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AUCTIONS BY THE TRANSITIONAL COMMON AUCTION PLATFORM

The world's largest auctioning of emissions allowances

September 2015

Auctions by the *Transitional Common Auction Platform*

September 2015

Auction platform: European Energy Exchange (EEX)

Auction dates/reporting period:

General Allowances:

1, 3, 7, 8, 10, 14, 15, 17, 21, 22, 23(PL)¹, 24, 28, 29 September 2015;

Aviation Allowances:

9 September 2015

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 1.4 billions of 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

¹ Auctions conducted by EEX for Poland

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 September 2015. In that period, EEX, in its capacity as the common auction platform, auctioned a total of 37 934 000 *general allowances* in 13 auctions and 935 000 *aviation allowances* in 1 auction for the *third trading period* on behalf of those EU Member States (*participating Member States*) that participate in the *Transitional Common Auction Platform (TCAP)*. EEX also auctioned for Poland 2 854 000 *general allowances* in one auction.

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 September 2015 auctions at a glance:

	<i>General Allowances</i> September	<i>Aviation Allowances</i> September
General		
Number of auctions	14	1
Total volume auctioned	40 788 000	935 000
Amount raised from the auctions (€)	328 635 840	7 423 900
Average Auction Clearing Price (€/allowance)	8.06	7.94
Total bid volume	126 790 000	4 683 000
Average <i>Cover ratio</i>	3.1	5.0
Participation		
Number of eligible bidders	70	70
Number of participating bidders ⁽¹⁾	30	12
Number of successful bidders ⁽¹⁾	27	5
Average number of bidders per auction	18.7	12.0
Average number of successful bidders per auction	14.3	5.0
Auction data		
Average total volume bid per bidder per auction	492 634	390 250
Average bid size (volume per bid)	138 422	95 571
Average volume won per bidder per auction	209 499	187 000
Average range of bids (€)	0.84	0.92

(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)² 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 September 2015 are EUR 6 989 277 030. 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 September 2015 are EUR 113 603 965. 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 September 2015, 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.

² 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 September 2014 to September 2015 is provided in Table 1.

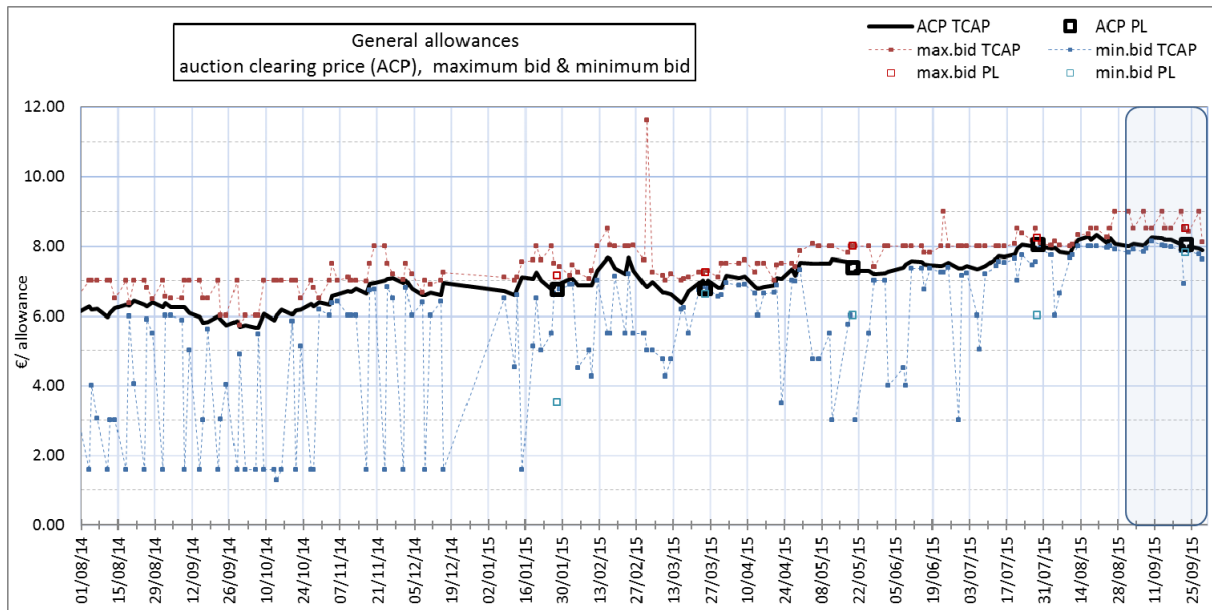
Table 1: General allowances - main statistics on the results of the auctions per month

Month	Total auction volume	Total bid volume	Total revenue (€)	Average Cover ratio ³	Average number of bidders	Average number of successful bidders	Average auction clearing price (€)
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
February 2015	35 016 000	140 319 500	253 340 760	4.0	17.8	13.3	7.24
January 2015	32 034 000	118 905 000	220 605 860	3.7	18.5	13.6	6.89
Dec. 2014	14 838 500	68 610 000	100 283 525	4.6	15.4	11.5	6.76
Nov. 2014	22 476 000	91 484 000	152 218 710	4.1	15.4	11.3	6.77
Oct. 2014	24 349 000	124 425 000	147 030 500	5.1	15.5	11.2	6.04
Sept. 2014	26 222 000	157 822 500	157 556 760	6.0	15.4	11.2	6.01
Aug. 2014	11 208 000	90 982 500	69 928 580	8.1	12.6	8.0	6.24
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

