



The Federal Ministry
for the Environment,
Nature Conservation
and Nuclear Safety

ETS GOVERNANCE – Case Studie: EU ETS / GERMANY

**ETS ACADEMY MEXICO
23 – 25 July 2019, Mexico City**

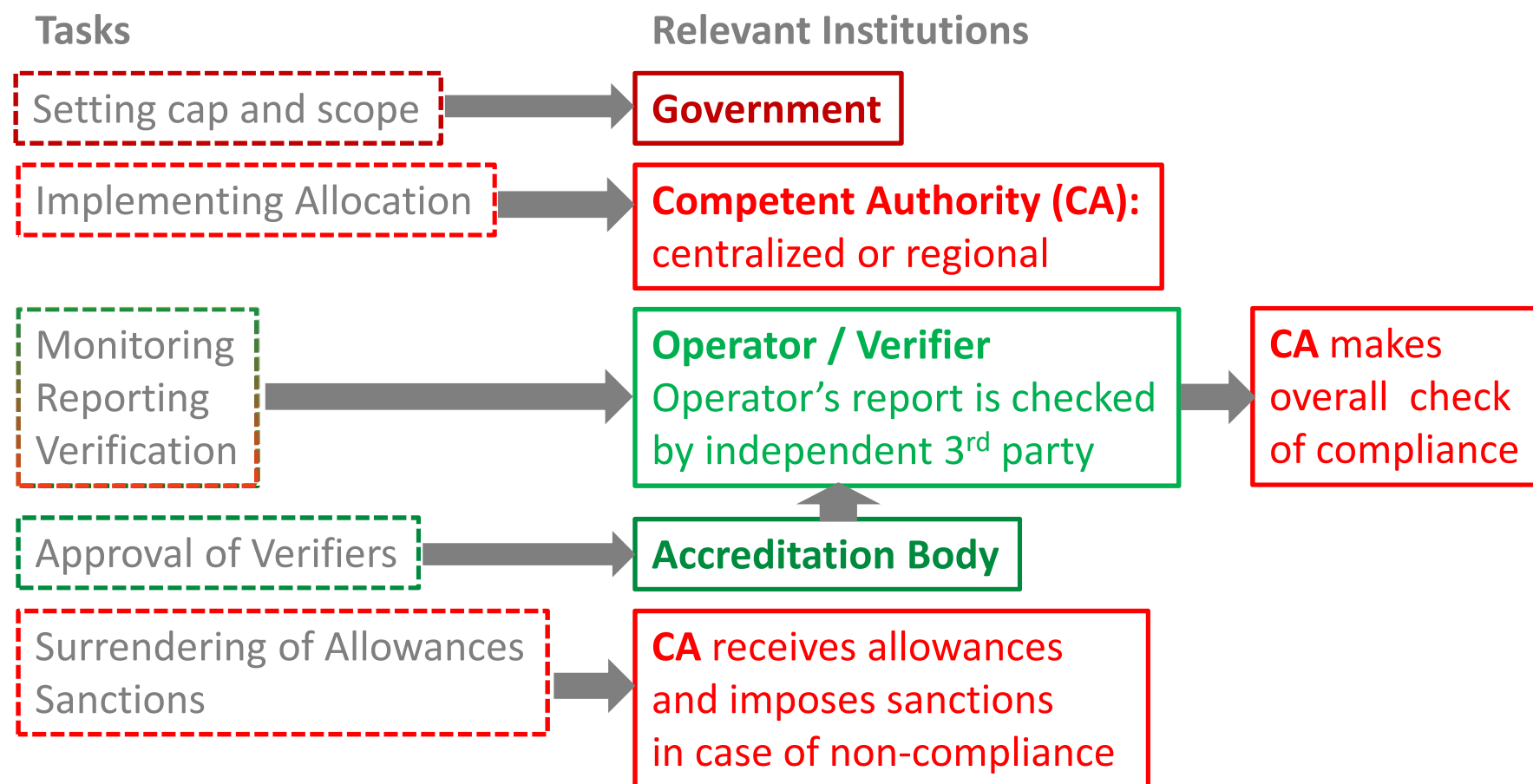
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EU ETS

