

Explanatory Note for the EU ETS Article 21 Questionnaire for Phase IV¹ (June 2022)

1. DETAILS OF INSTITUTION SUBMITTING THE REPORT

Purpose

This question seeks contact details in case of any clarification questions regarding the completed questionnaire.

Instructions

- Please provide details of the institution submitting the report, as well as the contact details of the person to whom any clarification questions can be addressed.

2. RESPONSIBLE AUTHORITIES IN EU ETS AND COORDINATION BETWEEN AUTHORITIES

2.1. *Name, abbreviation and contact details of the competent authorities, the national accreditation body, the registry administrator and (if applicable) the national certification authority involved in the EU ETS compliance processes*

Purpose

This question seeks a complete overview of the authorities involved in the implementation of EU ETS compliance processes in your Member State, i.e. the competent authorities, the national accreditation body, the registry administrator and, if applicable, the national certification authority, to ensure that all relevant information on these authorities is available in a central place.

Instructions

- This question should only be answered for the report due by 30 June 2022. For subsequent reports, the question only needs to be answered if there have been changes during that reporting period.
- Under the type of competent authority please select the appropriate option: local competent authority, regional competent authority, central competent authority or other.
- Please fill in under contact details, the telephone number, e-mail address and website address. If multiple local or regional authorities or municipalities are involved, the contact details of all these local and regional authorities do not have to be provided. In this case, please use a collective name and abbreviation, and provide the number of local or regional authorities concerned in the appropriate box.

¹ Commission Implementing Decision of ... amending Decision 2005/381/EC as regards the questionnaire for reporting on the application of Directive 2003/87/EC of the European Parliament and of the Council

2.2. *Responsibilities of the Competent Authorities*

Purpose

This question seeks an overview of the responsibilities and tasks of the various competent authorities in your Member State. It concerns the competent authority's responsibilities emanating from the EU ETS Directive, the Monitoring and Reporting Regulation (MRR)², the Accreditation and Verification Regulation (AVR)³, the Auctioning Regulation⁴, the Free Allocation Rules⁵, Implementing Regulation on annual activity level data⁶ and the Registry Regulation⁷.

Instructions

- This question should only be answered for the report due by 30 June 2022. For subsequent reports, the question only needs to be answered if there have been changes during that reporting period.
- Please provide the abbreviation of the competent authority or competent authorities responsible for the activities listed in the relevant boxes for installations and aircraft operators.
- If multiple competent authorities are involved in one particular activity, please add additional rows for these competent authorities. Where an activity is performed by multiple local or regional authorities, please use the collective abbreviation for those authorities (please see the guidance under question 2.1).
- Please note that not all activities concerning installations are applicable to aircraft operators and vice versa.

The table below explains some of the elements in the reporting table

Requested information in the table	Explanation
Free allocation pursuant to Article 3e and 3f of EU ETS Directive	The competent authority of the administering Member State mentioned in Article 3e (free allocation of emission allowances for aircraft operators) and Article 3f

² Commission Implementing Regulation (EU) 2018/2066 on the monitoring and reporting of greenhouse gas emissions pursuant to Directive 2003/87/EC of the European Parliament and of the Council and amending Commission Regulation (EU) No 601/2012: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02018R2066-20210101>

³ Commission Implementing Regulation (EU) 2018/2067 on the verification of data and on the accreditation of verifiers pursuant to Directive 2003/87/EC of the European Parliament and of the Council: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02018R2067-20210101>

⁴ Commission Regulation (EU) No 1031/2010 of 12 November 2010 on the timing, administration and other aspects of auctioning of greenhouse gas emission allowances pursuant to Directive 2003/87/EC of the European Parliament and of the Council establishing a scheme for greenhouse gas emission allowances trading within the Community

⁵ Commission Delegated Regulation (EU) 2019/331 of 19 December 2018 determining transitional Union-wide rules for harmonised free allocation of emission allowances pursuant to Article 10a of Directive 2003/87/EC of the European Parliament and of the Council, (OJ L 59, 27.2.2019, p. 8).

