Subject: LETTER OF SUPPORT Study on the participation of compliance entities in the EU Emissions trading system (ETS)

Dear Sir, / Dear Madam,

The European Commission (Directorate-General Climate Action) has engaged Europe Economics to undertake a study on participation of compliance entities in the EU ETS auctions and secondary markets. The objectives of the research are to:

- Review the different sources compliance entities use to acquire allowances to comply with their ETS compliance obligations e.g. auctions in which they participate themselves, auctions in which they use intermediaries, trading on trading venues or bilateral over-the-counter trades.
- Understand the reasons why compliance entities choose to participate / not participate in the primary auctions or secondary trading markets for emission allowances.
- Assess any barriers compliance entities might be facing in participating in these markets.

This study will produce important information to help ensure the EU ETS functions well, and views and information gathered through this consultation exercise will play a vital role. We have identified you as a stakeholder whose views we would wish to gather.

We therefore kindly request that you provide, to the greatest extent possible and appropriate for you, feedback to this consultation exercise. Your assistance is greatly appreciated.

Yours faithfully,

Polona GREGORIN
Deputy Head of Unit