Institutional Framework

Institutional Capacity Needs for an ETS





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EU ETS Institutional Framework

Federal Ministry for the Environment

Political oversight

- Formulation of laws and regulations
- Coordination with other Ministries
- Cooperation with interest groups and stakeholders
- Communication with the EU COM and participation in EU Working Groups and Climate Change Committee
- Supervising the Competent Authority
- International cooperation to build up national and regional ETS

Competent Authority (DEHSt)

Technical ETS implementation in Germany

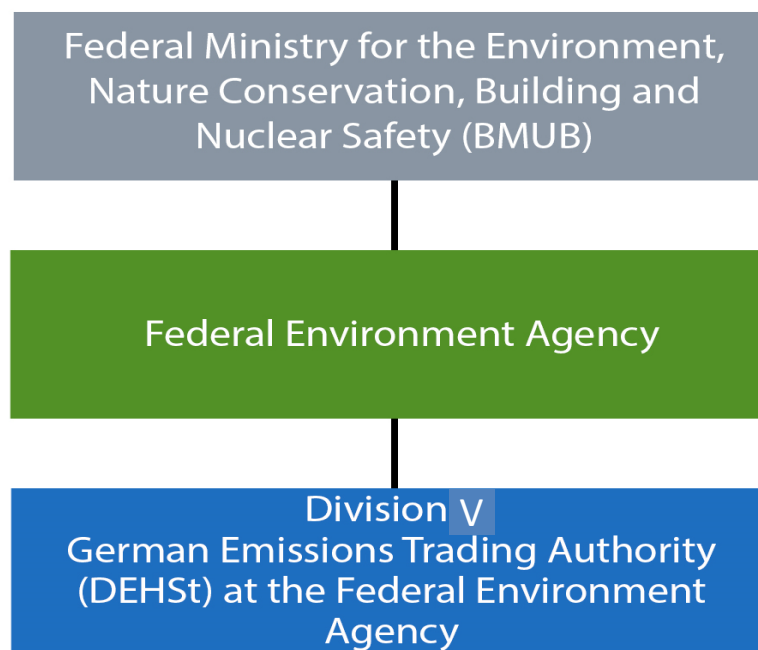
- Allocation and issuance of emission allowances
- Approval of monitoring plans
- Assessment of emission reports, imposing of sanctions, if required
- Management of national installations and trading accounts
- Supervision of auctioning
- Approval and review of CDM and JI projects



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EU ETS Institutional Framework

