

# Review of Verified allocation Data

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# Overview

- Introduction
- Verification Opinion
- Issues During Review
- Conclusion

# Introduction

- The application for amending amounts allocated free of charge must be accompanied by a Verified Opinion Statement for New Entrant greenfield applications, significant capacity increases and significant capacity decreases.
- The Operator must comply with National Legislation, the CIMS (2011/278/EU) and relevant Commission Guidance Documents and clarifications given in numerous FAQ documents.  
[https://ec.europa.eu/clima/policies/ets/allowances\\_en#tab-0-1](https://ec.europa.eu/clima/policies/ets/allowances_en#tab-0-1)
- The Verifier must be accredited to scope 98 of the AVR, comply with the CIMS and Guidance on Verification and ensure that the Operator complies with all of the above.
- An Ireland specific VOS is available on our website.  
<http://www.epa.ie/climate/emissionstradingoverview/etscheme/phase%20iii/>

# Verification Opinion

- The Verification is carried out to confirm that the content and quality of the application and attachments is compliant with the CIMS and data submitted in the application is free from material misstatements.
- Positive opinion; application and methodology is materially correct, fair representation of the change (SCI, SCD, NE) and methodology complies with CIMS and guidance documents. Materiality 5%. Qualitative aspect also, change in opinion of CA.
- Verifier confirms sub-installations correct, data highest achievable accuracy, no double counting.
- Data confirmed as verified include emissions before start, relevant capacity, RCUF, activity level.

# Issues during review

- 66% of the reports received to-date have contained issues with the Verification Report. All Verifiers have had issues. Some reports returned several times for correction and re-verification.
- Issues are raised with Operator and Verifier through return of reports for correction.
- Issues include;
  - ❑ RCUF not calculated in accordance with the Guidance
  - ❑ Incorrect RCUF listed
  - ❑ Incorrect months or incorrect highest months reported for calculation of capacity
  - ❑ Incorrect classification of benchmark sub-installation
  - ❑ Heat recovery from a process covered by fuel benchmark, included as heat benchmark also, leading to double counting.

# Issues during review

- Issues include;
  - ❑ Error in the calculation of relevant capacity
  - ❑ Initial installed capacity based on Tj fuel input rather than heat output for heat benchmark.
  - ❑ Fuel data used in calculations inconsistent with AEM verified data.
  - ❑ Incorrect VOS template used.
  - ❑ Calculation of initial capacity incorrect, thereby reporting a capacity change in error (10% increase over initial capacity)
  - ❑ Incorrect NACE code thereby incorrect classification as carbon leakage. (Material non-conformance)
  - ❑ No data included in the VOS for phase before start of normal operation.
  - ❑ Incorrect activity level reported in VOS

# Conclusion

- The allocation rules are complex and there are a lot of site specific cases. Clarification often required by CA from Commission helpdesk.
- However there are still a lot of issues with verification in our experience.
- Verifiers should be accredited specifically for allocation rules in our opinion.
- There is a need for additional dedicated guidance for verifier requirements on allocation rules to ensure that verifiers have the competencies required. Guidance Doc. 4 should be updated for example.
- This will also be necessary given the likelihood of annual harmonised compulsory reporting of verified activity level data in phase IV.
- There is a need for a Commission template for the VOS to ensure harmonised reporting by Verifiers in all the Member States.