⁶ Commission Implementing Regulation (EU) 2019/1842 of 31 October 2019 laying down rules for the application of Directive 2003/87/EC of the European Parliament and of the Council as regards further arrangements for the adjustments to free allocation of emission allowances due to activity level changes (OJ L 282, 4.11.2019, p. 20).

⁷ Commission Delegated Regulation (EU) 2019/1122 of 12 March 2019 supplementing Directive 2003/87/EC of the European Parliament and of the Council as regards the functioning of the Union Registry (OJ L 177, 2.7.2019, p. 3).

	(special reserve).
Issuance of allowances	Please specify the competent authority responsible for actually issuing the emission allowances to the operator or aircraft operator.
Activities related to auctioning	The auctioneer mentioned in the Auctioning Regulation.
Inspection and enforcement	Inspection and enforcement includes site visits to operators to assess whether they comply with the monitoring plan and the MRR, as well as taking enforcement action against infringements and imposing sanctions. Whereas inspection site visits might not be carried out by all Member States, enforcement actions should. All Member States should therefore complete this box regardless of whether they have carried out inspections or not.

2.3. *Competent authority's focal point and coordination in the case of multiple competent authorities*

Purpose

Article 18 of Directive 2003/87/EC (EU ETS Directive) requires Member States to designate the appropriate competent authority or competent authorities for the implementation of the rules of the Directive. If there is more than one competent authority in a Member State, Article 70(2) of the AVR requires the Member State to authorise one of these competent authorities as the focal point for exchanging information, coordinating the cooperation between the national accreditation body (NAB) and the competent authority and the activities in Chapter VI of the AVR. The first question seeks to provide the Commission and all Member States with a complete overview of the competent authorities' focal points across Europe to facilitate information exchange between all Member States. Where multiple competent authorities carry out activities under the MRR in your Member State, Article 10 of the MRR requires the activities of these competent authorities to be coordinated. The second question seeks to gather information on how this coordination is carried out.

Instructions

- Both questions only need to be answered when more than one competent authority is responsible for the activities mentioned in the MRR and AVR. They should be answered for the report due by 30 June 2022. For subsequent reports the questions only need to be answered if there have been changes during that reporting period.
- The competent authority focal point should be the focal point that is exchanging the information in practice according to Article 70(2) of the AVR.
- In the second question, please answer for each item yes or no depending on which situation is applicable to your Member State.

The table below explains some of the elements in the reporting table.

Requested information in the table	Explanation
Is there a central authority re-	You should select yes if multiple regional or local au-

viewing monitoring plans, annual emission reports and improvement reports in addition to local and regional authorities?	thorities are responsible for assessing monitoring plans, emission reports or improvement report and a central competent authority reviews or checks a share of monitoring plans, emission reports and/or improvement reports or all of those documents on a regular basis, carrying out spot checks or full reviews.
Is there a central authority providing advice to local or regional authorities?	You should select yes if the central competent authority provides advice or instructions and/or guidance on MRV aspects. Such aspects could, for example, include how the local or regional competent authority should approve monitoring plans, assess emission reports, approve improvement reports or deal with specific monitoring and reporting issues. If this option applies, you are requested to indicate whether regional or local authorities are required to follow-up that advice or instructions.
Are regular meetings organised between competent authorities?	You should select yes if regular meetings are organised between different competent authorities. This situation differs from the situation where there is a structured and established working group in which competent authorities discuss MRVA issues.
Is common training organised?	Please select yes if common training is organised for competent authorities to train them on the application of the rules and inform them on how to deal with specific MRVA issues.
Is a structured working or coordination group established?	You should select yes, if a structured working group or coordination group is established where staff from different competent authorities discuss and address MRVA issues

2.4. *Cooperation between the national accreditation body (NAB) and, if applicable, the national certification authority (NCA) on the one hand and the competent authority on the other hand*

Purpose

Article 70(1) of the AVR requires Member States to establish an effective exchange of appropriate information and effective cooperation between their NAB/ NCA and the competent authority. This question seeks to obtain an overview of how the cooperation between the NAB/NCA and competent authority is organised.

Instructions

- This question must be answered regardless of the number of competent authorities involved in your Member State.
- The question should be answered for the report due by 30 June 2022. For subsequent reports, the question only needs to be answered if there have been changes during that reporting period.

