

National Emissions Trading System (nEHS)

# Selling National Emissions Certificates

Third Quarter 2022 Report



Umwelt   
Bundesamt

DEHSt  
Deutsche  
Emissionshandelsstelle

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As of November 2022

Responsible editor: Section V 3.3

Images: Cover image: © Phongphan Supphakank – stock.adobe.com

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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 CO<sub>2</sub> that can be released from the combustion of fuel, a national emission 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 Energy and Climate Fund (EKF).

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 table summarises the key points of the sale of nEHS certificates (nEZs) on EEX in 2022:

2022		
Sales product	nEZ spot contracts for 2022	nEZ spot contracts for 2021
Sales period	From 11/01/2022 to 08/12/2022 <sup>1</sup>	From 11/01/2022 to 22/09/2022
Sales volume for the entire year	unlimited <sup>2</sup>	limited (see Infobox below)
Sales volume per sales date	unlimited <sup>2</sup>	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

<sup>1</sup> Presumably last sales date in 2022. Additional dates may be scheduled at a later date.

<sup>2</sup> 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.

### Fixed prices and rule for ‘post-purchase’ of nEHS certificates

Sales on the EEX within the nEHS will initially be subject to a fixed-price phase regulated by law from 2021 to 2025. On 20<sup>th</sup> October 2022 the German Parliament (Deutscher Bundestag) adopted an amendment to the Fuel Emissions Trading Act (BEHG). The promulgation and coming into force of the law were still pending at the time of the editorial for this report. A respective one-year postponement of the forthcoming CO<sub>2</sub> price increases from 2023 onwards was decided by the German Parliament. Thus, the fixed price for a nEHS certificate, i.e. for one tonne of CO<sub>2</sub>, in a given year shall amount to:

- ▶ 2021: 25 euros
- ▶ 2022: 30 euros
- ▶ 2023: 30 instead of the 35 euros provided for hitherto by law
- ▶ 2024: 35 instead of the 45 euros provided for hitherto by law
- ▶ 2025: 45 instead of the 55 euros provided for hitherto by law.

The number of available nEZs with the vintage of the respective current year is not limited on the sales dates during the fixed-price phase. In the following year, a limited post-purchase of nEHS certificates with the vintage of the previous year is possible pursuant to paragraph 10(2) BEHG (the ‘post-purchase rule’). The balance of nEHS certificates shown on the fuel distributor’s compliance account as of December 31 of each year forms the assessment basis for this purpose. In the following year, an obligated party as per BEHG can buy up to 10 percent of this balance of nEHS certificates at the previous year’s price on the EEX, or have them bought by intermediaries.

A transaction fee of 0.0049 euros or 0.49 cents (0.0058 euros including VAT) is charged by EEX for each nEZ purchased. Fixed fees or charges do not apply.

## 1 Overview

### 1.1 Third quarter of 2022

Between July and September, all scheduled nEHS sales dates of vintage 2022 and 2021 certificates were successfully carried out at the EEX for Germany. On 22<sup>nd</sup> 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, 24 sales dates of vintage 2021 certificates and 26 sales dates of vintage 2022 certificates were carried out in the reporting period.

In the third quarter of 2022 overall almost **42.6 million nEZ** of vintages 2022 und 2021 were sold with a total value of almost **1.2 billion euros**. Of these, just over **26.3 million nEZ** were sold at a fixed price of **30 euros** and around **16.3 million nEZ** at a fixed price of **25 euros**. The average participation was 22 buyers per sales date (see also Chapter 2.1). In the third quarter 130 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 reporting period.

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

Month	Vintage year	Number of sales dates	Sales volume	Buyers	Price	Revenues
July	2021	8	807,251	*8	€ 25	€ 20,181,275
	2022	8	5,138,357	*6	€ 30	€ 154,150,710
August	2021	9	3,154,602	*12	€ 25	€ 78,865,050
	2022	9	9,069,289	*9	€ 30	€ 272,078,670
September	2021	7	12,331,799	*21	€ 25	€ 308,294,975
	2022	9	12,115,447	*13	€ 30	€ 363,463,410
	<b>2021</b>	<b>24</b>	<b>16,293,652</b>	<b>*13</b>	<b>€ 25</b>	<b>€ 407,341,300</b>
	<b>2022</b>	<b>26</b>	<b>26,323,093</b>	<b>*10</b>	<b>€ 30</b>	<b>€ 789,692,790</b>
<b>Total</b>		<b>26</b>	<b>42,616,745</b>	<b>**22</b>		<b>€ 1,197,034,090</b>

Source: EEX, DEHSt

\*Average per sales date and vintage, rounded

\*\* Total average per sales date, rounded

## 1.2 Entire year 2022

In the first nine months of 2022 a total of around **69 million nEZ** of vintages 2022 und 2021 were sold with a total value of more than **2 billion euros**. Of these, nearly **50 million nEZ** were sold at a fixed price of **30 euros** and around **19 million nEZ** at a fixed price of **25 euros**.

