National Emissions Trading System (nEHS)

Selling National Emissions Certificates

February 2023

Umwelt Bundesamt

DEHSt
Deutsche Emissionshandelsstelle

Editorial information

Publisher
German Emissions Trading Authority (DEHSt)
at the German Environment Agency (UBA)
City Campus
Building 3, Entrance 3A
Buchholzweg 8
D-13627 Berlin
Phone: +49 (0) 30 8903 5080
Fax: +49 (0) 30 8903 5010
nationaler-emissionshandel@dehst.de
Internet: www.dehst.de/English

As of April 2023

Responsible editor: Section V 3.3

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

Content

Selling emissions certificates in the national emissions trading system (nEHS) 4

1 Overview 6

1.1 February 2023 6

1.2 Entire year 2023 7

2 Buyer participation 8

2.1 Participation 8

2.2 Volume demand 9

3 Implementation of current regulations 10

3.1 Objective and non-discriminatory access 10

3.2 Publication of sales results 10

3.3 Other occurrences 10

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_2 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 nEHS certificates is carried out on a sales platform which is operated 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 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 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 2023:

	2023	
Sales product	**nEZ spot contracts** for **2023**	**nEZ spot contracts** for **2022**
Sales period	from 10/01/2023 to 07/12/2023[2]	from 10/01/2023 to 21/09/2023
Sales volume for the entire year	unlimited[3]	limited (see infobox below)
Sales volume per sales date	unlimited[3]	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 Presumably last sales date in 2023. Additional dates may be scheduled at a later date.

3 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 16th November 2022 the 'Second law for amendment of the Fuel Emissions Trading Act' (BEHG) came into force (BGBl. I p. 2006; see Bundesgesetzblatt (bgbl.de)). Amongst others, a respective one-year postponement of the forthcoming CO_2 price increases from 2023 onwards was decided. Thus, the fixed price for a nEHS certificate, i.e. for one tonne of CO_2, in a given year amounts to:

- 2021: 25 euros
- 2022: 30 euros
- 2023: 30 instead of 35 euros provided for previously by law
- 2024: 35 instead of 45 euros provided for previously by law
- 2025: 45 instead of 55 euros provided for previously 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 February 2023

In February, 8 nEHS sales dates of vintage 2023 and 2022 certificates were successfully carried out at the EEX for Germany. In February overall almost **2.6 million nEHS certificates** were sold at a fixed price of **30 euros** per nEZ with a total value of more than **77 million euros**. The average participation was 3 buyers per sales date (see also Chapter 2.1). In February 20 different buyers participated overall in the primary market.
Indirect buyer participation via intermediaries is not included in the reported number of participants.

The following table gives an overview of the key sales figures in the reporting period.

Table 1: Overview of German nEZ sales in February 2023

Date	Vintage year	Number of sales dates	Sales volume	Buyers	Price	Revenues
02/02/2023	2022		0	0	€ 30	€ 0
	2023		75,925	2	€ 30	€ 2,277,750
07/02/2023	2022		123	1	€ 30	€ 3,690
	2023		156,078	5	€ 30	€ 4,682,340
09/02/2023	2022		2,069	1	€ 30	€ 62,070
	2023		1,506,330	1	€ 30	€ 45,189,900
14/02/2023	2022		0	0	€ 30	€ 0
	2023		265,713	4	€ 30	€ 7,971,390
16/02/2023	2022		1,919	1	€ 30	€ 57,570
	2023		58,975	2	€ 30	€ 1,769,250
21/02/2023	2022		0	0	€ 30	€ 0
	2023		53,730	3	€ 30	€ 1,611,900
23/02/2023	2022		98,921	3	€ 30	€ 2,967,630
	2023		308,918	2	€ 30	€ 9,267,540
28/02/2023	2022		0	0	€ 30	€ 0
	2023		50,500	2	€ 30	€ 1,515,000
2022		**8**	**103,032**	***1**	**€ 30**	**€ 3,090,960**
2023		**8**	**2,476,169**	***3**	**€ 30**	**€ 74,285,070**
Total		**8**	**2,579,201**	****3**		**€ 77,376,030**

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

1.2 Entire year 2023

In the first two months of the current year a total of almost **3.3 million nEZ** at a fixed price of **30 euros** per nEHS certificate with a total value of about **99 million euros** were sold at the EEX.

