

COMMISSION IMPLEMENTING DECISION (EU) 2021/927**of 31 May 2021****determining the uniform cross-sectoral correction factor for the adjustment of free allocations of emission allowances for the period 2021 to 2025***(notified under document C(2021) 3745)***(Text with EEA relevance)**

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Commission Delegated Regulation (EU) 2019/331 ⁽¹⁾ of 19 December 2018 determining transitional Union-wide rules for harmonised free allocation of emission allowances pursuant to Article 10a of Directive 2003/87/EC of the European Parliament and of the Council, and in particular Article 14(6) thereof,

Whereas:

- (1) Articles 10a(5), 10a(5a) and 10a(8) of Directive 2003/87/EC of the European Parliament and of the Council ⁽²⁾ provide for a maximum annual amount of allowances constituting the basis for calculating allowances allocated free of charge to installations not covered by Article 10a(3) of that Directive.
- (2) The maximum amount of free allocation of allowances provided for by Article 10a(5) of Directive 2003/87/EC minus the amount referred to in Article 10a(8) and taking into account the available additional amount, where necessary, set by Article 10a(5a) of that Directive should not be exceeded in order to respect the auctioning share set out in Article 10 of Directive 2003/87/EC. In order to ensure that that maximum annual amount of allowances is not exceeded, an annual cross-sectoral correction factor should be applied, if necessary, reducing in a uniform manner the number of free allowances for each installation eligible for free allocation.
- (3) Pursuant to Article 14(6) of Delegated Regulation (EU) 2019/331, the Commission is to determine the cross-sectoral correction factor for each year of the relevant allocation period once the preliminary annual amounts of free allowances for that period are notified.
- (4) The cross-sectoral correction factor applicable each year of the allocation period 2021 to 2025 to installations that are not identified as electricity generators and that are not new entrants should be determined based on the preliminary annual amount of emission allowances allocated free of charge over the allocation period, not including the free allowances allocated to the installations that are excluded by Member States from the emissions trading system within the Union (EU ETS), in accordance with Article 27 or 27a of Directive 2003/87/EC and including the free allowances allocated to installations that are included by Member States in accordance with Article 24 of that Directive.
- (5) For 2021, the Union-wide quantity of allowances referred to in Article 9 of Directive 2003/87/EC amounts to 1 571 583 007, as set out in Article 1 of Commission Decision (EU) 2020/1722 ⁽³⁾. In accordance with Article 10(1), first and second subparagraphs, of Directive 2003/87/EC, the maximum (annual) amount provided for by Article 10a(5) was calculated as 43 % of 1 571 583 007, that is 675 780 693. From this amount of 675 780 693, 32 500 000 allowances should be deducted annually in accordance with Article 10a(8) of Directive 2003/87/EC, leading to a maximum amount of 643 280 693 for 2021. Pursuant to Article 10a(5a) of Directive 2003/87/EC, an additional amount of up to 3 % of the total quantity of allowances, amounting to 413 420 157 over the ten-year period 2021 to 2030, would be used to increase the maximum amount available if the preliminary annual amounts of free allowances per installation as submitted by the Member States and the EEA EFTA states, applying the relevant factor determined in Annex V to Delegated Regulation (EU) 2019/331, exceeded the maximum quantity referred to in Article 10a(5) of the Directive. The latter was however not the case. Therefore, the annual cross-sectoral correction factor should be 100 %.

⁽¹⁾ OJ L 59, 27.2.2019, p. 8.

⁽²⁾ 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).

⁽³⁾ Commission Decision (EU) 2020/1722 of 16 November 2020 on the Union-wide quantity of allowances to be issued under the EU Emissions Trading System for 2021 (OJ L 386, 18.11.2020, p. 26).

- (6) Any unused allowances from the maximum amounts in the year 2021 should be made available in the subsequent year, namely 2022. That logic should continue to apply for subsequent years during the allocation period 2021 to 2025 referred to in Article 2, point 15 of Delegated Regulation (EU) 2019/331.
- (7) The maximum amounts provided for by Article 10a(5), 10a(5a) and 10a(8) of Directive 2003/87/EC, the harmonised allocation rules and the cross-sectoral correction factor are to be applied in the EEA EFTA States ⁽⁴⁾. It is therefore necessary to take into account the preliminary annual amounts of emission allowances allocated free of charge over the period 2021 to 2025 based on the data accepted by the EFTA Surveillance Authority with regard to Iceland, Liechtenstein and Norway. The calculations referred to in recital 5 reflect this necessity,

HAS ADOPTED THIS DECISION:

Article 1

For each year in the allocation period 2021 to 2025, the uniform cross-sectoral correction factor for the adjustment of free allocations of emission allowances in accordance with Article 10a(5) and 10a(5a) of Directive 2003/87/EC shall be 100 %.

Article 2

This Decision is addressed to the Member States.

Done at Brussels, 31 May 2021.

For the Commission
Frans TIMMERMANS
Executive Vice-President

⁽⁴⁾ Decision of the EEA Joint Committee No 112/2020 of 14 July 2020 amending Annex XX (Environment) to the EEA Agreement (Not yet published in the Official Journal).