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

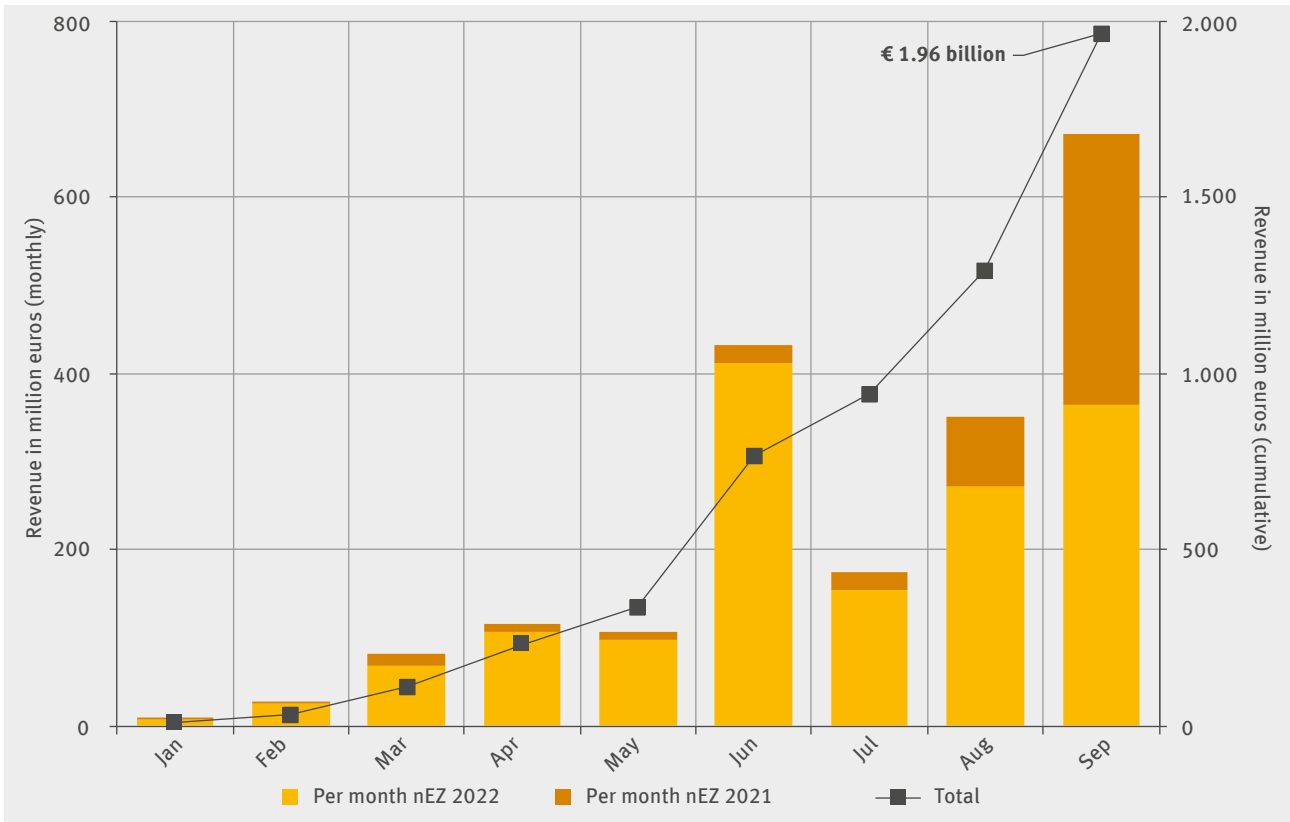
Table 2: Overview of German nEZ sales in the entire year 2022

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 or 9	24,447,246	*29	€ 671,758,385
	<b>2021</b>	<b>73</b>	<b>18.463.488</b>	<b>**6</b>	<b>€ 461.587.200</b>
	<b>2022</b>	<b>75</b>	<b>50.094.047</b>	<b>**6</b>	<b>€ 1.502.821.410</b>
<b>Total</b>		<b>75</b>	<b>68.557.535</b>	<b>***11</b>	<b>€ 1.964.408.610</b>

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 22<sup>nd</sup> 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) until September 2022. 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. September 2022 recorded the highest monthly proceeds so far this year of just under 672 million euros. In the entire period from January to September just under 2 billion euros were generated.



