

National Emissions Trading System (nEHS)

Selling National Emissions Certificates

Fourth Quarter and Annual Report 2022



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DEHSt
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Emissionshandelsstelle

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Selling emissions certificates in the national emissions trading system (nEHS)

In 2021, the national emissions trading system (nEHS) came into effect for the heating and transport sectors in Germany. For each tonne of CO₂ that can be released from the combustion of fuel, a national emissions certificate (hereinafter referred to as ‘nEHS certificate’ and abbreviated as nEZ) must be purchased and surrendered to the nEHS registry at the German Emissions Trading Authority (DEHSt) at the German Environment Agency (UBA). During the entire fixed-price phase up to and including 2025, the sale of the nEHS certificates is carried out on a sales platform which is provided by the European Energy Exchange AG (EEX). The revenues from the sale flow into the so-called Climate and Transformation Fund (KTF)¹.

The sales are carried out twice a week, on Tuesdays and Thursdays, from 09:00 to 15:00 CET on the EEX spot market. Since 2022, nEHS certificates with the vintage of the respective current and previous year have been offered on EEX (see Infobox).

Further information on sales is available on the [EEX website](#). The sales calendars are available on the [EEX website](#). The sales results are published on the [EEX website](#) on the same day following the sale.

DEHSt at the German Environment Agency (UBA) is the competent authority for the enforcement of the nEHS.

Overview of the core sales data

The following tables summarise the key points of the sale of nEHS certificates (nEZs) on EEX in 2022 and 2023:

2022		
Sales product	nEZ spot contracts for 2022	nEZ spot contracts for 2021
Sales period	From 11/01/2022 to 08/12/2022	From 11/01/2022 to 22/09/2022
Sales volume for the entire year	unlimited ²	limited (see Infobox below)
Sales volume per sales date	unlimited ²	limited (see Infobox below)
Sales frequency	twice weekly (Tuesdays & Thursdays from 09:00 to 15:00 CET)	
Minimum bid quantity	1 nEZ	
Sales mode	Fixed-price procedure with a fixed price of 30 euros per nEZ	Fixed-price procedure with a fixed price of 25 euros per nEZ

2023		
Sales product	nEZ spot contracts for 2023	nEZ spot contracts for 2022
Sales period	from 10/01/2023 to 07/12/2023 ³	from 10/01/2023 to 21/09/2023
Sales volume for the entire year	unlimited ²	limited (see Infobox below)
Sales volume per sales date	unlimited ²	limited (see Infobox below)
Sales frequency	twice weekly (Tuesdays & Thursdays from 09:00 to 15:00 CET)	
Minimum bid quantity	1 nEZ	
Sales mode	Fixed-price procedure with a fixed price of 30 euros per nEZ	Fixed-price procedure with a fixed price of 30 euros per nEZ

1 Until July 2022 – Energy and Climate Fund (EKF).

2 During the fixed-price phase, the number of available nEHS certificates with the vintage of the respective current year is not limited for the buyers on the sales dates. Insofar as the annual emission volume pursuant to paragraph 4(1) and (3) BEHG (called base cap) is exceeded for a calendar year within the trading period and the annual volumes of the Effort Sharing Regulation (EU-Klimaschutzverordnung) are not complied with, the demand for emission certificates in excess of this will be covered by the German Federal Government by making use of flexibility options pursuant to the Effort Sharing Regulation.

3 Presumably last sales date in 2023. Additional dates may be scheduled at a later date.

Current developments

Application of the reverse-charge procedure for nEHS certificates

On 7th October 2022, the German Bundesrat approved the ‘Achstes Gesetz zur Änderung der Verbrauchsteuern’. With this amendment the reverse-charge procedure also applies for transactions of certificates of the national emissions trading system (nEHS) in the German law on turnover tax (Umsatzsteuergesetz) (see [website of the German Bundestag](#)). The relevant legal bases can be found in Art. 12 No. 2 in conjunction with 18 (4) of the act (see BGBl. I from 28th October 2022, p. 1838). The reverse-charge procedure entered into force on 1st January 2023.

1 Overview

1.1 Fourth quarter of 2022

Between October and December, 20 nEHS sales dates of vintage 2022 certificates were successfully carried out at the EEX for Germany.