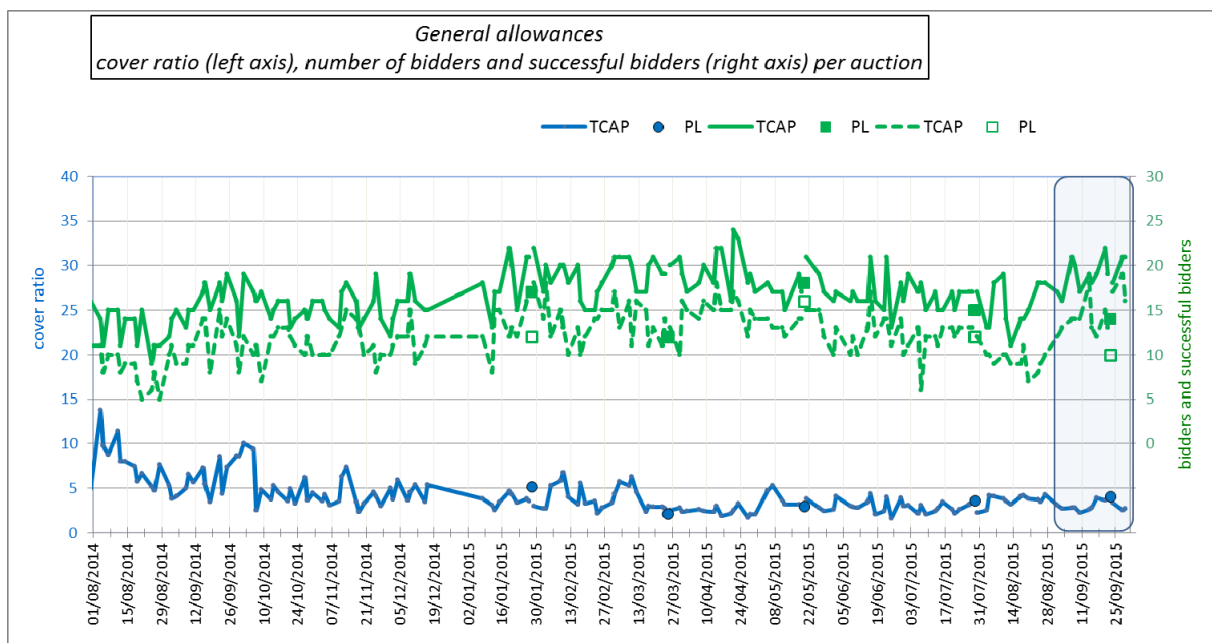
During September 2015, the difference between the Auction Clearing Prices and the mean of the *best-ask* and *best-bid* prices on the EEX *spot secondary market* for *general allowances* at the closure of the auction *bidding window* was on average EUR -0.01, and this difference had a standard deviation of EUR 0.02.

³ 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 bid⁴



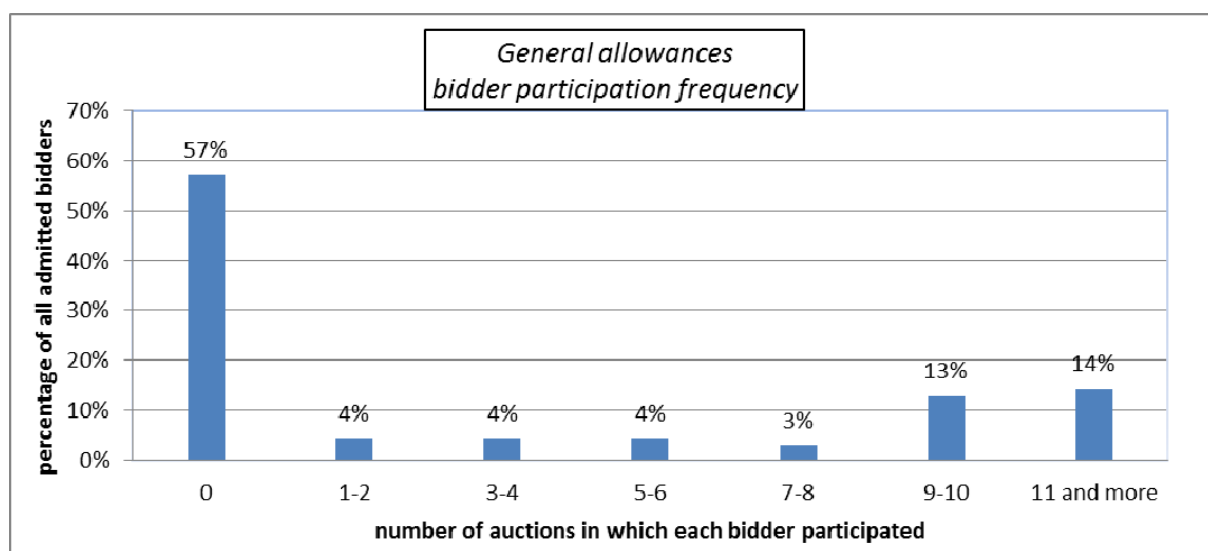
Graph 2: General allowances - cover ratio (left axis), number of bidders and successful bidders (right axis) per auction



There were 70 eligible bidders in September 2015. Out of these, 30 different bidders participated in the auctions in September 2015. Graph 3A indicates the participation frequency in September 2015.

⁴ 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, and 23/9/2015.

Graph 3A: General allowances -bidder participation frequency in September 2015



1.1.2. Bidding behaviour - general allowances

Table 2 provides monthly data on the bids submitted from September 2014 to September 2015. 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 ⁵	Average total volume bid per bidder per auction over the month ⁶	standard deviation of total volume bid per bidder per auction over the month ⁷	Total monthly nr of bids	Average nr. of bids per bidder per auction ⁸	Average bid size ⁹
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
Feb 2015	12	27	140 319 500	656 261	655 699	1 209 247	756	3.5 ⁺⁺	184 555
Jan 2015	11	29	118 905 000	594 654	585 739	850 655	809	4.1 ⁺⁺	147 380
Dec 2014	8	26	68 610 000	565 380	557 805	880 324	541	4.5 ⁺⁺	138 240
Nov 2014	12	27	91 484 000	487 754	494 508	823 645	702	3.8 ⁺⁺	132 316
Oct 2014	13	27	124 425 000	607 052	615 965	1 099 893	1 079	5.3 ⁺⁺	113 863
Sept 2014	14	27	157 822 500	742 000	734 058	1 118 338	1162	5.4 ⁺⁺	135 602

++: indicates simple average

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

⁵ 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.

⁶ 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).

⁷ Standard deviation of total volume bid per bidder in each auction over the month.

⁸ 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).

⁹ 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.