3. COVERAGE OF ACTIVITIES AND INSTALLATIONS AND AIRCRAFT OPERATORS

3A. INSTALLATIONS

3.1. *Total number of installations*

Purpose

The first table in this question seeks an overview of the aggregate number of installations covered by the EU ETS, distinguishing between category A, B and C installations as well as installations with low emissions. The second table aims to provide information on which activities listed in Annex I of the EU ETS Directive are carried out by the EU ETS installations in your country.

Instructions

- The first and second tables should be answered annually. Please note that the total number of installations is the combined total of category A, B and C installations (category A installations include the number of installations with low emissions).
- Information can be extracted from section 5d of the Commission monitoring plan template and AER template. The information can also be extracted from the ETS reporting tool. Please use in principle the data from the monitoring plan as the installation's category does not necessarily have to change if the category threshold is exceeded. The competent authority may allow the operator not to modify the monitoring plan if the operator demonstrates that the threshold has not already been exceeded within the past five reporting periods and will not be exceeded again in subsequent reporting periods (Article 19 and 47(8) of the MRR).

3.2. *Installations with an exclusion under Article 27 and/or 27a of Directive 2003/87/EC*

Purpose

Article 27 of the EU ETS Directive allows Member States to exclude installations which have, in each of the three years preceding the notification to the Commission, mentioned under Article 27 of the EU ETS Directive:

- emissions of less than 25000 tonnes of CO₂(e) excluding those from biomass; and
 - a rated thermal input below 35 MW where they carry out combustion activities.
- Hospitals may also be excluded under Article 27 of the EU ETS Directive if they undertake equivalent measures.

Exclusion of those installations is only possible if the conditions and requirements specified in Article 27 have been met.

Article 27a of the EU ETS Directive allows Member States to exclude

- installations which have, in each of the three years preceding the notification to

- the Commission, emissions of less than 2500 tonnes of CO_{2(e)}.⁸
- EU ETS reserve or backup units which did not operate more than 300 hours per year, in each of the three years preceding the notification of the Commission.

Exclusion of those installations and reserve of back-up units is only possible if the conditions in Article 27a of the EU ETS Directive have been met. For example, simplified monitoring arrangements have to be in place to assess whether the thresholds are exceeded.

This question ensures that the information can be compiled in one place allowing Member States and other stakeholders to have easy access to the information.

Instructions

- The information in this question should be answered annually.
- Please answer yes and fill in the tables if a Member State has excluded installations under Article 27 or 27a (1) of the EU ETS Directive, or if a Member State has excluded reserve or backup units under Article 27a (3) of the EU ETS Directive. If your Member State did not apply Article 27 or 27a of the EU ETS Directive, you only have to answer no.
- Please select in the first table whether exclusion is carried out under Article 27, 27a (1) or 27a(3) of the EU ETS Directive and fill in the total emissions of installations or units excluded under Article 27 or 27a of the EU ETS Directive. Please also specify the number of installations or units that have exceeded the applicable threshold and need to re-enter EU ETS.
- In the second table, please indicate how many installations that were excluded under Article 27 or 27a of the EU ETS Directive were closed.
- The information can be extracted from the ETS reporting tool.

3B. AIRCRAFT OPERATORS

3.3. *Total number of aircraft operators*

Purpose

This question seeks an overview of the aggregate number of aircraft operators covered by EU ETS and administered by your Member State, distinguishing between commercial aircraft operators and non-commercial aircraft operators. The total number of small emitters is requested to assess the share of small emitters, as defined by Article 55(1) of the MRR.

Instructions

- The number of aircraft operators to be reported in the table of the question relate to aircraft operators that are administered by your Member State and have carried out flights falling under the scope of the EU ETS. Aircraft operators that are excluded because these do not carry out such flights should not be taken into account in this question.

⁸ Emissions from biomass are excluded.

- The question should be answered annually.
- The information can be extracted from several sources: Commission monitoring plan template, AER template, Eurocontrol’s ETS Support Facility and the ETS reporting tool.

