

RUE DE LA LOI, 175
B - 1048 BRUSSELS

Brussels, 25 June 2003

Ms CAROLINE JACKSON

Chair, European Parliament Committee on Environment, Public Health and
Consumer Policy

BRUSSELS

**Subject: Amended proposal for a Directive of the European
Parliament and of the Council establishing a scheme for greenhouse gas
emission allowance trading within the Community and amending
Council Directive 96/61/EC**

= Second reading agreement

Dear Ms Jackson,

Following the informal contacts between representatives of the three
Institutions, the Presidency today presented a draft overall compromise
package to the Permanent Representatives Committee. The Committee
accepted this compromise package (see Annex).

I am therefore now in a position to confirm that, should the European
Parliament adopt compromise amendments to the common position as set out
in the Annex to this letter, the Council would, in accordance with
Article 251(3) of the Treaty, approve the amendments of the European
Parliament. This would permit the act in question to be deemed to have been
adopted in the form of the common position thus amended.

On behalf of the Council, I wish to thank you for the close co-operation that
should allow us to agree on this important dossier at second reading, thus
avoiding conciliation.

Yours sincerely,

Dimitris Rallis
Chair, Permanent Representatives Committee (Part I)

cc: Ms Margot Wallström, Commissioner
Mr Jorge Moreira da Silva, EP rapporteur

COUNCIL COMMON POSITION	AMENDMENTS BY THE PARLIAMENT (SECOND READING)	REVISED COUNCIL POSITION	AGREEMENT BETWEEN THE PRESIDENCY AND THE EP
Amendment 1 Recital 15 a (new)			
	<i>(15a) This Directive should only apply to the use of fluorinated gases in the industrial activities referred to in Annex I. The use and containment of fluorinated gases in consumer products should be covered by the future proposal for framework legislation on fluorinated gases</i>		<i>This amendment will not be included in the final amendments of EP.</i>

COUNCIL COMMON POSITION	AMENDMENTS BY THE PARLIAMENT (SECOND READING)	REVISED COUNCIL POSITION	AGREEMENT BETWEEN THE PRESIDENCY AND THE EP
Amendment 2 (linked to 19) Recital 18			
<p>(18) <i>The recognition of credits from project-based mechanisms for fulfilling obligations under this Directive as from 2005 will increase the cost-effectiveness of achieving reductions of global greenhouse gas emissions and will be provided for by a Directive for linking</i> Project-based mechanisms including Joint Implementation (JI) and the Clean Development Mechanism (CDM) <i>with the Community scheme.</i></p>	<p>(18) Project-based mechanisms, including Joint Implementation (JI) and the Clean Development Mechanism (CDM), <i>are important to achieve the goals of both reducing global greenhouse gas emissions and increasing the cost-effective functioning of the Community scheme. Priority should however be given to domestic action.</i></p>	<p>(18) <input type="checkbox"/> Project-based mechanisms including Joint Implementation (JI) and the Clean Development Mechanism (CDM) <input type="checkbox"/> are important <input type="checkbox"/> to achieve the goals of both reducing global greenhouse gas emissions and increasing the cost-effective functioning of the Community scheme. In accordance with the relevant provisions of the Kyoto Protocol and Marrakesh Accords, the use of the mechanisms should be supplemental to domestic action and domestic action will thus constitute a significant element of the effort made.</p>	<p><i>This draft amendment will be reformulated as proposed in the revised Council position.</i></p>

COUNCIL COMMON POSITION	AMENDMENTS BY THE PARLIAMENT (SECOND READING)	REVISED COUNCIL POSITION	AGREEMENT BETWEEN THE PRESIDENCY AND THE EP
Amendment 3 (linked to 14 and 22) Article 2, paragraph 1 a (new)			
	<p><i>1 a. Notwithstanding paragraph 1, the greenhouse gases other than CO2 referred to in Annex II shall be included in the Community greenhouse gas emission allowance trading scheme provided that:</i></p> <p><i>(a) the quality of data for a particular reference year is satisfactory, and</i></p> <p><i>(b) standardised methods on measurement, monitoring, and calculation under Annex IV are developed by the Commission in collaboration with all stakeholders and agreed in accordance with the procedure referred to in Article 23(2).</i></p>	<p><i>Amend recital 14 as follows:</i></p> <p>“The inclusion of additional installations in the Community scheme should be in accordance with the provisions laid down in this Directive, and may thereby extend the coverage of the Community scheme to emissions of other greenhouse gases than carbon dioxide [] inter alia from aluminium and chemicals activities.”</p>	<p><i>This draft amendment will be reformulated and incorporated into recital 14 as proposed in the revised Council position.</i></p>