In the fourth quarter of 2022 overall almost **148 million nEZ** were sold at a fixed price of **30 euros** with a total value of over **4.4 billion euros**. The average participation was 23 buyers per sales date (see also Chapter 2.1). In the fourth quarter 144 different buyers participated overall in the primary market. This does not include indirect buyer participation via intermediaries.

The following table gives an overview of the key sales figures in the fourth quarter.

Table 1: Overview of German nEZ sales in the fourth quarter of 2022

Month	Vintage year	Number of sales dates	Sales volume	Buyers	Price	Revenues
October	2022	8	12,362,265	*10	€ 30	€ 370,867,950
November	2022	9	75,860,824	*26	€ 30	€ 2,275,824,720
December	2022	3	59,728,218	*51	€ 30	€ 1,791,846,540
Total	2022	20	147,951,307	*23	€ 30	€ 4,438,539,210

Source: EEX, DEHSt
*Average per sales date, rounded

1.2 Entire year 2022

In 2022, all scheduled nEHS sales dates of vintage 2022 and 2021 certificates were successfully carried out at the EEX for Germany. On 22nd September 2022, the last sales date for limited post-purchase of vintage 2021 nEZ took place on EEX in accordance with the published sales calendar. Thus, 73 sales dates of vintage 2021 certificates and 95 sales dates of vintage 2022 certificates were carried out in 2022.

Overall, a total of almost **217 million nEZ** of vintages 2022 und 2021 were sold with a total value of more than **6.4 billion euros** (2021: around 287 million certificates with a total value of around 7.2 billion euros). Of these, over **198 million nEZ** were sold at a fixed price of **30 euros** and around **18.5 million nEZ** at a fixed price of **25 euros**. The average participation was 14 buyers per sales date (see also Chapter 2.2). In 2022, 159 different buyers participated overall in the primary market. This does not include indirect buyer participation via intermediaries.

By the end of the year 2022, 183 participants were officially admitted direct access to the sales at the EEX platform. On the other hand, more than 1,400 registry accounts have been lodged at the platform for indirect access to the sales, thus reflecting a comparatively higher number of intermediary customers.

The following table gives an overview of the key sales figures on a monthly basis.

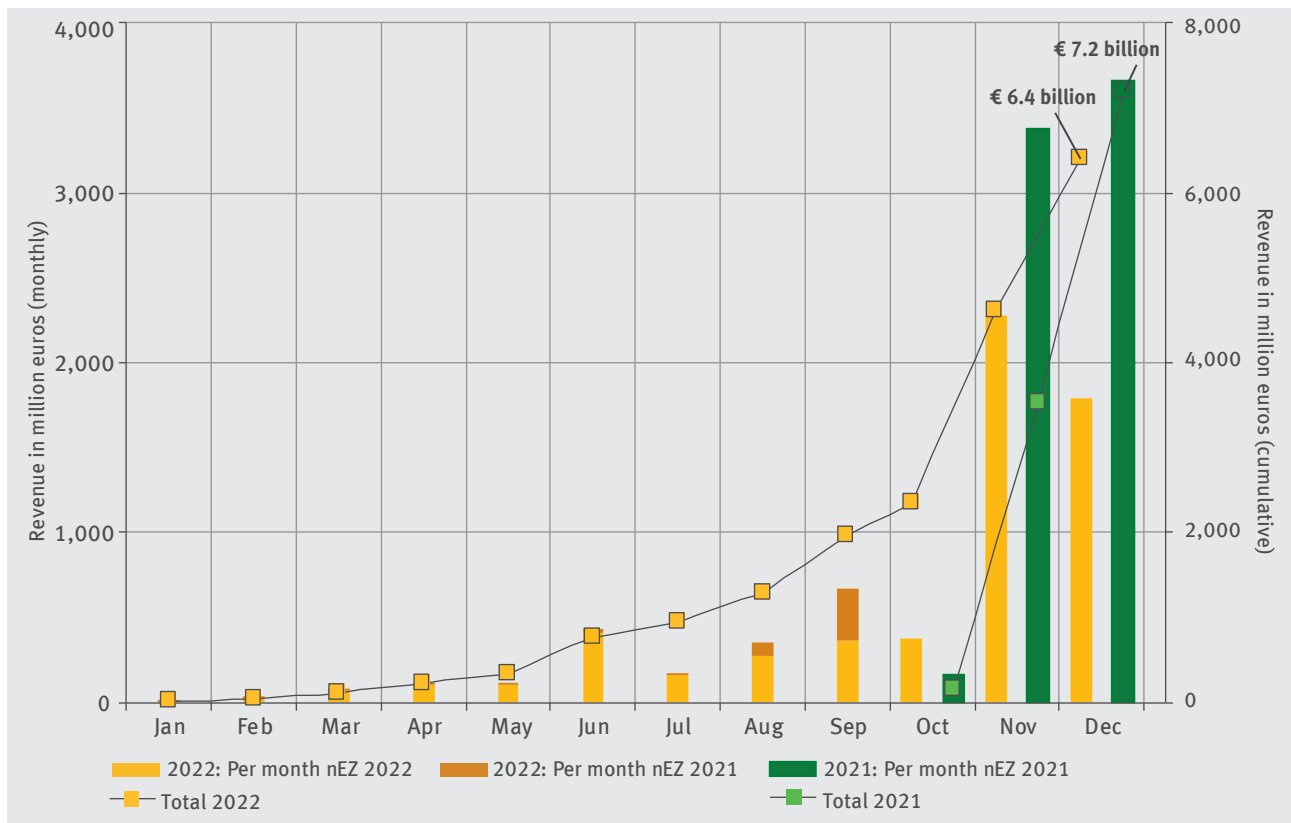
Table 2: Overview of German nEZ sales in the entire year 2022