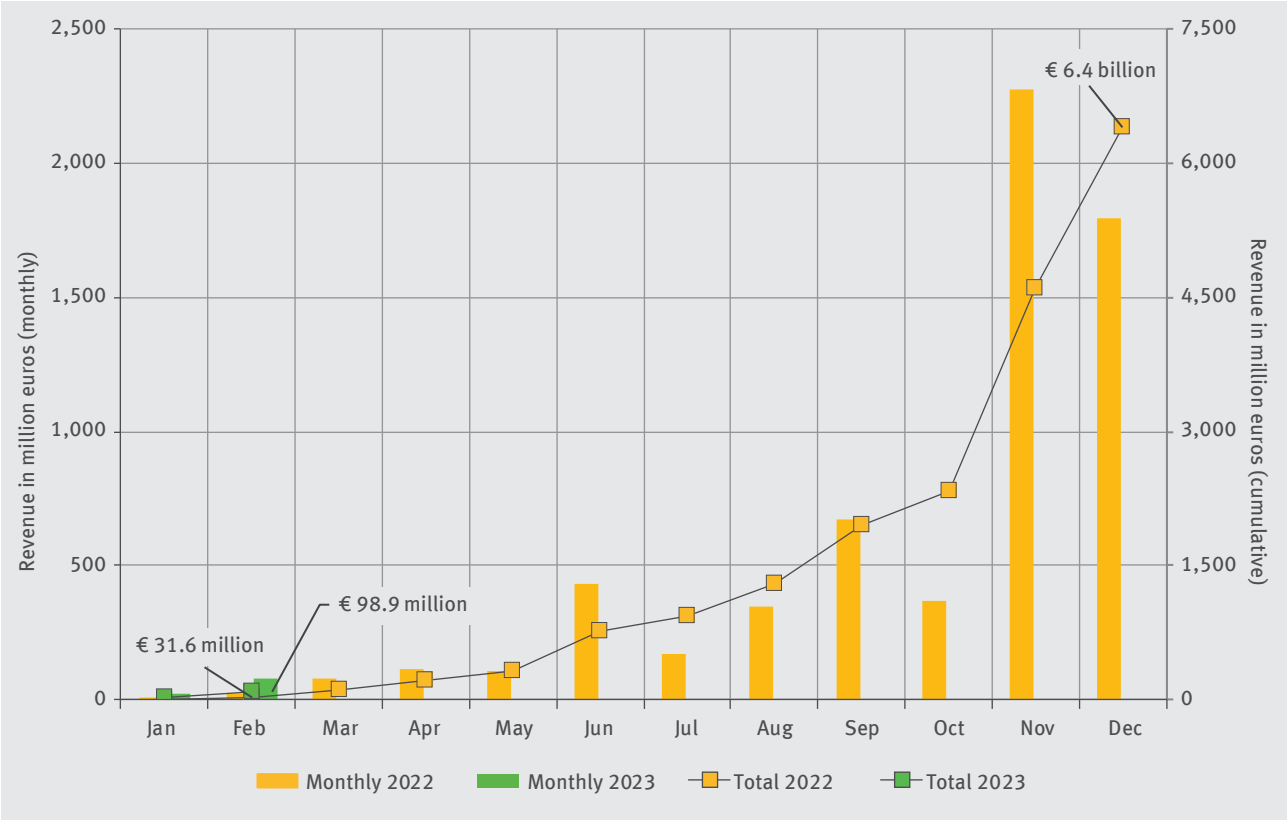
The following table summarises the sales results on a monthly basis.

Table 2: Overview of German nEZ sales in the entire year 2023

Month	Vintage year	Number of sales dates	Sales volume	Buyers	Revenues
January	2022, 2023	7	718,607	*3	€ 21,558,210
February	2022, 2023	8	2,579,201	*3	€ 77,376,030
Total		**15**	**3,297,808**	****3**	**€ 98,934,240**

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

The following figure compares the development of German sales revenues (nEZ) in 2022 and 2023.
In addition to the values per month, the cumulative total revenues are also shown. The revenues of the nEZs with the vintages of the respective years (2022: vintage 2022 and 2021 nEZ; 2023: vintage 2023 and 2022 nEZ) are displayed as totals. In 2022, from the beginning of the year to the end of February, revenues amounted to about 32 million euros, while in the reference period of the current year about 99 million euros were recorded.



