

EDITORIAL

ETS: NIMs Delay Increases Uncertainty

Member States had to submit their NIMs for EU-ETS 3 by 30 September 2011. To this day, however, only 7 Member States (Cyprus, Estonia, Lithuania, Latvia, Malta, Poland and Romania) have notified their respective NIMs. It is quite significant that some of the largest Member States, with many installations subject to the EU-ETS, are not likely to notify their NIMs until the new year, most probably at some point in time during the 1st quarter.

The delay was not totally unexpected, guidance* was only provided by bits and pieces in April and June 2011 and completed only on 15 September 2011. Even though most of the content had been known before the Task is daunting. Calculating the amount of allowances to be allocated for free on the basis of diverse benchmarks to numerous installations in different industries is in itself a task that is time and resource consuming. The diversity which characterises the political and legal process to be followed in Member States is another source of difficulties.

The current delay leaves industries in the dark as to what volumes of EUAs will be available for free from 1 January 2013. Nor is it possible to know whether a correction factor will apply. Such information is, however, essential to plan production and to decide whether to invest in the EU or elsewhere.

In previous editorials we have repeatedly drawn attention to the risk generated by regulatory uncertainty. At the risk of repeating ourselves, we feel obliged to return once more to this theme: is it not extraordinary to place industrial operators, often in capital intensive industries, in such a predicament that they cannot find out what will be the framework conditions under which they will have to operate one year from now?

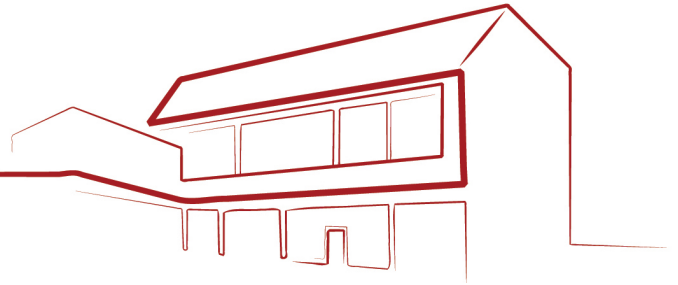
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[Guidance Document n°1 on General Guidance to the allocation methodology](#)

[Guidance Document n°2 on Allocation methodologies](#)

[Guidance Document n°3 on Data collection guidance](#)

[Guidance Document n°4 on Verification of NIMs Baseline Data Reports and Methodology Reports](#)



[Guidance Document n°5 on Carbon leakage](#)

[Guidance Document n°6 on Cross-Boundary Heat Flows](#)

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[Guidance Document n°8 on Waste gases and process emissions sub-installation](#)

[Guidance Document n°9 on Sector-specific guidance](#)

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