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Emissions trading: Emissions allowances for 2010

Federal Environment Agency issues emissions allowances for the new trading year

The German Emissions Trading Authority (DEHSt) at the Federal Environment Agency has met its 28 February deadline to allocate emissions allowances for 2010. Some 1,600 operators will receive some 390 million free emissions allowances from the annual budget of a total 451.86 million allowances.

Acting on the basis of the 2008-2012 trading period, DEHSt issues emissions allowances for the trading year in progress every year on 28 February. Installation operators thus do not receive the full volume of the emissions allowances allocated to them in the first year, but rather in annual tranches. In so doing, changes in the determination of allocation which may owe to changes in capacity, mergers or decommissioning of installations can be taken into account when allowances are issued. Operators receive the emissions allowances they are due through a credit to their account in the German Emissions Trading Registry.

Every year since 2005 operators in the energy sector and emissions-intensive industries have been obliged to surrender emissions allowances equivalent to the volume of their actual CO₂ emissions to DEHSt. Emissions trading acts to combine the goals of environmental protection with economic efficiency as it defines greenhouse gas mitigation goals while granting operators the flexibility with which to reach climate goals at reasonable cost. DEHSt is the office in charge of EU emissions trading in Germany. It allocates a certain volume of free emissions allowances to installations in accordance with pertinent legislation.

Installation operators who demonstrate implementation of climate protection measures or are especially innovative in their mitigation of CO₂ emissions are entitled to sell any surplus emissions allowances and thus generate additional revenues. Operators must purchase additional allowances should their allocated volume not cover the volume of actual CO₂ emissions produced. Otherwise, they are faced with additional payments owed to DEHSt which run at 100 euros per tonne/CO₂. Installation operators must obtain any lacking allowances later on and surrender them to the DEHSt emissions trading registry.

The registry is a key component of emissions trading as it records ownership and volume of emissions allowances. Installation operators can check account status and carry out transactions online. In addition, there is an annual review of the register to verify whether an operator has surrendered the number of allowances commensurate with its actual CO₂

emissions. Furthermore, the emissions trading registry meets certain basic requirements put to the Federal Republic of Germany by the UN Kyoto Protocol. The emissions trading registry is neither a platform for trade nor does it divulge any purchase and sales transactions or prices.

Links and additional information are here:

[Allocation procedure 2008-2012](#)

[Legislation and regulations](#)

[German Emissions Trading Registry](#)

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