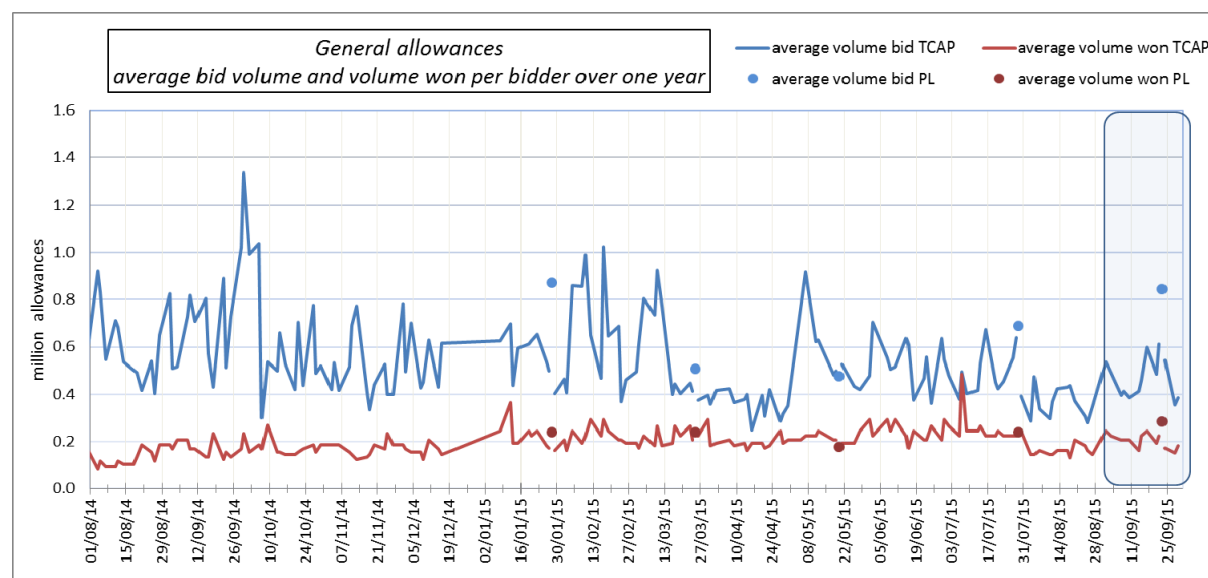
Table 3 provides monthly data on successful bids from September 2014 to September 2015. See also Graph 4.

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 ¹⁰	Average volume won per bidder per auction over the month ¹¹	Standard deviation of volume won per bidder per auction over the month ¹²	Total monthly nr of successful bids
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
Feb. 2015	12	24	35 016 000	224 610	218 850	227 190	256
Jan. 2015	11	25	32 034 000	223 767	213 560	238 463	249
Dec. 2014	8	25	14 838 500	164 821	161 288	182 952	172
Nov. 2014	12	23	22 476 000	170 316	165 265	173 792	206
Oct. 2014	13	23	24 349 000	172 199	167 924	189 785	308
Sept. 2014	14	22	26 222 000	173 941	167 019	207 239	295

(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 year¹³



¹⁰ 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.

¹¹ 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).

¹² Standard deviation of volume won per bidder in each auction over the month.

¹³ 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 and 23/9/2015.

1.1.3. Type of bidders - general allowances

In September 2015, almost all volume bid was done on own account, with only 0.22% of the volume 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