Structure of the German administration on the federal level

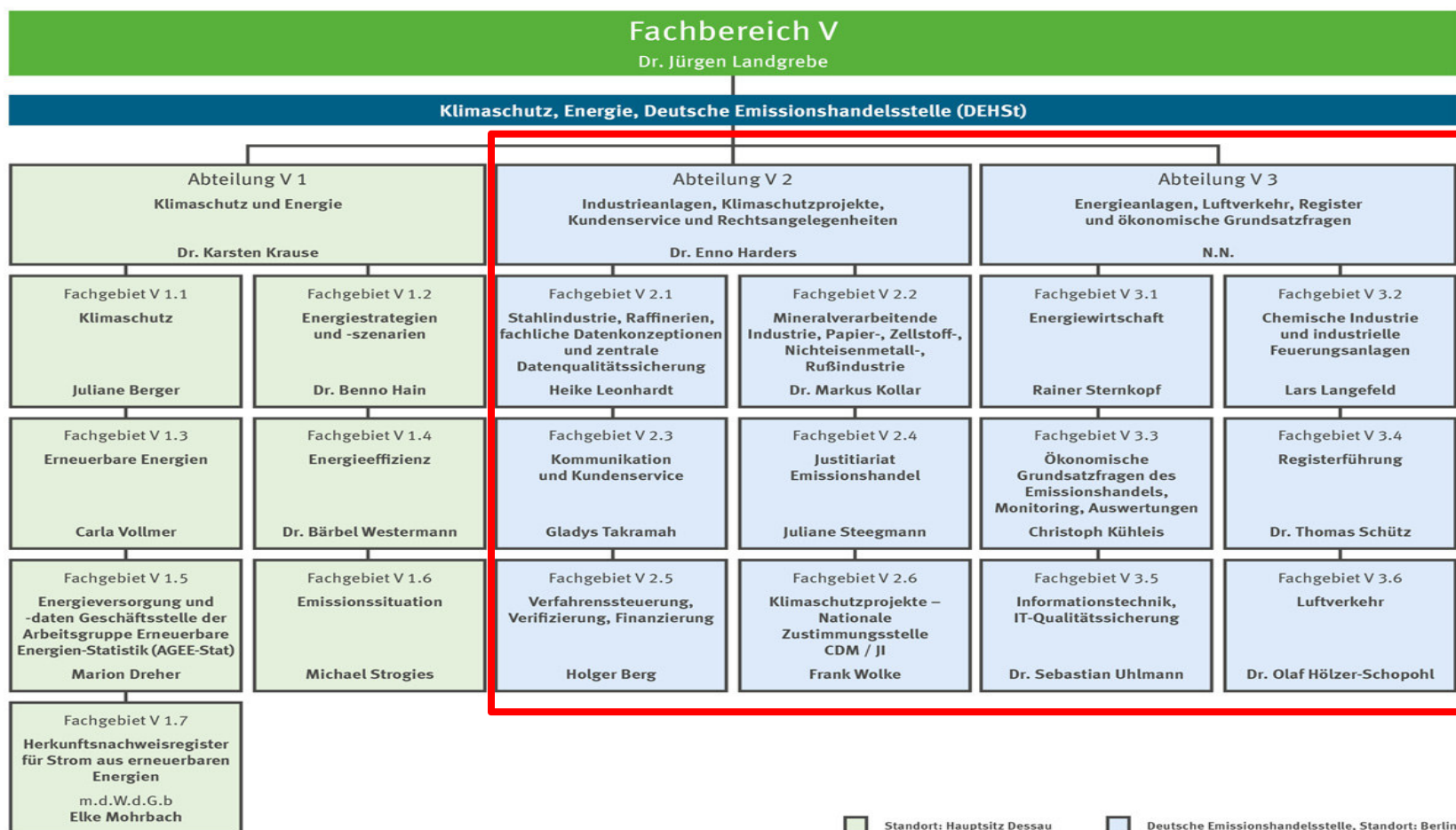




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EU ETS

Institutional Framework: DEHSt as part of the Environment Agency





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EU ETS

Institutional Framework: DAkkS as Accreditation Body for Verifiers

- **German Accreditation Body: DAkkS**
- Established under **EU Regulation on Accreditation & Market Surveillance**
=> one National Accreditation Body per Member State
- **EU Monitoring Regulation** requires **Emission Reports to be verified** by independent third-party **verifiers**
- **EU Accreditation & Verification Regulation** requires **ETS Verifiers** to be **accredited and surveillanced**





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EU ETS

Institutional Framework: EEX as Auctioning Platform

- **European Energy Exchange (EEX)** located in **Leipzig** (State of Saxonia) is an **exchange/trading platform** for **Energy** and **Emission Allowances** and other **commodities**
- **Electricity producers** covered by the EU ETS **don't receive free allocation** => electricity budget has **to be auctioned**
- **Under the EU Auctioning Regulation EEX has been chosen to be the auctioning platform for the auctions of**
 - European Commission* (on behalf of 25 Member States)
 - Poland
 - **Germany**





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EU ETS

Institutional Framework

Financial Oversight



General Financial Supervision (BaFin):

Supervision tasks on national level; implementation of the German Securities Trading Act (WpHG); economic analysis and data exchange with other European supervision bodies



Exchange Supervision (SMWA):

Specific oversight for stock exchange trading – supervision of the orderly conduct of exchange trading and the work performed by HÜSt



Market Surveillance (HÜSt)

Located in the exchange – monitors the trading and settlement of exchange transactions both in the primary and secondary market; economic analysis; algorithms to detect market abuse, money laundering



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Thank you for your attention

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