Source: EEX, DEHSt

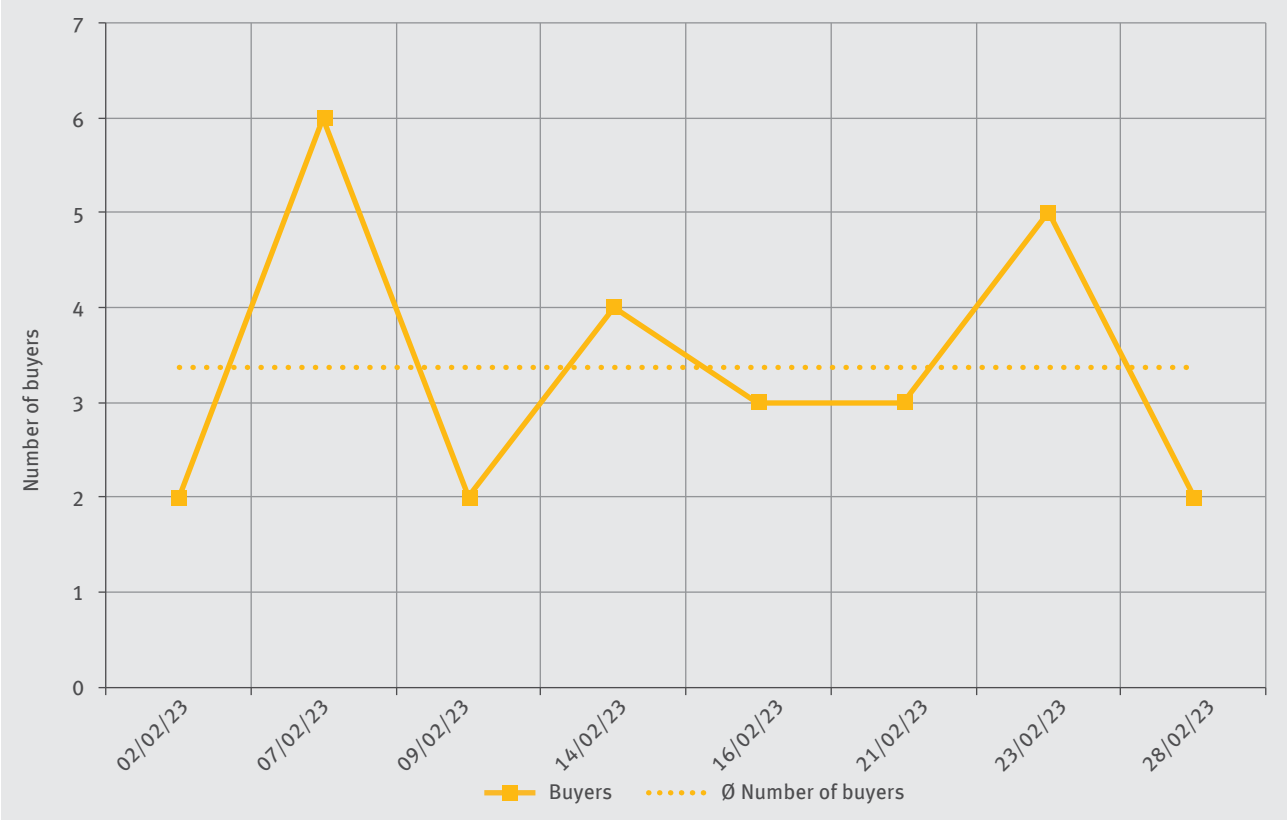
Figure 1: German sales revenues (nEZ) in 2023 and 2022

2 Buyer participation

2.1 Participation

The number of participants in the sale of nEHS certificates averaged across all 8 sales dates was around 3 buyers in February 2023. Participation on the individual sales dates in February fluctuated between 2 and 6 buyers. Indirect buyer participation via intermediaries is not included in the reported number of participants.