Source: EEX, DEHSt

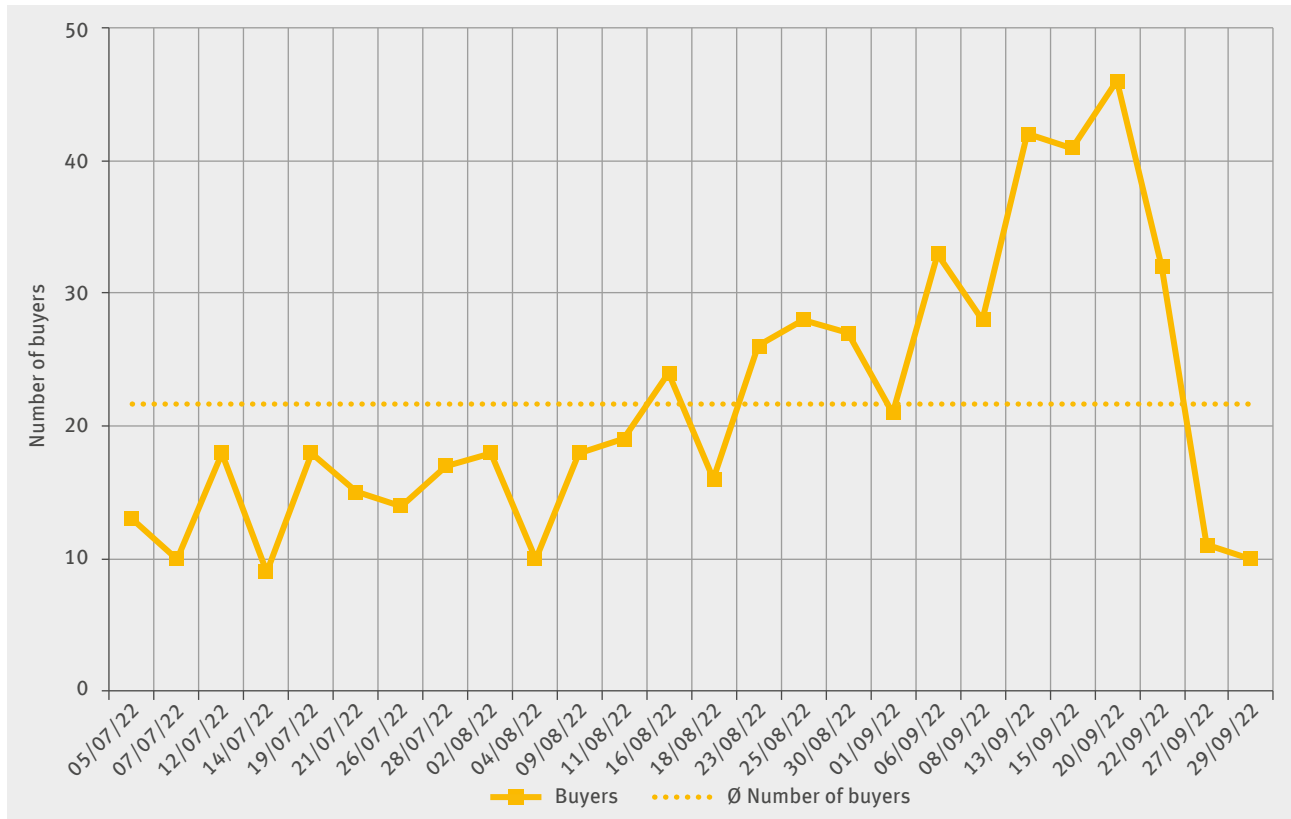
Figure 1: German sales revenues (nEZ) in 2022

## 2 Buyer participation

### 2.1 Participation

The number of participants in the sale of nEHS certificates averaged across all 26 sales dates was around 22 buyers in the third quarter of 2022. Participation on the individual sales dates in the reporting period fluctuated between 9 and 46 buyers.