Month	Vintage year	Number of sales dates	Sales volume	Buyers	Revenues
January	2021, 2022	6	216,787	*2	€ 6,462,165
February	2021, 2022	8	840,519	*3	€ 25,148,585
March	2021, 2022	10	2,805,918	*5	€ 81,438,575
April	2021, 2022	8	3,893,161	*6	€ 114,878,615
May	2021, 2022	8	3,617,810	*10	€ 106,830,935
June	2021, 2022	9	14,566,595	*10	€ 432,615,645
July	2021, 2022	8	5,945,608	*14	€ 174,331,985
August	2021, 2022	9	12,223,891	*21	€ 350,943,720
September	2021, 2022	7, resp. 9	24,447,246	*29	€ 671,758,385
October	2022	8	12,362,265	*10	€ 370,867,950
November	2022	9	75,860,824	*26	€ 2,275,824,720
December	2022	3	59,728,218	*51	€ 1,791,846,540
	2021	73	18,463,488	**6	€ 461,587,200
	2022	95	198,045,354	**9	€ 5,941,360,620
Total		95	216,508,842	***14	€ 6,402,947,820

Source: EEX, DEHSt
 * Average per sales date, rounded
 ** Average per sales date and vintage, rounded
 *** Total average per sales date, rounded

Following the completion of the third quarter, the sale of nEZ of vintage 2021 at a fixed price of 25 euro within the post-purchase rule pursuant to paragraph 10(2) BEHG ended. Until 22nd September 2022, it was possible to purchase these certificates within the individually permissible contingents on EEX. The total volume of permissible post-purchases of nEZ of vintage 2021 amounted to around 28.7 million nEZ. Thus, the total permissible post-purchase volume has been used up by obligated parties as per BEHG by around 64 percent amounting to around 18.5 million certificates. Considering the 287.3 million certificates which were sold on EEX in 2021, the **total volume of sold nEZ of vintage 2021** amounts to around **305.8 million certificates** with a total value of around **7.6 billion euro**.

The following figure shows the development of German sales revenues (nEZ) since 2021. In 2021, the sale started in October, while in 2022, the sale already began in January. In addition to the values per month, the cumulative total revenues are also shown. The revenues of vintage 2022 and 2021 certificates are displayed as totals until September 2022. Despite the higher fixed price, in total, significantly less revenues were recorded in 2022 than in 2021 (see also chapter 2.4). November 2022 recorded the highest monthly proceeds of the year of just under 2.3 billion euros.



