to the German National Allocation Plan (NAP), in the so-called NAP Table:

http://www.dehst.de/cIn_099/nn_476194/DE/Home/Textbausteine/NAP_Tabelle_2008_Ausgabe.html?_nnn=true

The legal foundations for emissions trading, e.g. EU Emissions Trading Directive, the Greenhouse Gas Emission Trade Law (TEHG), the Allocation Laws (*ZuG 2007* and *ZuG 2012*) as well as the Project Mechanisms Act (*ProMechG*) can be researched at:

http://www.dehst.de/cIn_099/nn_476210/DE/Emissionshandel/Gesetze_20und_20Verordnungen/Gesetze_20und_20Verordnungen_node.html?_nnn=true

There is information about installation operators, their accounts, and the status of surrendered allowances in the public area of the Emissions Trading Registry:

<https://www.register.dehst.de/crweb/report/public/publicReportList.do>

Dessau-Roßlau, 26 February 2009