COUNCIL COMMON POSITION	AMENDMENTS BY THE PARLIAMENT (SECOND READING)	REVISED COUNCIL POSITION	AGREEMENT BETWEEN THE PRESIDENCY AND THE EP
Amendment 4 Article 4, paragraph 1 a (new)			
	<p><i>Member States shall take account of the corresponding carbon value of savings achieved through CHP investments and the replacement of fuel by waste fuels when allocating allowances to operators using the European Guidance on the Carbon Equivalence to be prepared by the Commission prior to the entry into force of that scheme.</i></p>	<p>Add a new recital 19a to read as follows:</p> <p>“This Directive will encourage the use of more energy efficient technologies, including combined heat and power technology, <u>producing</u> less emissions per unit of output, while Directive 2003/.../EC [of ... concerning the promotion of CHP] will specifically promote combined heat and power technology.”</p> <p>* OJ L</p>	<p><i>This draft amendment will be reformulated and added as a new recital as proposed in the revised Council position.</i></p>

COUNCIL COMMON POSITION	AMENDMENTS BY THE PARLIAMENT (SECOND READING)	REVISED COUNCIL POSITION	AGREEMENT BETWEEN THE PRESIDENCY AND THE EP
Amendment 5 Article 9, paragraph 1 a (new)			
	<p><i>1a. The total quantity referred to in paragraph 1 shall be no more than x%(1) of the Member State's emissions level determined in terms of tonnes of carbon dioxide equivalent pursuant to Decision 2002/358/EC concerning the approval, on behalf of the European Community, of the Kyoto Protocol to the United Nations Framework Convention on Climate Change and the joint fulfillment of commitments thereunder. Before this determination has taken place, the total quantity referred to in paragraph 1 shall be no more than x%(1) of the quantity of emissions that would result in the relevant period determined by a straight trend-line between the Member State's base year emissions and its target established by that Decision.</i></p> <p><i>(1) x corresponds to the share of total emissions produced by the installations covered by this Directive in the Member State concerned in 1990.</i></p>	<p><i>Amend Annex III as follows:</i></p> <p>“(1) The total quantity of allowances to be allocated for the relevant period shall be consistent with the Member State's obligation to limit its emissions pursuant to Decision 2002/358/EC and the Kyoto Protocol, taking into account, on the one hand, the proportion of overall emissions that these allowances represent in comparison with emissions from sources not covered by this Directive and, on the other hand national energy policies, and should be consistent with the national climate change programme. The total quantity of allowances to be allocated shall not be more than is likely to be needed for the strict application of the criteria of this Annex. Prior to 2008, the quantity shall be consistent with a path towards achieving or over-achieving each Member State's target under Decision 2002/358/EC and the Kyoto Protocol [].”</p>	<p><i>This draft amendment will be reformulated and incorporated into Annex III as proposed in the revised Council position.</i></p>

COUNCIL COMMON POSITION	AMENDMENTS BY THE PARLIAMENT (SECOND READING)	REVISED COUNCIL POSITION	AGREEMENT BETWEEN THE PRESIDENCY AND THE EP
Amendment 6 Article 10			
<p>For the three-year period beginning 1 January 2005 Member States shall allocate allowances free of charge. For the five-year period beginning 1 January 2008, Member States shall allocate at least 90% of the allowances free of charge.</p>	<p>For the three-year period beginning 1 January 2005 Member States shall allocate allowances free of charge. For the five-year period beginning 1 January 2008, Member States shall allocate 5% of the allowances against payment and the remaining part free of charge. When selling part of the allowances, Member States shall endeavour to avoid any increase in the overall financial burden for operators, notably where energy taxes are applied, in order to achieve neutrality.</p>	<p>For the first three-year period beginning 1 January 2005 Member States shall allocate at least 95% of the allowances free of charge. For the five-year period beginning 1 January 2008, Member States shall allocate at least 90% of the allowances free of charge.</p> <p><i>Amend Article 30(2)(c) to read:</i></p> <p>(c) “further harmonisation of the method of allocation including auctioning for the time after 2012 and of the criteria for national allocation plans referred to in Annex III;”</p>	<p><i>This draft amendment will be reformulated as proposed in the revised Council position.</i></p> <p><i>An amendment to Article 30 (2) (c), as set out in the revised Council position, will also be included.</i></p>