Source: EEX, DEHSt

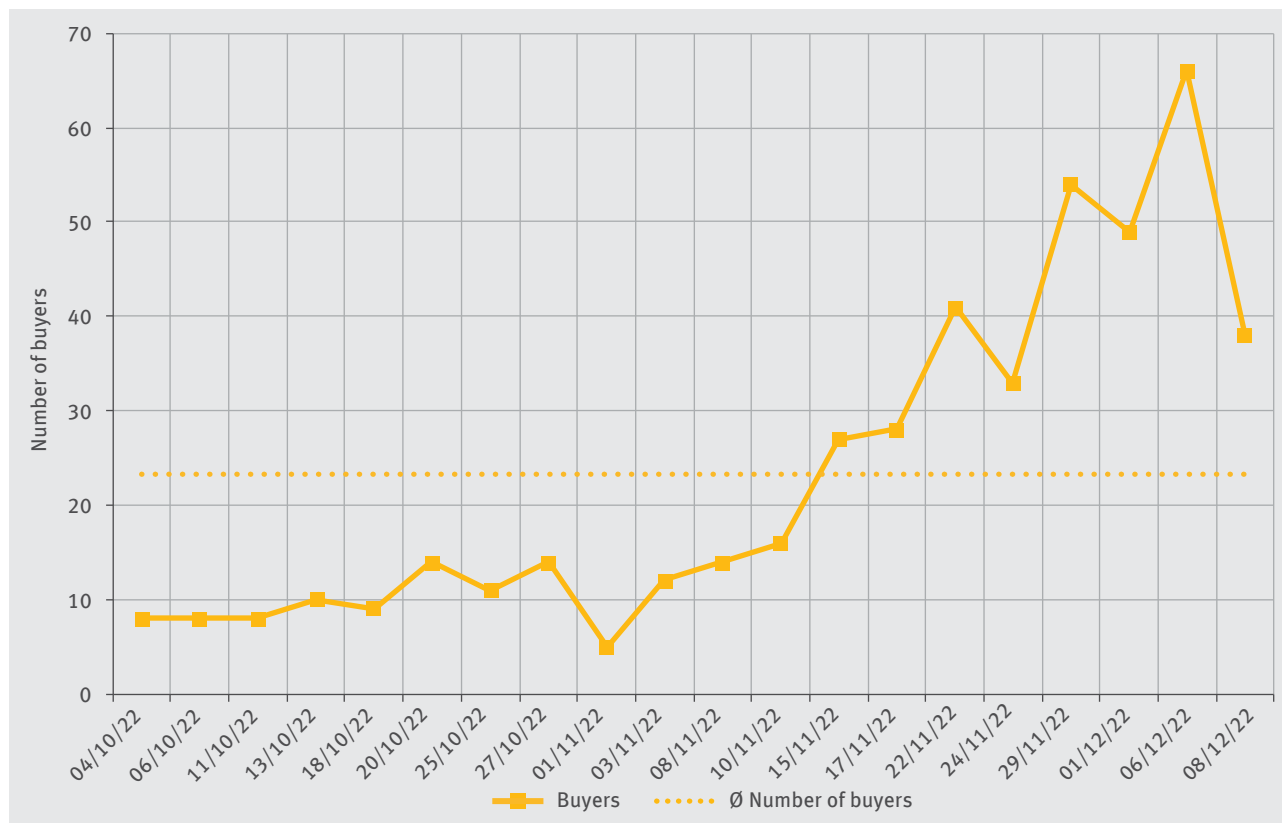
Figure 1: German sales revenues (nEZ) in 2022

2 Buyer participation

2.1 Participation in the fourth quarter

The number of participants in the sale of nEHS certificates averaged across all 20 sales dates was around 23 buyers in the fourth quarter of 2022. Participation on the individual sales dates in the fourth quarter fluctuated between 5 and 66 buyers.

The following figure illustrates the participation trend in nEZ sales over time.