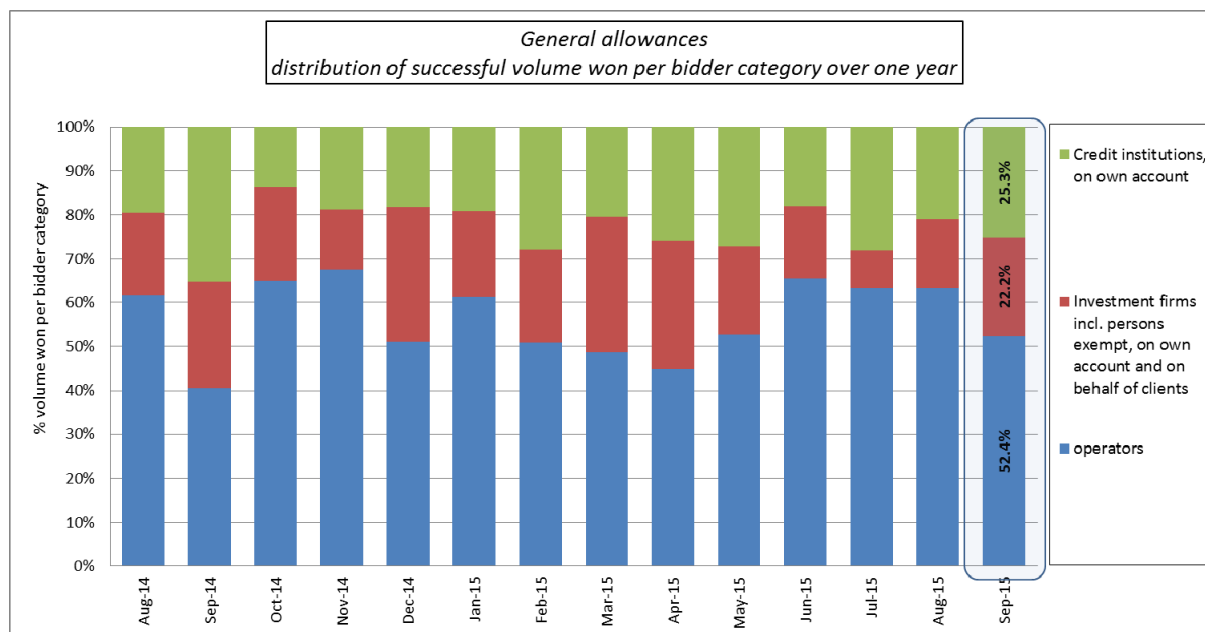


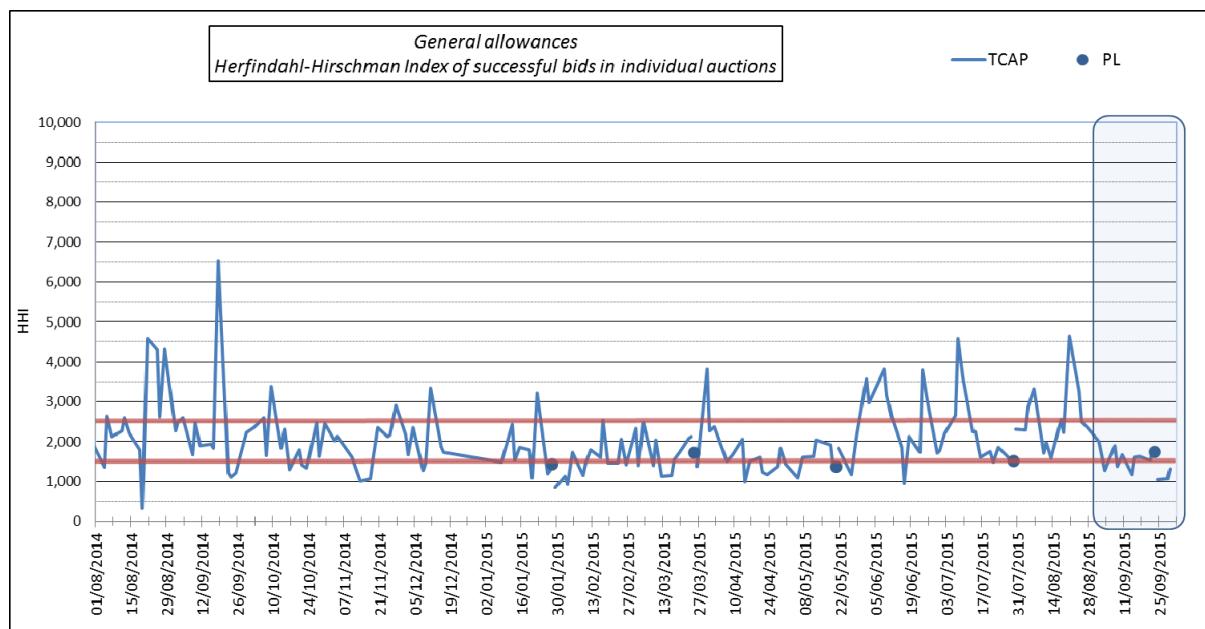
Table 4: General allowances – distribution of volume won per bidder category and their standard deviations

Month	% volume won coming from bidding on behalf of a client	Bidder category	% volume won	Standard deviation of % of volume won
September 2015	0.61%	Operators (including Business groupings)	52.4%	11.9 % points
		Investment firms (including persons exempt)	22.2%	9.4 % points
		Credit institutions	25.3%	10.8 % points

1.1.4. Concentration - general allowances

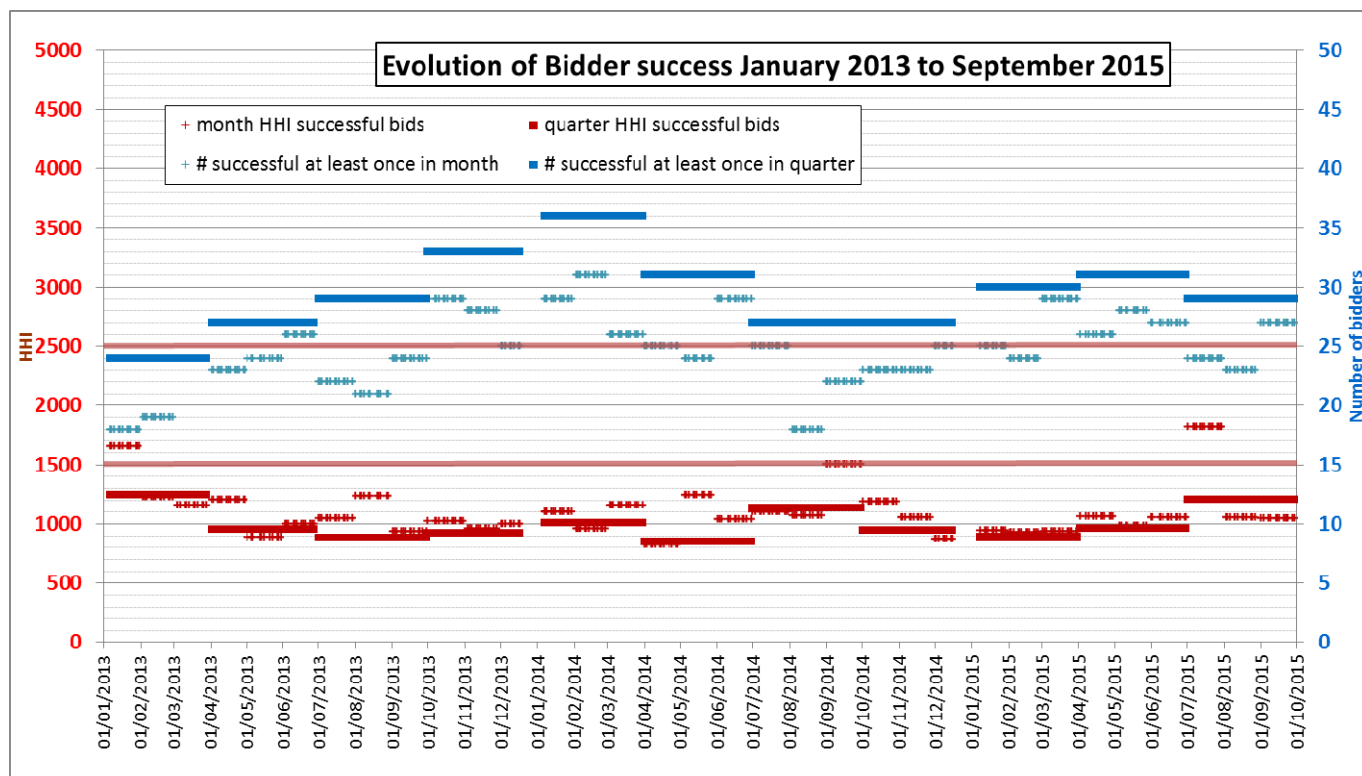
The Herfindahl-Hirschman Index (HHI) of successful bids is used to measure market concentration¹⁴. The HHI ranges from a value of 0 (perfect competition) to 10 000 (a single buyer). A common interpretation of the HHI is that a score below 1 500 is 'not-concentrated', between 1 500 and 2 500 is 'moderately 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



¹⁴ 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 and quarterly level



1.2 Aviation allowances auctions

The auctioning of *aviation allowances* restarted as of September 2014¹⁵. Pursuant to the published *auction calendar*, only *aviation allowances* for the calendar year 2012 were auctioned in 2014¹⁶; the *aviation allowances* for the calendar years 2013-2015 are 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 September 2014 to September 2015 is provided in Table 5.