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



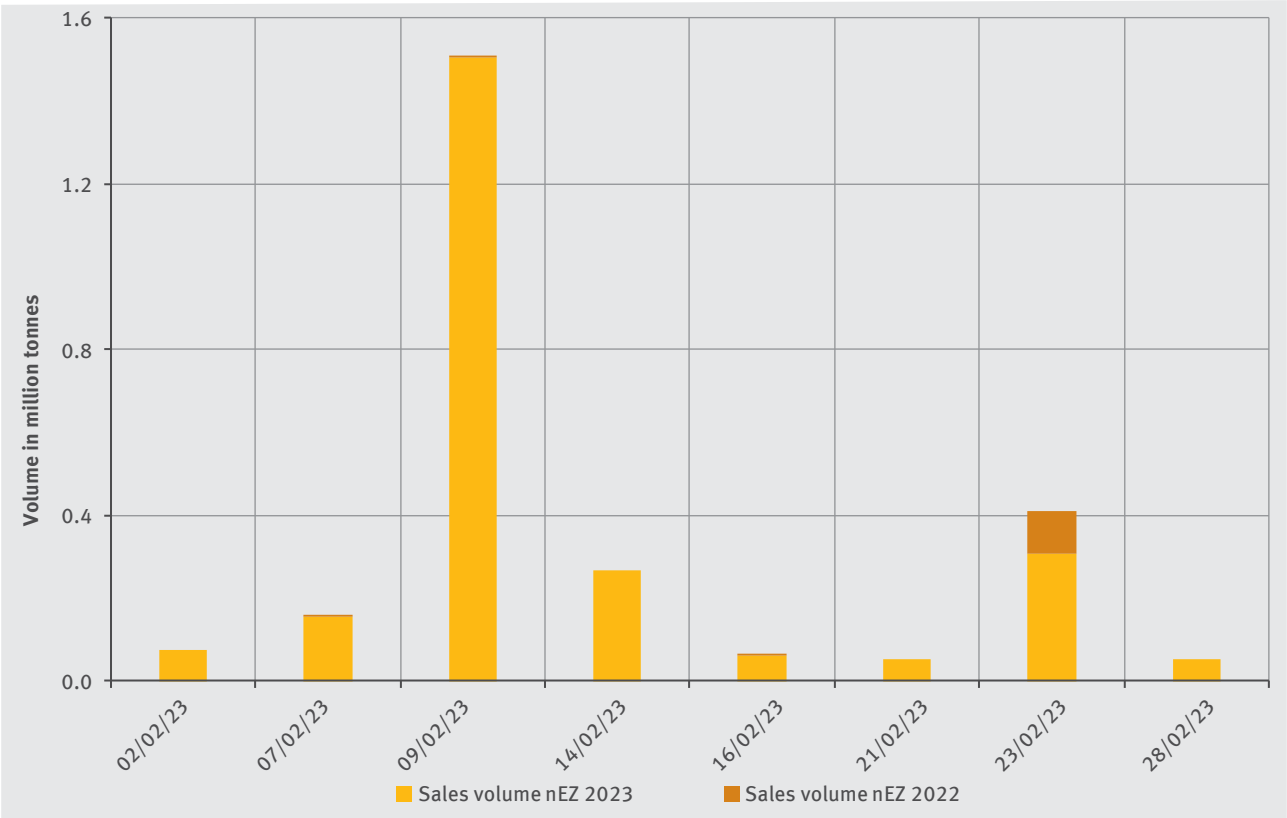
Source: EEX, DEHSt

Figure 2: Number of buyers per sales date (nEZ 2023 and nEZ 2022)

2.2 Volume demand

In the reporting period, the sales volumes of vintage 2023 and 2022 nEHS certificates per sales date fluctuated from less than 0.1 to over 1.5 million emission certificates. In total, valid buy bids amounting to almost 2.6 million nEHS certificates (vintage 2023 and 2022) were submitted in February 2023.

The following figure summarises the results per sales date.



Source: EEX, DEHSt

Figure 3: Volume sold per sales date (nEZ 2023 and nEZ 2022)

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. For general inquiries, EEX can be reached 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.

German Emissions Trading Authority (DEHSt) at the German Environment Agency
City Campus
Building 3, entrance 3A
Buchholzweg 8
D-13627 Berlin
www.dehst.de/English | nationaler-emissionshandel@dehst.de