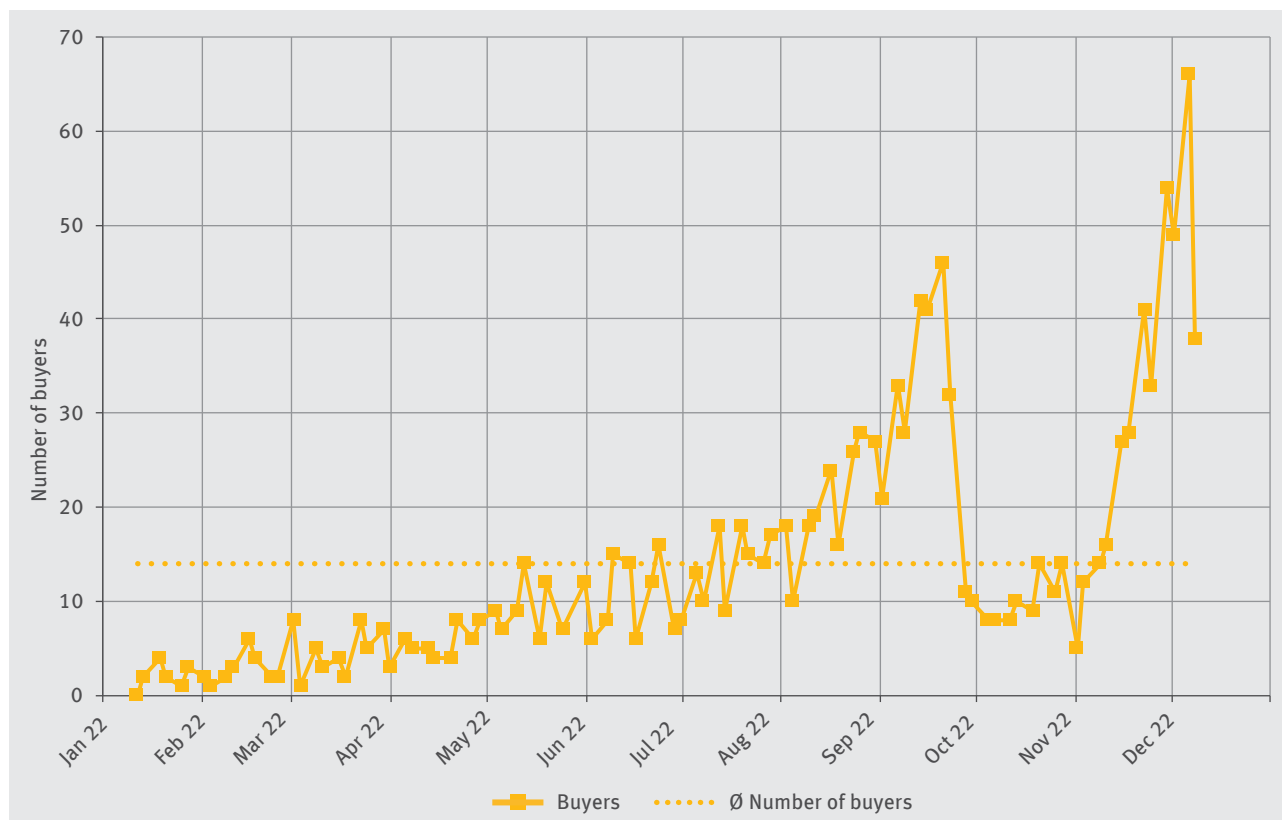
Source: EEX, DEHSt

Figure 2: Number of buyers per sales date (nEZ 2022)

2.2 Participation in the entire year 2022

The number of participants in the sale of nEHS certificates averaged across all 95 sales dates was around 14 buyers throughout 2022 (2021: 24 buyers, 22 sales dates). Participation on the individual sales dates in 2022 fluctuated between 0 and 66 buyers and was characterised by a relatively steady growth trend from summer onwards till the beginning of autumn. For a short time, the participation decreased in autumn and increased visibly in the last weeks before the last sales date.

The following figure illustrates the participation trend in nEZ sales over time.