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

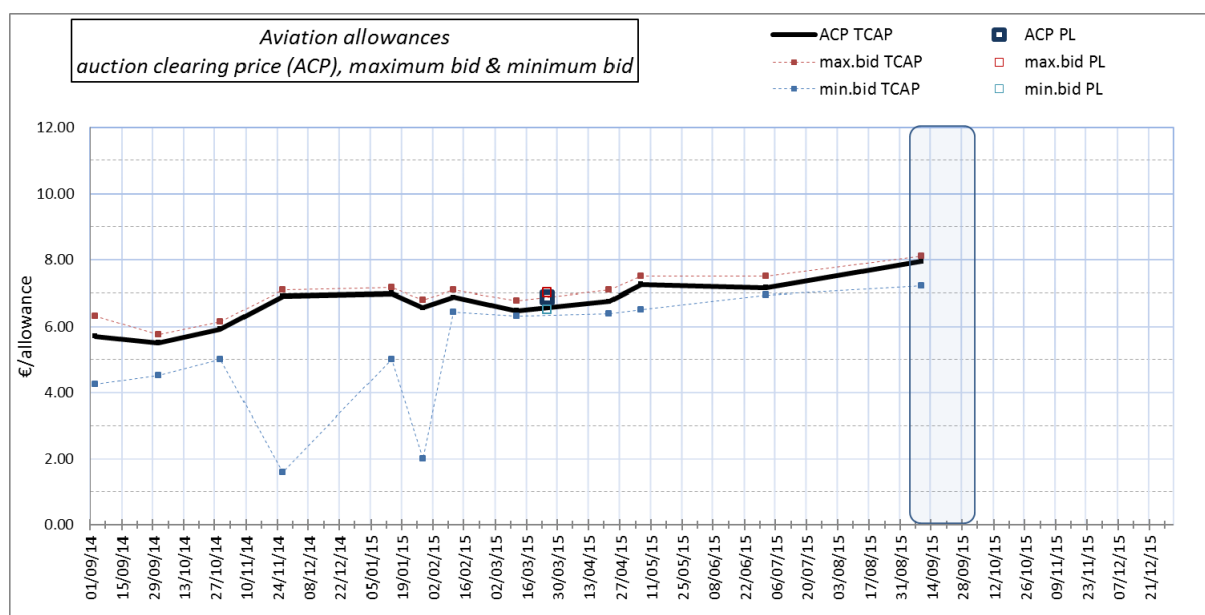
Month	Total auction volume	Total bid volume	Total revenue (€)	Average Cover ratio ¹⁷	Average number of bidders	Average number of successful bidders	Average auction clearing price (€)
September 2015	935 000	4 683 000	7 423 900	5.0	12	5	7.94
August 2015	-	-	-	-	-	-	-
July 2015	935 000	4 095 000	6 694 600	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
February 2015	1 494 000	3 750 000	10 263 780	2.5	9.0	8.0	6.87
January 2015	2 988 000	11 244 000	20 243 700	3.8	11.5	9.0	6.78
Dec. 2014	-	-	-	-	-	-	-
Nov. 2014	1 641 500	7 665 500	11 326 350	4.7	14.0	7.0	6.90
Oct. 2014	3 286 000	14 685 000	18 763 060	4.5	13.5	8.0	5.71
Sept. 2014	1 643 000	5 851 000	9 365 100	3.6	11.0	9.0	5.70
2014 total	6 570 500	28 201 500	39 454 510	4.3	13.0	8.0	6.00

¹⁵ 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.

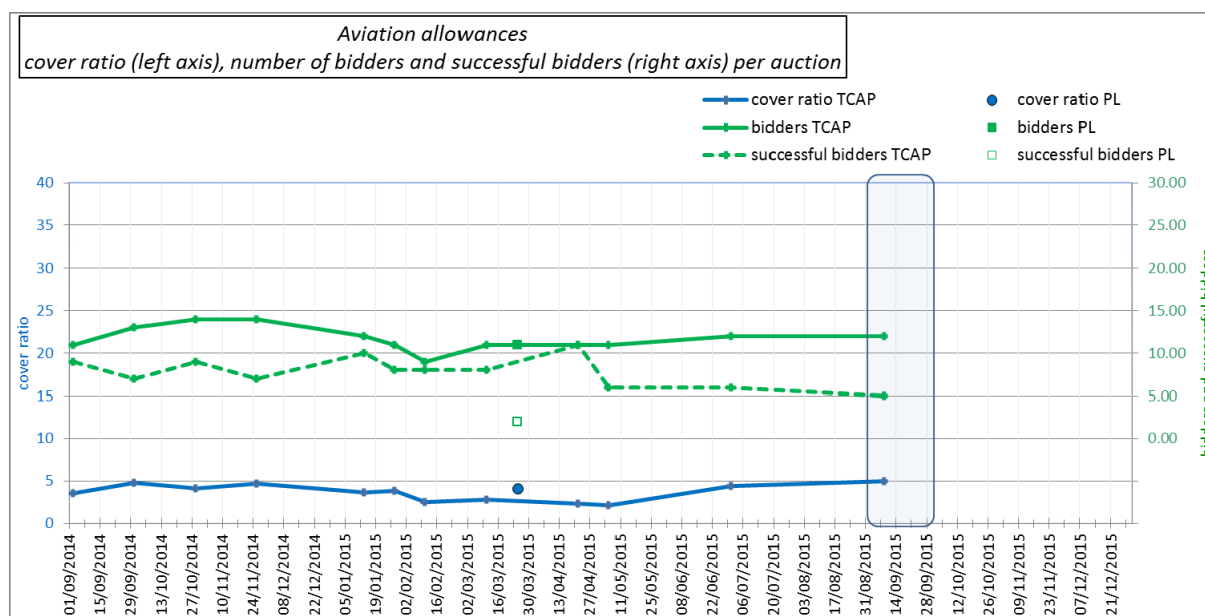
¹⁶ See also the regulatory update published by the Commission on 29 July 2014; http://ec.europa.eu/clima/news/articles/news_2014072901_en.htm.

