

Diversity & Harmonisation

The Right Balance

Howard Leberman

Industry Regulation Policy Adviser

Aims & Objectives

Ensure that a tonne of CO₂ is equivalent to a tonne of C throughout the EU.

Achieved through rigorous & consistent application of:

- ▶ emission monitoring & reporting systems & procedures;
- ▶ independent verification of the emissions;
- ▶ accreditation of the independent verifiers;
- ▶ enforcement .

Approach set down in the Commission's MRG as required

Transposition of the MRG

Important to guarantee consistent, robust and full implementation of the MRG.

Article 14 is explicit about the need for the Commission to adopt the MRG & Member States to ensure they are applied as regards monitoring & reporting.

Commission has the authority to take action where Member States do not properly enforce the MRG.

Adopting the MRG as EU-wide legislation will ensure direct applicability to operators.

General permit condition to ensure full implementation of MRG (Article 9(1) of the MRG)

Approach to Verification

- There are different regulatory regimes and approaches to verification across MS.
- IMPEL reported that three different approaches to verification (Netherlands, Austria & the UK) all worked well and delivered - Diversity works.

BUT

- Difficult to police.
- Accreditation of the independent verifiers is critical.

Verification needs strong Accreditation

- Directive should be amended to ensure a single standard for accreditation.
- Article 15 changed to allow the Commission the legal basis to adopt guidelines on verification, accreditation, competent & independent.
- Article 15 changed to allow provision for the Commission to empower a centralised body to quality assure accreditation standards

Verification needs strong Accreditation

Annex 5 changed to confirm:

- ▶ verification opinion is based on reasonable assurance
- ▶ site visit is required as part of each annual verification
- ▶ verifier to be accredited;
- ▶ use of a standard verification statement;
- ▶ formal requirement for technical review of verification opinions;
- ▶ ongoing audits of verifiers by accreditation bodies;
- ▶ define what constitutes acceptable accreditation.

EU Common Accreditation Body

Centralised body for quality assurance of accreditation bodies

European-wide organisation of accreditation bodies already exists – The European Co-operation for Accreditation (EA) (www.european-accreditation.org)

EA has produced guidance for EU ETS verification (EA 6/03).

EA 6/03 in process of revision to accommodate MRG 2007

EU Common Accreditation Body

- EA to prescribe minimum working practices and QA procedures for verifiers.
- EA introduces audit role addressing commercial pressures placed on verifiers.
- Oversight by the EA would avoid conflicts of interest between the competent bodies' regulatory and verification functions where third party verifiers not used.
- Ensure consistent approach to verification & share best practice

T Systems

An appropriate EU wide electronic tool and a workflow automation system will:

- streamline and improve the process of information delivery
- Increase the quality of information exchanged between operator, verifier and competent authority;
- reduce the administration burden on industry and competent authorities

Conclusion

Effective MRV & compliance vital to EU ETS reputation.

Transparency, accountability & integrity underpin actual emission reductions and ensure potential for linking with other emission trading schemes.

Expectation should be for robust accreditation to assure appropriate verifier competence & independence.

Harmonisation is good for business, good for single market and good for linking with other schemes.