COUNCIL COMMON POSITION	AMENDMENTS BY THE PARLIAMENT (SECOND READING)	REVISED COUNCIL POSITION	AGREEMENT BETWEEN THE PRESIDENCY AND THE EP
Amendment 7 Article 11, paragraph 1 a (new)			
	<p><i>1a. For the periods referred to in paragraphs 1 and 2, new entrants shall acquire their allowances in the same way as all other participants in the market. For the periods referred to in paragraphs 1 and 2, the total level of allowances shall be adjusted in accordance with the procedure laid down in Article 9(1a). The provisions of this paragraph shall apply to existing participants in the market which extend their installations in the same way as to new entrants. The adjustment shall take place one year after the new entrant joins the market, with due account also being taken of installations which have been closed down.</i></p>		<p><i>This draft amendment will not be included in the final amendments of EP.</i></p>

COUNCIL COMMON POSITION	AMENDMENTS BY THE PARLIAMENT (SECOND READING)	REVISED COUNCIL POSITION	AGREEMENT BETWEEN THE PRESIDENCY AND THE EP
Amendment 8 Article 12, paragraph 4 a (new)			
	<i>4a. Member States shall ensure that operators of installations may use, in the next period, emissions that have not been used or sold.</i>		<i>This draft amendment will not be included in the final amendments of EP.</i>

COUNCIL COMMON POSITION	AMENDMENTS BY THE PARLIAMENT (SECOND READING)	REVISED COUNCIL POSITION	AGREEMENT BETWEEN THE PRESIDENCY AND THE EP
Amendment 9 Article 12, paragraph 4 a (new)			
	<i>4a. Member States shall cancel the allowances of installations</i> <ul style="list-style-type: none"> - <i>which are closed down;</i> - <i>whose capacity is cut back;</i> - <i>which continue to operate under the same or worse conditions in non-EU countries.</i> 		<i>This draft amendment will not be included in the final amendments of EP.</i>

COUNCIL COMMON POSITION	AMENDMENTS BY THE PARLIAMENT (SECOND READING)	REVISED COUNCIL POSITION	AGREEMENT BETWEEN THE PRESIDENCY AND THE EP
Amendment 10 Article 12 a (new)			
	<p><u>Article 12 a</u></p> <p><i>Where an installation ceases to carry out an activity listed in Annex I during a period referred to in Article 11(1) or (2), the competent authority may decide not to issue any further allowances to the operator of that installation during the remainder of the period in respect of that installation unless the operator can demonstrate that the closure is related to a corresponding new investment made within the Community.</i></p>		<p><i>This draft amendment will not be included in the final amendments of EP.</i></p>

COUNCIL COMMON POSITION	AMENDMENTS BY THE PARLIAMENT (SECOND READING)	REVISED COUNCIL POSITION	AGREEMENT BETWEEN THE PRESIDENCY AND THE EP
Amendment 11 Article 13, paragraph 3 a (new)			
	<i>3a. Member States shall ensure that operators of installations may, within the periods laid down in Article 11(1) and (2), bring forward allowances or put aside allowances for a subsequent year.</i>		<i>This draft amendment will not be included in the final amendments of EP.</i>