¹⁷ 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 bid¹⁸



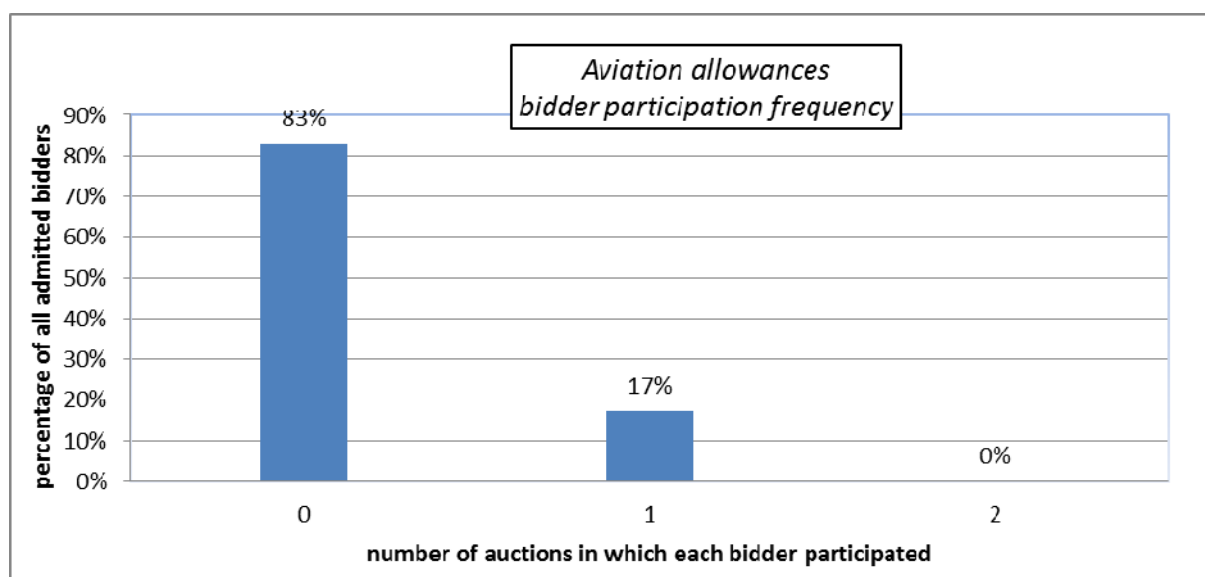
Graph 9: Aviation allowances - cover ratio (left axis), number of bidders and successful bidders (right axis) per auction



There were 70 eligible bidders in September 2015. Out of these, 12 different bidders participated in the auctions in September 2015. Graph 10 indicates the participation frequency in September 2015.

¹⁸ Auctions on behalf of Poland were held on the following days: 25/3/2015.

Graph 10 Aviation allowances - bidders participation frequency in September 2015



1.2.2 Bidding behaviour – aviation allowances

Table 6 provides monthly data on the bids submitted from September 2014 to September 2015. 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 ¹⁹	Average total volume bid per bidder per auction over the month ²⁰	standard deviation of total volume bid per bidder per auction over the month ²¹	Total monthly nr of bids	Average nr. of bids per bidder per auction ²²	Average bid size ²³
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
Feb. 2015	1	9	3 750 000	416 667	416 667	434 388	39	4.3 ⁺⁺	96 154
Jan. 2015	2	12	11 244 000	490 432	488 870	512 660	70	3.0 ⁺⁺	168 321
Dec. 2014	-	-	-	-	-	-	-	-	-
Nov. 2014	1	14	7 665 500	547 536	547 536	654 163	63	4.5 ⁺⁺	121 675
Oct. 2014	2	15	14 685 000	545 940	543 889	555 854	83	4.5 ⁺⁺	177 573
Sept. 2014	1	11	5 851 000	531 909	531 909	483 194	65	5.9 ⁺⁺	90 015

++: indicates simple average

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

¹⁹ 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.

²⁰ 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).

²¹ Standard deviation of total volume bid per bidder in each auction over the month.

²² 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).

²³ 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.

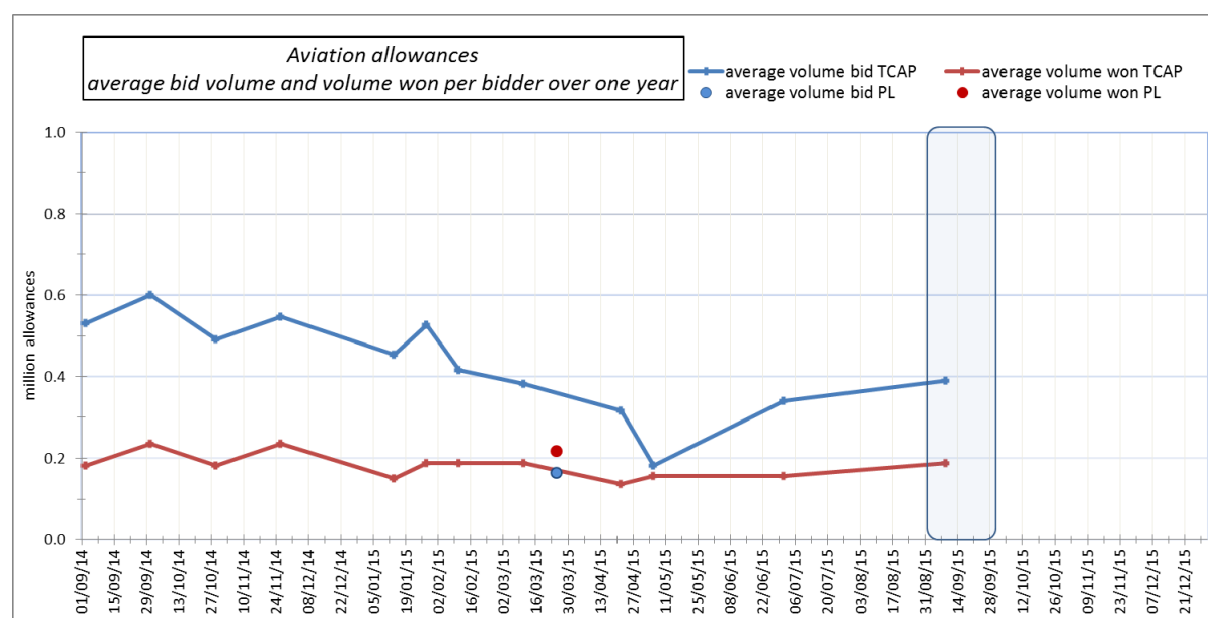
Table 7 provides monthly data on successful bids from September 2014 to September 2015. See also Graph 11.

