



EIB – NER300 Monetisation

Monthly Report - December 2011

The European Investment Bank (EIB) supports the European Commission as an agent in the implementation of the NER 300 initiative - the world's largest funding programme for carbon capture and storage demonstration projects and innovative renewable energy technologies. A Cooperation Agreement¹ details the respective roles of the two institutions in implementing the NER 300 Decision², notably, as far as concerns the EIB:

- (1) the appraisal of projects submitted by Member States for funding;
- (2) the monetisation / sale of the 300 million allowances set aside in the New Entrants Reserve of the EU Emissions Trading System for the initiative.

EIB started sales of carbon allowances that can be used in phase 3 of the EU Emission Trading System on behalf of the European Commission on December 5 after delivery of 300 million allowances which took place on December 2.

EIB sold a total of 12,000,000 EU allowances for a total value of EUR 97,849,000 (before deduction of expenses and market and EIB fees) in the reporting month. All transactions so far have been executed on a forward basis with delivery of allowances and receipt of revenues in December 2013.

All transactions so far have been executed as OTC forward transactions as anticipated already in October. Further instruments and distribution channels will be introduced once membership on the selected carbon exchanges has been obtained. The application process is already very well advanced.

The volumes sold per trading day varied between 200,000 and 1,100,000 allowances during the reporting month depending on the available liquidity during the holiday period.

Summary of sold allowances NER300 monetisation

Reporting period	02.12.2011 – 31.12.2011
Allowances sold so far	12,000,000
Value of sold allowances so far (before deduction of expenses and market and EIB fees)	EUR 97,849,000
Average price per allowance sold (before deduction of expenses and market and EIB fees)	EUR 8.15

¹ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2010:358:0001:0018:EN:PDF>

² <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2010:290:0039:0048:EN:PDF>

All OTC transactions during reporting month were executed at the December 2013 “ICE Futures ECX EUA futures Contract Emissions Index” (volume weighted average price) as published³ daily by ICE minus a margin representing expenses and fees. No deviation from secondary market prices therefore occurred.

The following table provides an overview of monthly and total allowance volumes sold, (note: revenues and prices are before deduction of expenses and market and EIB fees)

Month	Sales channels	Volume sold (EUA)	Executed average price (EUR)	Revenues (EUR)
December 2011	OTC	12,000,000	8.15	97,849,000
January 2012				
February				
March				
April				
May				
June				
July				
August				
September				
Total		12,000,000	8.15	97,849,000

The following table provides an overview of daily allowance volumes sold and executed average prices during reporting month. (note: revenues and prices are before deduction of expenses and market and EIB fees)

Date	Sales channels	Volume sold (EUA)	Executed average price (EUR)	Revenues (EUR)
05/12/2011	OTC	850,000	8.50	7,225,000
06/12/2011	OTC	850,000	8.02	6,817,000
07/12/2011	OTC	1,100,000	8.21	9,031,000
08/12/2011	OTC	1,100,000	8.32	9,152,000
09/12/2011	OTC	1,100,000	8.54	9,394,000
12/12/2011	OTC	1,000,000	8.72	8,720,000
13/12/2011	OTC	1,000,000	8.11	8,110,000
14/12/2011	OTC	1,000,000	7.46	7,460,000
15/12/2011	OTC	1,000,000	7.69	7,690,000
16/12/2011	OTC	1,000,000	7.69	7,690,000
19/12/2011	OTC	1,000,000	7.68	7,680,000

³ <https://www.theice.com/marketdata/reports/ReportCenter.shtml>

Date	Sales channels	Volume sold (EUA)	Executed average price (EUR)	Revenues (EUR)
20/12/2011	OTC	200,000	9.38	1,876,000
21/12/2011	OTC	200,000	9.09	1,818,000
22/12/2011	OTC	200,000	8.95	1,790,000
28/12/2011	OTC	200,000	8.76	1,752,000
29/12/2011	OTC	200,000	8.22	1,644,000
Total		12,000,000		97,849,000

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