COUNCIL COMMON POSITION	AMENDMENTS BY THE PARLIAMENT (SECOND READING)	REVISED COUNCIL POSITION	AGREEMENT BETWEEN THE PRESIDENCY AND THE EP
Amendment 12 Article 22			
<p>Amendments to Annex III</p> <p>The Commission may amend Annex III for the period from 2008 to 2012 in the light of the reports provided for in Article 21 and of the experience of the application of this Directive, in accordance with the procedure referred to in Article 23(2).</p>	<i>Deleted</i>	<p>Amendments to Annex III</p> <p>The Commission may amend Annex III, with the exception of criteria (1), (5) and (7), for the period from 2008 to 2012 in the light of the reports provided for in Article 21 and of the experience of the application of this Directive, in accordance with the procedure referred to in Article 23(2).</p> <p><i>In addition, add a new recital 26a as follows:</i></p> <p>"The Commission may not amend criteria (1), (5) and (7) of Annex III through comitology. □</p> <p>Amendments in respect of periods after 2012 will only be made</p>	<p><i>This draft amendment will be reformulated as set out in the revised Council position.</i></p> <p><i>An amendment adding a new recital as set out in the revised Council position will also be introduced.</i></p>

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COUNCIL COMMON POSITION	AMENDMENTS BY THE PARLIAMENT (SECOND READING)	REVISED COUNCIL POSITION	AGREEMENT BETWEEN THE PRESIDENCY AND THE EP
Amendment 13 Article 24, title and paragraph 1			
<p>Procedure for unilateral inclusion of additional activities and gases</p> <p>1. From 2008, Member States may apply emission allowance trading in accordance with this Directive to activities, installations and greenhouse gases which are not listed in Annex I, provided that inclusion of such activities, installations and greenhouse gases is approved by the Commission in accordance with the procedure referred to in Article 23(2), taking into account all relevant criteria, in particular effects on the internal market, potential distortions of competition, the environmental integrity of the scheme and reliability of the planned monitoring and reporting system.</p> <p>From 2005 Member States may under the same conditions apply emissions allowance trading to installations carrying out activities listed in Annex I below the capacity limits referred to in that Annex.</p>	<p>Procedure for unilateral inclusion of additional sectors, activities and installations</p> <p>1. <i>The Member States shall also be able to extend the scheme to additional sectors, activities and installations if it does not conflict with Articles 87 and 88 of the Treaty. For the period referred to in Article 11(1), a list of additional sectors, activities and installations shall be notified to the Commission by 31 March 2004 at the latest. For subsequent periods, the list of additional sectors, activities and installations shall be notified to the Commission at least 18 months before the beginning of the relevant period. Within 3 months of notification, the Commission may reject completely, or in part, the list of additional sectors, activities and installations on the basis that it conflicts with Article 87 or 88 of the Treaty.</i></p>	<p><i>Maintain Common Position.</i></p>	<p><i>This draft amendment will not be included in the final amendments of EP.</i></p>

COUNCIL COMMON POSITION	AMENDMENTS BY THE PARLIAMENT (SECOND READING)	REVISED COUNCIL POSITION	AGREEMENT BETWEEN THE PRESIDENCY AND THE EP
Amendment 14 (linked to 3 and 22) Article 24, paragraph 3			
<u>Article 24</u> 3.The Commission may, on its own initiative, or shall, on request by a member State, adopt monitoring and reporting guidelines for emissions from activities, installations and greenhouse gases which are not listed in Annex I in accordance with the procedure referred to in article 23(2), if monitoring and reporting of these emissions can be carried out with sufficient accuracy.	<u>Article 24</u> 3.The Commission may, on its own initiative, or shall, on request by a member State, adopt monitoring and reporting guidelines for emissions from activities and installations which are not listed in Annex I in accordance with the procedure referred to in article 23(2), if monitoring and reporting of these emissions can be carried out with sufficient accuracy.	<i>Maintain text of Common Position. See proposal for AMD 3 (above).</i>	<i>This draft amendment will not be included in the final amendments of EP.</i>