4. THE ISSUE OF PERMITS FOR INSTALLATIONS

4.1. *Integration of Articles 5-7 of the EU ETS Directive into procedures provided for in the Industrial Emissions Directive (IED), or coordination between the EU ETS permit and IED permit*

Purpose

Article 8 of the EU ETS Directive requires Member States to take the necessary measures to ensure that, where installations carry out activities that are included in Annex I of the IED Directive, the conditions and procedures for the EU ETS permit and the IED permit are coordinated. That coordination can take different forms. Some Member States have integrated the EU ETS permit requirements into the IED permit, while other Member States issue separate permits. This question focuses on how the integration of the EU ETS permit with the IED permit takes place in your Member State, and, if those permits are separate, what measures have been taken to coordinate the procedures. It seeks relevant information on how the permit procedures are regulated in the Member States and the impact these may have on the organisational aspects of EU ETS compliance.

Instructions

- This question should only be answered for the report due by 30 June 2022. For subsequent reports, the question only needs to be answered if there have been changes during that reporting period.
- Please answer yes, no or partially under each item depending on which situation is applicable to your Member State.

The table below explains some of the elements in the first table of the question.

Requested information in the table	Explanation
Is the ETS permit part of the Industrial Emissions Directive permit?	The question should be answered yes if there is one integrated permit regulating the activities under the EU ETS Directive and the IED Directive.
Are the permitting procedures under the IED Directive and ETS permit integrated?	This question only needs to be answered if the answer to the question above is no. It concerns cases where permitting procedures of IED Directive and EU ETS Directive are aligned, e.g. for example by having the same administrative procedures and coordination measures between both permitting procedures.
Are IED regulators checking whether ETS permit is applicable and inform the competent authority responsible under the EU ETS?	This question only needs to be answered if the first question in the table is answered no.
Are the approval of monitoring plans and assessment of emission	Cases where IED regulators approve monitoring plans and assess annual emission reports.

reports carried out by IED regulators?	
Is inspection of the EU ETS activities carried out by the IED regulators?	Cases where IED inspectors are involved in the inspection of EU ETS installations and IED installations together.
Is the IED regulator requested to provide advice or instructions to the competent authority responsible for EU ETS?	Cases where IED regulators provide advice on activities carried out by the competent authority under EU ETS, e.g. regarding specific monitoring issues, assessment of installation boundaries. If this situation is applicable, you are requested to indicate whether that advice or those instructions are binding and have to be followed up by the EU ETS competent authority.

4.2. *Updates of permits*

Purpose

This question seeks an overview of the requirements in national law that Member States have set-up to implement Articles 6 and 7 of the EU ETS Directive. The aim is to understand when national law requires the permit to be withdrawn or changed as a result of an increase or decrease of capacity, or a change to an installation's monitoring plan. Not all changes to an installation's monitoring plan or capacity will result in a permit update. In some Member States a permit is only updated when the capacity is changed by a certain % or if there are significant changes to the monitoring plan. It depends on the national law of Member States. Also, in some Member States, permits can expire under certain circumstances. The main objective of this question is to assess how Articles 6 and 7 of the EU ETS Directive have been implemented in the national law of Member States. The total aggregate number of permit updates is requested to enable trend analysis of permit changes across the EU. The question seeks to obtain an overview of the extent to which the total number of updates varies between Member States, as well as a first indication of the administrative burden involved for Member States. Where the total number is high, this could mean that further assistance or guidance is necessary to implement Article 6 and 7 of the EU ETS Directive in a more efficient way.

Instructions

- Please describe in the table the details of national law or policy on when permits are updated for the specified reasons, when permits are withdrawn and under what conditions permits expire.
- The first question should be answered for the report due by 30 June 2022. For subsequent reports, the question only needs to be answered if there have been changes during that reporting period. The second question on the number of permit updates should be answered annually and should be completed as far as this is known to the competent authority.

The table below explains some of the elements in the first question

Category of changes	Explanation
When can permits be withdrawn by the competent authority?	Please specify the situations in which permits can be withdrawn, e.g. as a sanction in the case of non-compliance, shutdown of the installation.