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 ²⁴	Average volume won per bidder per auction over the month ²⁵	Standard deviation of volume won per bidder per auction over the month ²⁶	Total monthly nr of successful bids
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
Feb. 2015	1	8	1 494 000	186 750	186 750	136 102	17
Jan. 2015	2	10	2 988 000	168 075	166 000	170 471	24
Dec. 2014	-	-	-	-	-	-	-
Nov. 2014	1	7	1 641 500	234 500	234 500	171 897	9
Oct. 2014	2	11	3 286 000	208 635	205 375	165 517	19
Sept. 2014	1	9	1 643 000	182 556	182 556	159 714	20

(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



²⁴ 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.

²⁵ 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).

²⁶ Standard deviation of volume won per bidder in each auction over the month.

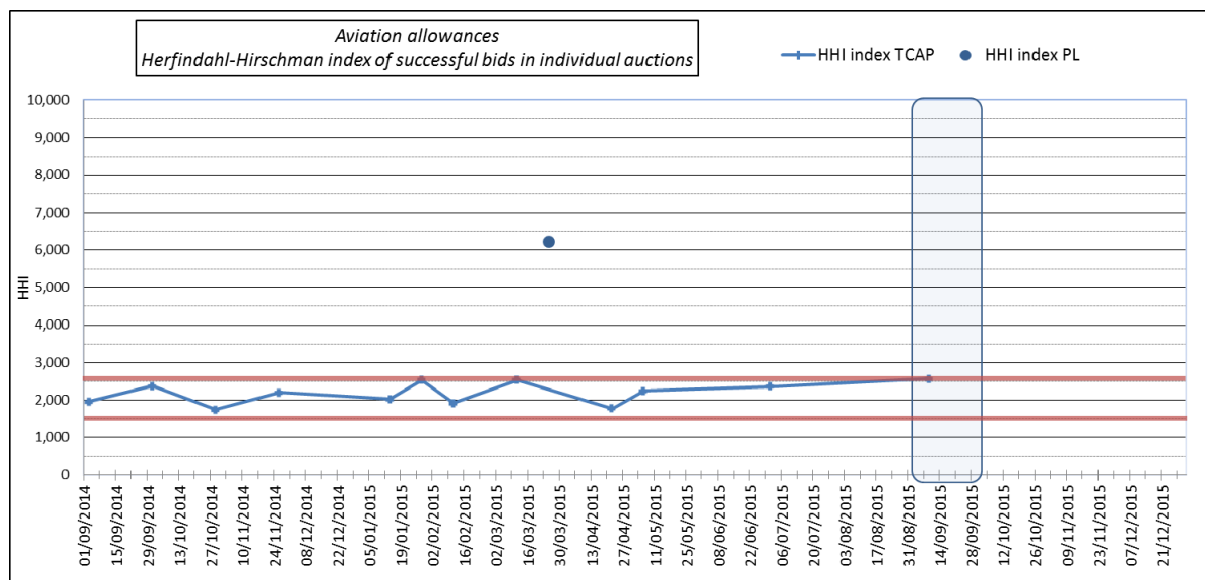
1.2.3 Type of bidders – aviation allowances

In September 2015, all volume bid was done on own account.

1.2.4 Concentration – aviation allowances

The HHI of successful bids is used to measure market concentration²⁷. 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



²⁷ 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 September 2015

Most of the active participants in the secondary carbon market are assumed to also have been admitted to bid in the auctions²⁸.

Table 8: Eligible participants to the auctions in September 2015, 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>							112
Participants eligible to bid in the auctions	47	1	12	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.

²⁸ 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: 18/02/2016

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 September 2015 (reported in euros)

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

	General Allowances		Aviation Allowances		All Allowances
	November 2012 to August 2015	September 2015	November 2012 to August 2015	September 2015	November 2012 to September 2015
Austria	166,872,825	7,752,240	3,087,960	222,320	177,935,345
Belgium	296,763,190	14,037,840	4,229,245	254,080	315,284,355
Bulgaria	186,695,645	12,256,920	960,390	87,340	200,000,295
Croatia	53,727,560	8,695,080	376,820	55,580	62,855,040
Cyprus	2,359,150	0	1,451,980	134,980	3,946,110
Czech Republic	204,544,320	11,104,560	1,432,295	111,160	217,192,335
Denmark	146,773,720	6,914,160	3,354,080	254,080	157,296,040
Estonia	38,429,075	2,095,200	164,085	15,880	40,704,240
Finland	199,892,860	9,218,880	2,532,980	198,500	211,843,220
France	655,728,985	30,380,400	19,898,770	1,143,360	707,151,515
Greece	411,552,705	19,275,840	5,131,460	468,460	436,428,465
Hungary	145,929,080	8,276,040	1,093,760	95,280	155,394,160
Ireland	108,506,005	5,133,240	2,601,395	198,500	116,439,140
Italy	1,153,859,735	53,427,600	16,900,570	1,357,740	1,225,545,645
Latvia	32,067,135	1,466,640	567,005	47,640	34,148,420
Lithuania	58,022,915	2,828,520	283,370	23,820	61,158,625
Luxemburg	14,116,885	628,560	819,375	23,820	15,588,640
Malta	11,789,890	523,800	563,800	55,580	12,933,070
The Netherlands	400,702,995	18,647,280	8,452,450	349,360	428,152,085
Poland	404,626,215	22,946,160	2,982,480	0	430,554,855
Portugal	209,456,630	9,742,680	3,603,625	269,960	223,072,895
Romania	381,061,810	19,590,120	1,612,520	150,860	402,415,310
Slovak Republic	183,919,455	8,485,560	201,260	15,880	192,622,155
Slovenia	52,732,840	2,409,480	164,310	15,880	55,322,510
Spain	1,034,002,100	47,875,320	19,753,465	1,532,420	1,103,163,305
Sweden	106,507,465	4,923,720	3,960,615	341,420	115,733,220
TOTAL	6,660,641,190	328,635,840	106,180,065	7,423,900	7,102,880,995