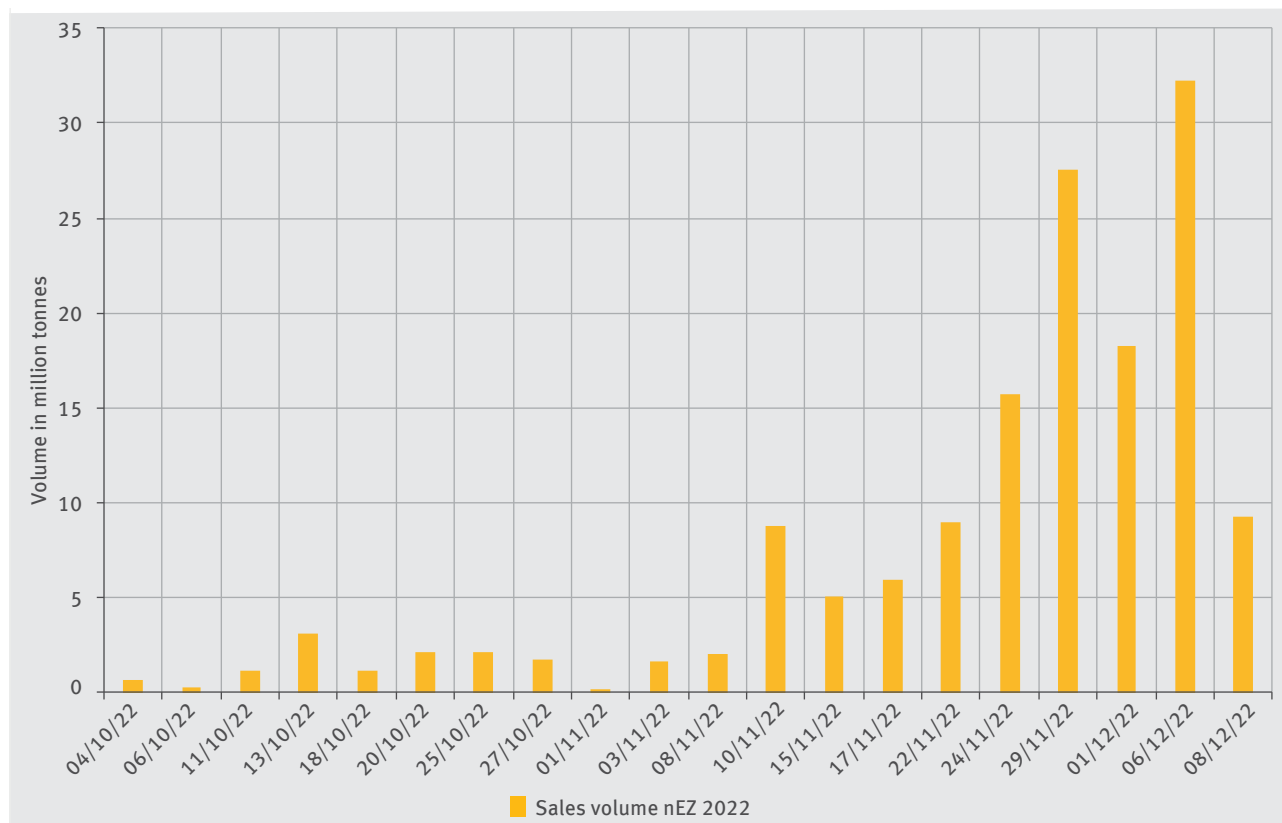
Source: EEX, DEHSt

Figure 3: Number of buyers per sales date (nEZ 2022 and nEZ 2021)

2.3 Volume demand in the fourth quarter

In the fourth quarter, the sales volumes of vintage 2022 nEHS certificates per sales date fluctuated from around 0.2 to just over 32 million emission certificates. In total, valid buy bids amounting to nearly 148 million nEHS certificates (vintage 2022) were submitted in the fourth quarter of 2022. This means that the average purchase volume per participant, averaged across all sales dates, was above 318,000 nEZ.

The following figure summarises the results per sales date.



