

COUNCIL COMMON POSITION	AMENDMENTS BY THE PARLIAMENT (SECOND READING)	REVISED COUNCIL POSITION	AGREEMENT BETWEEN THE PRESIDENCY AND THE EP
<b>Amendment 4</b> 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><b>“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.”</b></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>

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<b>Amendment 6</b> 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 <b>at least 90%</b> 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 <b>5%</b> of the allowances <b>against payment and the remaining part</b> free of charge. <b>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.</b></p>	<p>For the <b>first</b> three-year period beginning 1 January 2005 Member States shall allocate <b>at least 95% of the</b> 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 <b>including auctioning for the time after 2012</b> 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
<b>Amendment 19 (linked to AMD 2)</b> 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><b><i>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.</i></b></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. <b>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></b></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
<b>Amendment 24</b> 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, <i>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.</i> 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. <b>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.</b>”</p> <p><i>Add to Article 30 (2) a new point as follows:</i></p> <p>“(k) <b>The practicality of developing Community-wide benchmarks as a basis for allocation, taking into account best available techniques and cost-benefit analysis.</b>”</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>

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<b>Amendment 25</b> 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><b>“Member States should have regard when allocating allowances to the potential for industrial process activities to reduce emissions [ ]”.</b></p>	<p><i>This amendment will be reformulated and added as a new recital as set out in the revised Council position.</i></p>