COUNCIL COMMON POSITION	AMENDMENTS BY THE PARLIAMENT (SECOND READING)	REVISED COUNCIL POSITION	AGREEMENT BETWEEN THE PRESIDENCY AND THE EP
Amendment 15 Article 27, paragraph 1			
<p>1. Member States may apply to the Commission for certain installations and activities to be temporarily excluded until 31 December 2007 at the latest from the Community scheme. Any such application shall list each such installation and shall be published.</p> <p>2. If, having considered any comments made by the public on that application, the Commission decides, in accordance with the procedure referred to in Article 23(2), that the installations and activities will:</p> <p>(a) as a result of national policies, limit their emissions as much as would be the case if they were subject to the provisions of this Directive;</p> <p>(b) be subject to monitoring, reporting and verification requirements which are equivalent to those provided for pursuant to Articles 14 and 15, and</p>	<p>1. Member States may apply to the Commission to temporarily exclude certain installations from the Community greenhouse gas emission allowance trading scheme until 31 December 2007. Any such application shall list each such installation and shall be published.</p> <p>2. If, having considered any comments made by the public on that application, the Commission decides, in accordance with the procedure referred to in Article 23(2), that the installations will:</p> <p>(a) as a result of national policies, limit their emissions as much as would be the case if they were subject to the provisions of this Directive;</p> <p>(b) be subject to monitoring, reporting and verification requirements which are equivalent to those provided for pursuant to Articles 14 and 15, and</p>	<p>Member States may apply to the Commission for [] installations [] to be temporarily excluded until 31 December 2007 at the latest from the Community scheme. Any such application shall list each such installation and shall be published.</p> <p>2. If, having considered any comments made by the public on that application, the Commission decides, in accordance with the procedure referred to in Article 23(2), that the installations [] will:</p> <p>(a) as a result of national policies, limit their emissions as much as would be the case if they were subject to the provisions of this Directive;</p> <p>b) be subject to monitoring, reporting and verification requirements which are equivalent to those provided for pursuant to Articles 14 and 15, and</p>	<p><i>This amendment will be reformulated as set out in the revised Council position.</i></p>

COUNCIL COMMON POSITION	AMENDMENTS BY THE PARLIAMENT (SECOND READING)	REVISED COUNCIL POSITION	AGREEMENT BETWEEN THE PRESIDENCY AND THE EP
Amendment 15 (continued) Article 27, paragraph 1			
<p>(c) be subject to penalties at least equivalent to those referred to in Article 16(1) and (4) in the case of non-fulfilment of national requirements;</p> <p>it shall provide for the temporary exclusion of those installations from the Community scheme.</p>	<p>(c) be subject to penalties at least equivalent to those referred to in Article 16(1) and (4) in the case of non-fulfilment of national requirements;</p> <p>it shall provide for the temporary exclusion of those installations from the Community scheme.</p>	<p>(c) be subject to penalties at least equivalent to those referred to in Article 16(1) and (4) in the case of non-fulfilment of national requirements;</p> <p>it shall provide for the temporary exclusion of those installations from the Community scheme.</p>	

COUNCIL COMMON POSITION	AMENDMENTS BY THE PARLIAMENT (SECOND READING)	REVISED COUNCIL POSITION	AGREEMENT BETWEEN THE PRESIDENCY AND THE EP
Amendment 16 Article 28, paragraphs 1 and 2			
<p>1. Member States may allow operators of installations carrying out one of the activities listed in Annex I to form a pool of installations from the same activity for the period referred to in Article 11(1) and/or the first five-year period referred to in Article 11(2) in accordance with paragraphs 2 to 6 of this Article.</p> <p>2. Operators carrying out an activity listed in Annex I who wish to form a pool shall apply to the competent authority, specifying the installations and the period for which they want the pool and supplying evidence that a trustee will be able to fulfil the obligations referred to in paragraphs 3 and 4.</p>	<p>1. Member States may allow operators of installations carrying out one or more of the activities listed in Annex I to form a pool of installations from the same activity for the period referred to in Article 11(1) and/or the first five-year period referred to in Article 11(2) in accordance with paragraphs 2 to 6 of this Article.</p> <p>2. Operators carrying out one or more of the activities listed in Annex I who wish to form a pool shall apply to the competent authority, specifying the installations and the period for which they want the pool and supplying evidence that a trustee will be able to fulfil the obligations referred to in paragraphs 3 and 4.</p>	<p><i>Maintain Common Position.</i></p>	<p><i>This draft amendment will not be included in the final amendments of the EP.</i></p>