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



Source: EEX, DEHSt

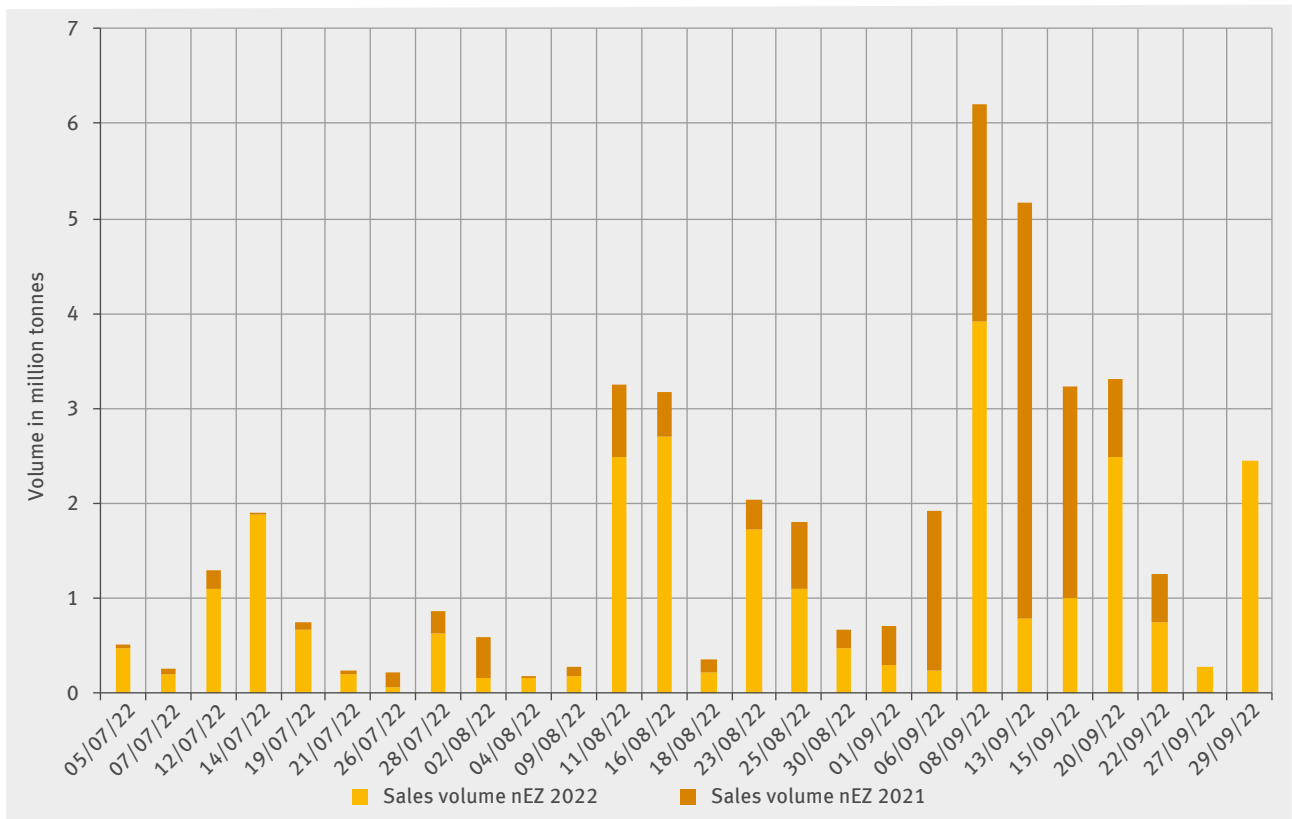
Figure 2: Number of buyers per sales date (nEZ 2022 and nEZ 2021)

## 2.2 Volume demand

In the reporting period, the aggregate sales volumes of vintage 2022 and 2021 nEHS certificates per sales date fluctuated from less than 0.1 to just over 4.4 million emission certificates. In total, valid buy bids amounting to over 42.6 million nEHS certificates (vintages 2022 and 2021) were submitted in the third quarter of 2022.

This means that the average purchase volume per participant, averaged across all sales dates, was above 75,000 nEZ.

The following figure summarises the results per sales date.



Source: EEX, DEHSt

Figure 3: Volume sold per sales date (nEZ 2022 and nEZ 2021)

## 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-admission@eex.com](mailto:nehs-admission@eex.com). For general inquiries, EEX can be reached by email at [nehs@eex.com](mailto:nehs@eex.com). The nEHS FAQ are available via the following link: [www.eex.com/en/faq](http://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.