Annex 2 Results of individual auctions on behalf of *participating Member States* and Poland in September 2015

(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 - September 2015																			
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
01/09/2015	7.98	7.80	9.00	8.00	7.97	2,918,000	9,105,000	3.12	17	12	23,285,640	54	25	3.2	168,611	535,588	761,944	243,167	287,585
03/09/2015	8.06	7.90	8.50	8.10	8.09	2,918,000	7,843,500	2.69	16	13	23,519,080	50	31	3.1	156,870	490,219	748,773	224,462	183,278
07/09/2015	8.02	7.82	9.00	8.01	7.98	2,918,000	8,322,500	2.85	21	14	23,402,360	63	18	3.0	132,103	396,310	508,903	208,429	268,822
08/09/2015	8.09	7.92	8.50	8.07	8.06	2,918,000	8,233,500	2.82	20	14	23,606,620	67	23	3.4	122,888	411,675	443,723	208,429	201,459
10/09/2015	8.25	8.12	8.50	8.26	8.25	2,918,000	6,537,000	2.24	17	14	24,073,500	59	30	3.5	110,797	384,529	411,374	208,429	240,217
14/09/2015	8.21	8.02	9.00	8.21	8.21	2,918,000	7,830,500	2.68	19	18	23,956,780	69	35	3.6	113,486	412,132	466,150	162,111	169,920
15/09/2015	8.17	8.00	8.50	8.16	8.16	2,918,000	8,218,000	2.82	18	13	23,840,060	66	27	3.7	124,515	456,556	610,942	224,462	232,676
17/09/2015	8.18	7.97	8.50	8.16	8.17	2,918,000	11,371,000	3.90	19	12	23,869,240	77	27	4.1	147,675	598,474	817,117	243,167	237,580
21/09/2015	8.04	7.84	9.00	8.03	8.03	2,918,000	10,633,000	3.64	22	15	23,460,720	81	20	3.7	131,272	483,318	689,907	194,533	219,937
22/09/2015	7.98	6.91	8.50	7.93	7.96	2,918,000	11,614,000	3.98	19	13	23,285,640	74	25	3.9	156,946	611,263	781,050	224,462	260,461
23/09/2015	8.04	7.80	8.50	8.01	8.02	2,854,000	11,808,000	4.14	14	10	22,946,160	68	22	4.9	173,647	843,429	802,831	285,400	245,653
24/09/2015	7.99	7.85	8.40	8.00	7.99	2,918,000	9,771,000	3.35	18	17	23,314,820	68	36	3.8	143,691	542,833	746,576	171,647	151,029
28/09/2015	7.92	7.75	9.00	7.94	7.93	2,918,000	7,419,000	2.54	21	19	23,110,560	60	34	2.9	123,650	353,286	436,089	153,579	155,881
29/09/2015	7.87	7.61	8.10	7.86	7.86	2,918,000	8,084,000	2.77	21	16	22,964,660	61	25	2.9	132,525	384,952	458,109	182,375	191,121
Monthly Value	-	-	-	-	-	40,788,000	126,790,000	-	30 ⁽¹⁾	27 ⁽¹⁾	328,635,840	917	378	3.5 ⁽²⁾	138,266 ⁽³⁾	483,931 ⁽⁴⁾	641,235 ⁽⁵⁾	203,940 ⁽⁶⁾	218,967 ⁽⁷⁾
Monthly minimum	7.87	6.91	8.10	-	-	2,854,000	6,537,000	2.24	14	10	22,946,160	50	18	2.9	110,797	353,286	-	153,579	-
Monthly average	8.06	7.81	8.64	8.05 ⁺⁺	-	2,913,429 ⁺⁺	9,052,111	3.11	18.7	14.3	23,473,989 ⁺⁺	65.5	27.0	3.5 ⁺⁺	138,422	492,634	-	209,499	-
Monthly maximum	8.25	8.12	9.00	-	-	2,918,000	11,808,000	4.14	22	19	24,073,500	81	36	4.9	173,647	843,429	-	285,400	-

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

Aviation Allowances – September 2015

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
9-9-2015	7.94	7.20	8.12	7.85	7.86	935,000	4,683,000	5.01	12	5	7,423,900	49	8	4.1	95,571	390,250	259,804	187,000	99,615
Monthly Value	-	-	-	-	-	935,000	4,683,000	-	12 ⁽¹⁾	5 ⁽¹⁾	7,423,900	49	8	4.1 ⁽²⁾	95,571 ⁽³⁾	390,250 ⁽⁴⁾	259,804 ⁽⁵⁾	187,000 ⁽⁶⁾	99,615 ⁽⁷⁾
Monthly minimum	7.94	7.20	8.12	-	-	935,000	4,683,000	5.01	12	5	7,423,900	49	8	4.1	95,571	390,250	-	187,000	-
Monthly average	7.94	7.20	8.12	7.85 ⁺⁺	-	935,000 ⁺⁺	4,683,000	5.01	12	5	7,423,900 ⁺⁺	49.0	8.0	4.1 ⁺⁺	95,571	390,250	-	187,000	-
Monthly maximum	7.94	7.20	8.12	-	-	935,000	4,683,000	5.01	12	5	7,423,900	49	8	4.1	95,571	390,250	-	187,000	-

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>