COUNCIL COMMON POSITION	AMENDMENTS BY THE PARLIAMENT (SECOND READING)	REVISED COUNCIL POSITION	AGREEMENT BETWEEN THE PRESIDENCY AND THE EP
Amendment 17 Article 29			
<p>During the period referred to in Article 11 (1), Member States may apply to the Commission for certain installations to be issued with additional allowances in cases for force majeure. The Commission shall determine whether force majeure is demonstrated, in which case it shall authorise the issue of additional and non-transferable allowances by that Member State to the operators of those installations.</p>	<p>During the period referred to in Article 11 (1), Member States may apply to the Commission for certain installations to be issued with additional allowances in cases for force majeure. The Commission shall determine whether force majeure is demonstrated, in which case it shall authorise the issue of additional and non-transferable allowances by that Member State to the operators of those installations.</p> <p><i>The Commission shall, without prejudice to the Treaty, develop guidance to describe the circumstances under which force majeure is demonstrated, by 31 December 2003 at the latest.</i></p>	<p><i>Accept EP amendment.</i></p>	<p><i>This amendment will be accepted as it stands.</i></p>

COUNCIL COMMON POSITION	AMENDMENTS BY THE PARLIAMENT (SECOND READING)	REVISED COUNCIL POSITION	AGREEMENT BETWEEN THE PRESIDENCY AND THE EP
Amendment 18 Article 30, paragraph 1			
<p>1. On the basis of progress achieved in the monitoring of emissions of greenhouse gases, the Commission <i>may</i> make a proposal to the European Parliament and the Council by 31 December 2004 to amend Annex I to include other activities <i>and emissions of other greenhouse gases listed in Annex II</i>.</p>	<p>1. On the basis of progress achieved in the monitoring of emissions of greenhouse gases, the Commission <i>shall</i> make a proposal to the European Parliament and the Council by 30 June 2006 to amend Annex I to include other <i>sectors and</i> activities.</p>	<p><i>Amend Article 30 (2) (a) as follows:</i></p> <p>“how and whether Annex I should be amended to include other relevant sectors, [] inter alia the chemicals, aluminium and transport sectors, activities and emissions of other greenhouse gases listed in Annex II, with a view to further improving the economic efficiency of the scheme;”</p> <p><i>Also amend recital 23 to read as follows:</i></p> <p>“(23) Policies and measures should be implemented at Member State and Community level across all sectors of the European Union economy, an not only within the industry and energy sectors, in order to generate substantial emissions reductions. The Commission will, in particular, consider policies and measures at Community level in order that the transport sector makes a substantial contribution to the Community and its Members States meeting their climate change obligations under the Kyoto Protocol.”</p>	<p><i>This draft amendment will be reformulated as set out in the revised Council position.</i></p> <p><i>An amendment to amend recital 23 will also be included as set out in the revised Council position.</i></p>

COUNCIL COMMON POSITION	AMENDMENTS BY THE PARLIAMENT (SECOND READING)	REVISED COUNCIL POSITION	AGREEMENT BETWEEN THE PRESIDENCY AND THE EP
Amendment 19 (linked to AMD 2) Article 30, paragraph 3			
<p>3. Linking <i>the</i> project-based mechanisms, including Joint Implementation (JI) and the Clean Development Mechanism (CDM), with the Community scheme <i>is desirable and important to achieve the goals of both reducing global greenhouse gas emissions and increasing the cost-effective functioning of the Community scheme. Therefore, the emission credits from the project-based mechanisms will be recognised for their use in this scheme subject to provisions adopted by the European Parliament and the Council on a proposal from the Commission, which should apply in parallel with the Community scheme in 2005.</i></p>	<p>3. The Commission shall, as soon as possible, put forward a proposal for linking Project-based mechanisms, including Joint Implementation (JI) and the Clean Development Mechanism (CDM), with the Community scheme. This proposal shall set rules for the recognition of a fixed amount of credits from project-based mechanisms for fulfilling obligations under this Directive.</p>	<p>3. Linking the project-based mechanisms, including Joint Implementation (JI) and the Clean Development Mechanism (CDM), with the Community scheme is desirable and important to achieve the goals of both reducing global greenhouse gas emissions and increasing the cost-effective functioning of the Community scheme. Therefore, the emission credits from the project-based mechanisms will be recognised for their use in this scheme subject to provisions adopted by the European Parliament and the Council on a proposal from the Commission, which should apply in parallel with the Community scheme in 2005. The use of the mechanisms shall be supplemental to domestic action, in accordance with <u>the relevant provisions of the Kyoto Protocol and Marrakesh Accords.</u></p>	<p><i>This amendment will be reformulated as set out in the revised Council position.</i></p>

