



## EIB – NER300 Monetisation

### Monthly Report - August 2012

The European Investment Bank (EIB) supports the European Commission as an agent for the implementation of the NER 300 initiative. This is the world's largest funding programme for carbon capture and storage demonstration projects and innovative renewable energy technologies. A Cooperation Agreement<sup>1</sup> details the respective roles of the two institutions in implementing the NER 300 Decision<sup>2</sup>. The EIB fulfils two separate roles under this, notably:

- (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.

In accordance with the Cooperation Agreement between the European Commission and EIB, the present report detailing monthly executed sales is published on EIB's website within two weeks from the last day of the reporting month.

During **August 2012**, EIB sold a total of **19,050,000 EU allowances** for a total value of **EUR 152,545,510** (before deduction of expenses, including fees required by the market, and EIB fees<sup>3</sup>).

EIB used the following sales channels during the reporting month to distribute the EU allowances: OTC exchange-cleared (4,300,000), Direct screen trades (3,250,000) and Auctions (11,500,000).

All transactions so far have been executed on a forward basis with delivery of allowances and receipt of revenues in December 2013.

This brings the total volume of EU allowances sold so far under the NER 300 initiative to **181,150,000** with a total value of **EUR 1,454,993,440** (before deduction of expenses, including fees required by the market and EIB fees).

The volumes sold per trading day varied between 700,000 and 1,046,000 allowances during the reporting month and depended on the available liquidity.

The next monthly report will be published on Wednesday 10<sup>th</sup> October 2012 shortly after 6 p.m. CET.

#### Summary of sold allowances NER300 monetisation

Reporting period	02/12/2011 – 31/08/2012
Allowances sold so far	181,150,000
Value of sold allowances so far <sup>4</sup>	EUR 1,454,993,440
Average price per allowance sold so far <sup>4</sup>	EUR 8.03

The following table provides an overview of monthly and total volume sold since December 2011. The executed average price represents the average price before expenses (including margins) and fees.<sup>3</sup> The column "Deviation from the Index" measures the executed average price against the December 2013 "ICE Futures ECX EUA futures Contract Emissions Index"<sup>5</sup>.

Month	Sales channels	Volume sold (EUA)	Executed average price (EUR)	Deviation from Index (excl. auctions)	Value of sold allowances (EUR)
December 2011	OTC	12,000,000	8.15	0.000%	97,849,000
January 2012	OTC	21,500,000	7.87	+ 0.051%	169,201,000
February 2012	OTC	23,500,000	9.42	+ 0.003%	221,476,500
March 2012	OTC OTC exchange-cleared Direct screen trades	21,400,000 25,000 175,000	8.43	+ 0.001%	182,114,730
April 2012	OTC OTC exchange-cleared Direct screen trades	10,950,000 1,750,000 7,800,000	7.51	+ 0.002%	153,869,020
May 2012	OTC OTC exchange-cleared Direct screen trades	3,200,000 8,200,000 9,600,000	7.19	0.000%	151,028,600
June 2012	OTC OTC exchange-cleared Direct screen trades Auctions	800,000 6,854,000 5,096,000 8,750,000	7.54 * 7.76 **	+ 0.003%	164,079,320
July 2012	OTC exchange-cleared Direct screen trades Auctions	5,125,000 4,125,000 11,250,000	7.99 * 7.90 **	+ 0.003%	162,829,760
August 2012	OTC exchange-cleared Direct screen trades Auctions	4,300,000 3,250,000 11,500,000	8.06 * 7.97 **	+ 0.004%	152,545,510
<b>Total</b>		<b>181,150,000</b>	<b>8.03</b>		<b>1,454,993,440</b>

\* average price executed via OTC, OTC exchange-cleared and direct screen transactions

\*\* average price executed via auctions

Further details on the daily volume sold during the reporting month are shown in the table below:

Date	Sales channels	Volume sold (EUA)	Executed average price (EUR)	Index <sup>5</sup> (EUR)	Deviation from Index (excl. auctions)	Value of sold allowances (EUR)
01/08/2012	Multiple Auction	280,000 500,000	7.42 7.38	7.42	0.03%	5,768,190
02/08/2012	Multiple Auction	220,000 500,000	7.57 7.52	7.57	0.02%	5,425,790
03/08/2012	Multiple Auction	271,000 500,000	7.59 7.52	7.59	0.03%	5,817,580
06/08/2012	Multiple Auction	322,000 500,000	7.58 7.48	7.57	0.17%	6,181,600

Date	Sales channels	Volume sold (EUA)	Executed average price (EUR)	Index <sup>5</sup> (EUR)	Deviation from Index (excl. auctions)	Value of sold allowances (EUR)
07/08/2012	Multiple Auction	332,000 500,000	7.75 7.69	7.74	0.11%	6,417,630
08/08/2012	Multiple Auction	325,000 500,000	7.66 7.59	7.65	0.08%	6,283,140
09/08/2012	Multiple Auction	210,000 500,000	7.59 7.45	7.59	0.01%	5,319,000
10/08/2012	Multiple Auction	320,000 500,000	7.55 7.45	7.53	0.26%	6,140,830
13/08/2012	Multiple Auction	415,000 500,000	7.82 7.78	7.81	0.10%	7,134,490
14/08/2012	Multiple Auction	327,000 500,000	8.08 8.05	8.08	0.04%	6,668,240
15/08/2012	Multiple Auction	200,000 500,000	8.01 7.89	8.01	0.00%	5,547,000
16/08/2012	Multiple Auction	400,000 500,000	8.04 7.98	8.03	0.18%	7,207,850
17/08/2012	Multiple Auction	300,000 500,000	8.15 8.10	8.15	0.02%	6,495,490
20/08/2012	Multiple Auction	230,000 500,000	8.14 8.14	8.14	0.02%	5,942,530
21/08/2012	Multiple Auction	400,000 500,000	8.24 8.17	8.22	0.20%	7,379,720
22/08/2012	Multiple Auction	400,000 500,000	8.41 8.39	8.40	0.07%	7,557,260
23/08/2012	Multiple Auction	379,000 500,000	8.61 8.56	8.61	0.04%	7,544,490
24/08/2012	Multiple Auction	400,000 500,000	8.57 8.54	8.57	0.05%	7,699,730
27/08/2012	Multiple Auction	220,000 500,000	8.61 8.55	8.61	-0.03%	6,168,670
28/08/2012	Multiple Auction	291,000 500,000	8.68 8.64	8.68	0.02%	6,846,410
29/08/2012	Multiple Auction	322,000 500,000	8.31 8.14	8.30	0.10%	6,745,400
30/08/2012	Multiple Auction	440,000 500,000	8.09 8.15	8.08	0.08%	7,632,910
31/08/2012	Multiple Auction	546,000 500,000	8.30 8.18	8.29	0.12%	8,621,560
<b>Total</b>		<b>19,050,000</b>	<b>8.01</b>		<b>+ 0.004%</b>	<b>152,545,510</b>

## Notes

1. The Cooperation Agreement is published at <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2010:358:0001:0018:EN:PDF>
2. The NER 300 Decision is published at <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2010:290:0039:0048:EN:PDF>
3. EIB fees are detailed in the Cooperation Agreement. Expenses, including fees required by the market, could include margins on volume weighted average price transactions, trading fees, exchange and clearing house fees and collateral funding costs. For reasons of commercial confidentiality, the amounts of expenses, including fees required by the market, are not being disclosed.
4. Before deduction of expenses and market and EIB fees as outlined above in note number 3.
5. The Index is published daily at <https://www.theice.com/marketdata/reports/ReportCenter.shtml>

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