



Ireland's experience of checking ALC Reports and Verification Reports Compliance Conference 22/11/22

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Review of Annual Activity Level Reports



Process

- 67 Activity Level Change (ALC) reports were received including 2 New Entrants. 35 reports were submitted to the Commission with changes (52.2%). 22 required CA update of which 4 were reverified. Other corrections to 2021 data will be required in the 2023 submission.
- Reports were initially scanned and were **run through the Commission checking tool where possible** to get an overview of the number of reports that were reporting activity level changes, identify errors in the reporting of the HAL, number and type of sub-installations, electricity generator status, installation ID, benchmark data applied.
- A **detailed compliance check sheet** is being completed for each report to assess compliance with ALC Regulation, monitoring and reporting requirements in the FAR, updated carbon leakage list, benchmark legislation, and GD 5 (Monitoring and Reporting) and GD7 (Activity Level Changes) and list any additional information required. Compliance checks are also being completed for the Verification report to additionally assess compliance with the Accreditation and Verification Regulation and relevant guidance.
- Data is **cross checked** with **baseline data**, the **previous years ALC report**, verified **annual emission reports** and the current **permit**. Detailed calculations of activity level and other information reported in sheet D, E F and G are checked.

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Issues and Challenges

- In general the completion, verification and assessment of ALC reports is a very time consuming process for all parties. This continues to put a strain on existing resources. Additional time was required in 2022 assessment compared to 2021 as an assessment is also made against the 2021 submission and where activity level returns to the historic activity level those reports also require submission to the Commission.
- In relation to the ALC reports the following issues were noted :
- The main issues related to:
- **Data errors in sheet D and E** –emissions and fuel input not aligned, fuel input distribution incorrect, activity level not calculated correctly (error in the calculation, not applying correct methodology, double counting between heat and fuel benchmark, excluded heat included in the reported activity level) and split between Carbon Leakage and non CL not calculated correctly. Incorrect annual emissions data reported in ALC report.
- **Data errors in sheet G**; energy efficiency data not reported or reported incorrectly, errors in the calculation and reporting of data for determining benchmark improvement rate.

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Issues

- In a small number of reports there were issues relating to:
- Information about installations belonging to the same **group was not filled correctly or missing, Registry ID and NACE/PRODCOM codes were incorrect, HAL data reported rounded, Fuel emission factor inconsistently reported throughout the ALC report. Errors in the completion of the Combined Heat and Power (CHP) tool. Error in electricity data reported.**
- **Data errors in sheet F:** tonnes of product reported rounded, errors in the calculation and reporting of data for determining benchmark improvement rate.

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Issues

- In relation to the **Verification Report**:
 - The Verifier did not detect calculation and reporting errors in the determination of activity level. The Verifier did not detect double counting and inclusion of excluded sources in the activity level.
 - The Verifier did not detect errors or omissions in data reported in sheet D and E and benchmark data in sheet G.
 - There was an error in the PRODCOM code reported by the Verifier.
 - The Verification report was incomplete, missing information on the site visit.
 - The Verifier was not aware that a revised MMP had been submitted to the CA.

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Best Practice/Conclusions

- Although there has been a good improvement in the number of report containing correct information in sheet A and B there is still an unacceptable number of reports that contain data errors in sheet D, E, and G and the issues are not being detected by the Verifiers.
- Operators and Verifiers are still struggling to understand the process and meet all the requirements.
- The number of reports with yearly changes has increased from about 5% in phase III to about 40% in year 1 phase 4 and 52% in year 2. The work load continues to increase year on year.
- Following last years review of reports findings were communicated to Operators and Verifiers as follows:
 - A communication was issued to each Operator outlining the issues with the report.
 - The correct report from the 2021 submission was issued to the Operator for completion of the 2022 submission.
 - A year end communication was issued to all Operators and Verifiers outlining common mistakes and errors in the ALC reports.

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Best Practice/Conclusions

- It is anticipated that Verifiers, and Operators will apply **corrective and preventative actions following feedback and there will be continuous improvement year on year as Operators and Verifiers become more familiar with the process.**
- **The availability of worked examples would be very helpful, including examples**
 - for Operators for determining input data into the CHP tool,
 - fuel input data split in sheet E, calculation of net heat output (with examples for method 1 using measurements and method 3 4.5e measured boiler efficiency); and
 - splitting heat and emissions between heat and fuel CL and non CL benchmarks and calculation of energy consumption per product.