COUNCIL COMMON POSITION	AMENDMENTS BY THE PARLIAMENT	REVISED COUNCIL POSITION	AGREEMENT BETWEEN THE PRESIDENCY AND THE EP
Amendment 20 Annex I, table, item "production and processing of ferrous metals"			
<p><u>Production and processing of ferrous metals</u></p> <p>Metal ore (including sulphide ore) roasting or sintering installations</p> <p>Installations for the production of pig iron or steel (primary or secondary fusion) including continuous casting, with a capacity exceeding 2.5 tonnes per hour.</p>	<p><i>Carbon dioxide</i></p> <p><i>Carbon dioxide</i></p>	<p><u>Production and processing of ferrous metals</u></p> <p>Metal ore (including sulphide ore) roasting or sintering installations</p> <p>Installations for the production of pig iron or steel (primary or secondary fusion) including continuous casting, with a capacity exceeding 2.5 tonnes per hour.</p> <p><i>Installations for the production and processing of aluminium</i></p> <p><i>Installations falling under this category of activities shall fall within the scope of this Directive only if the total amount of greenhouse gas exceeds 50 000 tonnes of carbon dioxide equivalents per year.</i></p>	<p><i>Maintain text of Common Position.</i></p> <p><i>See the proposal for AMD 3 (above).</i></p> <p><i>This draft amendment will not be included in the final amendments of EP.</i></p>

COUNCIL COMMON POSITION	AMENDMENTS BY THE PARLIAMENT	REVISED COUNCIL POSITION	AGREEMENT BETWEEN THE PRESIDENCY AND THE EP
Amendment 21 Annex I, table, item 3 a (new)			
	<p><u>Chemical industry</u> <i>Installations falling within this category of activity shall fall within the scope of this Directive only if the total amount of greenhouse gas exceeds 50 000 tonnes of carbon dioxide equivalents per year.</i></p>	<p><i>Maintain text of Common Position.</i></p> <p><i>See proposal for AMD 3 (above).</i></p>	<p><i>This draft amendment will not be included in the final amendments of EP.</i></p>

COUNCIL COMMON POSITION	AMENDMENTS BY THE PARLIAMENT (SECOND READING)	REVISED COUNCIL POSITION	AGREEMENT BETWEEN THE PRESIDENCY AND THE EP
Amendment 22 (linked to 3 and 14) Annex I, Table, Column “Greenhouse gases”			
Annex I, table, column 2 Greenhouse gases	<i>Delete column.</i>	<i>Maintain text of Common Position.</i> <i>See proposal for AMD 3 (above).</i>	<i>This draft amendment will not be included in the final amendments of EP.</i>

COUNCIL COMMON POSITION	AMENDMENTS BY THE PARLIAMENT (SECOND READING)	REVISED COUNCIL POSITION	AGREEMENT BETWEEN THE PRESIDENCY AND THE EP
Amendment 23 Annex III, point 1 a (new))			
	<i>The total quantity of allowances allocated shall take account of the other Community legal and policy instruments. Accordingly, Member States shall avoid cumulating measures which target greenhouse gases, such as energy taxes or CO₂ levies, in the sectors concerned.</i>		<i>This draft amendment will not be included in the final amendments of EP.</i>