Source: EEX, DEHSt

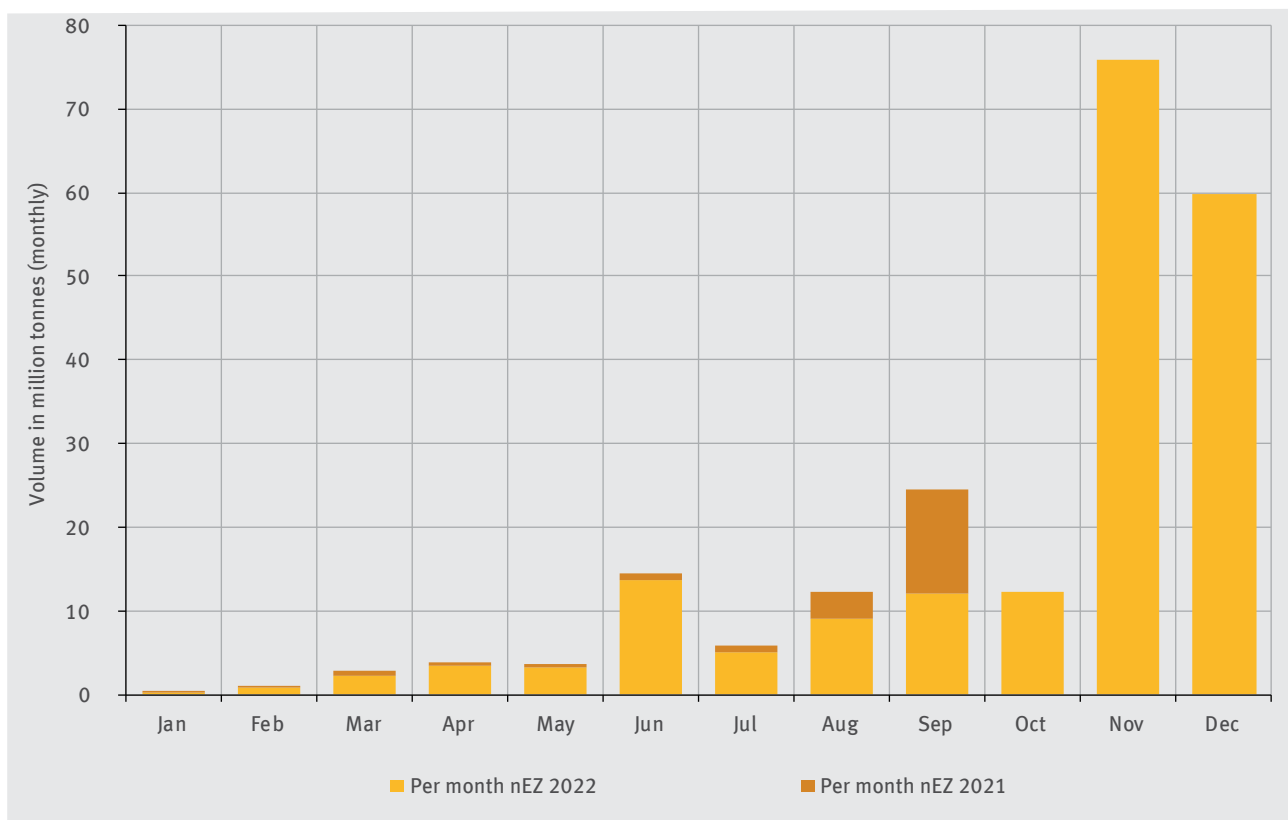
Figure 4: Volume sold per sales date (nEZ 2022)

2.4 Volume demand in the entire year 2022

In year 2022, valid buy bids amounting to over 216.5 million nEHS certificates (vintages 2022 and 2021) were submitted. Overall, fewer certificates were sold in 2022 than in the previous year (2021: around 287 million certificates). It is likely that the decline of certificates sold is chiefly due to the legislator's decision to postpone by one year a CO₂ price hike to 35 euros which was originally envisaged for 2023 (see Infobox above). As a result, certificates cost 30 euros in both 2022 and 2023, and some companies are believed to have postponed acquiring their certificates to 2023⁴. For the emissions in 2022 vintage 2022 as well as 2023 nEHS certificates can be surrendered.

The largest sales volume amounting to almost 76 million nEZ of vintage 2022 was reached in the month of November, followed by almost 60 million sold nEZ of vintage 2022 in December.

The following figure summarises the results per month.



Source: EEX, DEHSt

Figure 5: Volume sold (nEZ) in 2022

⁴ <https://www.umweltbundesamt.de/en/press/pressinformation/emissions-trading-rings-up-record-revenues-more>

3 Implementation of current regulations

3.1 Objective and non-discriminatory access

Paragraph 5(3) of the Fuel Emissions Trading Regulation (BEHV) stipulates that objective and non-discriminatory access to EEX is to be granted to those entitled to admission pursuant to paragraph 5(1) BEHV. The currently available access options are available on the [EEX website](#).

Information regarding the admission process can be obtained by calling the EEX nEHS admission hotline at +49 69 211 – 15566 (languages: German, English and French) or by email at nehs@eex.com. The nEHS FAQ are available via the following link: www.eex.com/en/faq.

3.2 Publication of sales results

All sales results with accompanying data were made publicly available on the [EEX website](#) on the respective sales day during the reporting period.

3.3 Other occurrences

There are no occurrences to report in connection with the implementation of the current regulations.