COUNCIL COMMON POSITION	AMENDMENTS BY THE PARLIAMENT (SECOND READING)	REVISED COUNCIL POSITION	AGREEMENT BETWEEN THE PRESIDENCY AND THE EP
Amendment 24 Annex III, point 3			
<p>(3) Quantities of allowances to be allocated shall be consistent with the potential, including the technological potential, of activities covered by this scheme to reduce emissions. Member States may base their distribution of allowances on average emissions of greenhouse gases by product in each activity and achievable progress in each activity.</p>	<p>(3) Quantities of allowances to be allocated shall be consistent with the potential, including the technological potential, of activities covered by this scheme to reduce emissions, with due account being taken of emission reductions achieved by means of early action to implement technological improvements. Benchmarks derived from reference documents concerning the best available technologies shall be employed in order to take account of past and future performance and to prevent the allocation of excessively high or excessively low allowances; these benchmarks shall be laid down on the basis of agreements between the Member States and the Commission. The benchmarks shall take account of comparable efforts in all sectors and in all types of installation. Member States may base their distribution of allowances on average emissions of greenhouse gases by product in each activity and achievable progress in each activity.</p>	<p><i>Amend criterion 7 of Annex III to read as follows:</i></p> <p>“The plan may accommodate early action and shall contain information on the manner in which early action is taken into account. Benchmarks derived from reference documents concerning the best available technologies may be employed by Member States in developing their National Allocation Plans, and these benchmarks can incorporate an element of accommodating early action.”</p> <p><i>Add to Article 30 (2) a new point as follows:</i></p> <p>“(k) The practicality of developing Community-wide benchmarks as a basis for allocation, taking into account best available techniques and cost-benefit analysis.”</p>	<p><i>This amendment will be reformulated and incorporated into criterion 7 of Annex III as set out in the revised Council position.</i></p> <p><i>An amendment to add a new point to Article 30 (2), as set out in the revised Council position, will also be included.</i></p>

COUNCIL COMMON POSITION	AMENDMENTS BY THE PARLIAMENT (SECOND READING)	REVISED COUNCIL POSITION	AGREEMENT BETWEEN THE PRESIDENCY AND THE EP
Amendment 25 Annex III, point 3 a (new)			
	<p><i>3a. In the case operators are operating one or more activities listed in annex 1 which are technically linked to each other, Member States shall base their distribution of allowances to these operators taking into consideration their potential to decrease reducible overall GHG emissions by acting on the processes themselves.</i></p>	<p><i>Instead, add a new recital 7a to read as follows:</i></p> <p>“Member States should have regard when allocating allowances to the potential for industrial process activities to reduce emissions []”.</p>	<p><i>This amendment will be reformulated and added as a new recital as set out in the revised Council position.</i></p>

COUNCIL COMMON POSITION	AMENDMENTS BY THE PARLIAMENT (SECOND READING)	REVISED COUNCIL POSITION	AGREEMENT BETWEEN THE PRESIDENCY AND THE EP
Amendment 26 Annex III, point 5			
(5) The plan shall not discriminate between companies or sectors in such a way as to unduly favour certain undertakings or activities in accordance with the requirements of the Treaty, in particular Articles 87 and 88 thereof.	(5) The plan shall not discriminate between companies or sectors in such a way as to unduly favour certain undertakings or activities in accordance with the requirements of the Treaty, in particular Articles 87 and 88 thereof, <i>nor shall any installation be allocated more allowances than it is likely to need, unless this is done in recognition of emission reductions already achieved.</i>	<i>Maintain text of Common Position.</i> <i>See proposal for AMD 24 (above).</i>	<i>This draft amendment will not be included in the final amendments of EP.</i>

COUNCIL COMMON POSITION	AMENDMENTS BY THE PARLIAMENT (SECOND READING)	REVISED COUNCIL POSITION	AGREEMENT BETWEEN THE PRESIDENCY AND THE EP
Amendment 27 Annex IV, Reporting of emissions, part B			
B. For each Annex I activity carried out on the site for which emissions are calculated: - Activity data; - Emission factors; - Oxidation factors; - Total emissions; and - Uncertainty	B. For each Annex I activity carried out on the site for which emissions are calculated: - Activity data; - Emission factors; - Oxidation factors; - Total emissions (<i>reducible and irreducible</i>); and - Uncertainty.	<i>Maintain text of Common Position.</i> <i>See the proposal for AMD 25 (above).</i>	<i>This draft amendment will not be included in the final amendments of EP.</i>