Does a permit expire under national law? If yes, under what circumstances?	A permit can for example expire if the permit is only valid for a certain period of time. If such a situation is applicable, please indicate in what time the permit could expire. If there are other circumstances under which the permit expires, please state so.
When is a permit changed as a result of an increase in capacity?	For example, the permit is updated when the capacity has increased by a certain %.
When is a permit changed as a result of a decrease in capacity?	For example, the permit is updated when the capacity has decreased by a certain % or falls below a certain threshold.
When is a permit changed as a result of changes to the monitoring plan?	Please indicate if a permit is changed as a result of significant changes to the monitoring plan or if all changes to the monitoring plan lead to a permit update.
Are there other types of permit updates? If yes, please provide details.	Please specify other situations in which the permit is updated: for example a change of name of the operator, change of installation boundaries.

5. APPLICATION OF THE MONITORING AND REPORTING REGULATION

5A. GENERAL

5.1. *Additional national legislation and guidance*

Purpose

The MRR has direct effect in the Member States and must be directly applied by the parties addressed in the regulation. However, in some areas the MRR provides room for Member States to complement the Regulation with additional legislation. This question seeks to obtain an overview of such additional legislation. The question also asks Member States to outline whether, in addition to the guidance made available by the Commission, they have developed national specific guidance to assist operators, aircraft operators or competent authority staff to apply the requirements in a uniform manner. This could be Member State specific frequently asked questions (FAQs), national templates or specific exemplars, checklists or other material.

Instructions

- The question should be answered for the report due by 30 June 2022. For subsequent reports, the question only needs to be answered if there have been changes during that reporting period.
- Please indicate the area to which any additional legislation relates and what the additional requirements consist of.
- Please indicate the area in the MRR to which any national guidance relates by referring to the respective article of the regulation and specifying the subject that the guidance addresses.

5.2 *Measures taken to streamline reporting requirements with any existing reporting requirements*

Purpose

This question seeks an overview of the measures that Member States have taken to streamline the EU ETS reporting requirements with other existing reporting mechanisms and how data is exchanged between the competent authorities responsible for EU ETS and other government bodies or agencies responsible for different reporting obligations.

Instructions

- The question should be answered for the report due by 30 June 2022. For subsequent reports, the question only needs to be answered if there have been changes during that reporting period.
- Please answer yes or no under each item depending on which situation is applicable to your Member State. If an item is not applicable, please say that this is NA.

The table below explains some of the elements in the question

Measures to streamline reporting	Explanation
Using EU ETS data for compiling the GHG inventory report	In this situation, data in the EU ETS annual emission report is used to compile the UNFCCC GHG inventory report and to meet the requirements of the Monitoring Mechanism Regulation. ⁹
Using EU ETS data in the emission report for comparative analysis with national energy balance	Data from different sources is often used by competent authorities responsible for other reporting mechanisms to carry out cross checks, plausibility checks or validation checks in order to obtain more accurate data. These questions aim to collect information on the extent to which EU ETS data are used for such purposes.
Using EU ETS data in the emission report for plausibility and validation of E-PRTR data	
Using EU ETS data in the emission report for validation and quality assurance in GHG inventory reporting	
Online reporting portal or platform to report for various reporting mechanisms	If this situation is applicable, please specify under comments what reporting mechanisms are covered by the portal or platform.
Structured coordination between E-PRTR, GHG inventory and EU ETS competent authorities	If this situation is applicable, please specify under comments what type of structured coordination exists: e.g. structured information exchange between authorities, working groups or frequent meetings.

5.3. *Use of electronic templates and file formats*

Purpose

In accordance with Article 74 of the MRR, Member States may require operators or

⁹ Regulation (EU) No 525/2013 of the European Parliament and Council of 21 May 2013 on a mechanism for monitoring and reporting greenhouse gas emissions and for reporting other information at national and Union level relevant to climate change and repealing Decision No 280/2004/EC.

aircraft operators to use electronic templates or specific file formats for the submission of monitoring plans, changes to the monitoring plan, annual emission reports, verification reports and improvement reports. Templates or file format specifications established by the Member States shall contain, at least, all of the information specified in corresponding publications by the Commission. This question first seeks an overview of Member States that use Commission templates for submission of monitoring plans, emission reports, verification reports or improvement reports. If such templates are not used or only partially used for certain documents, the second and third question have to be completed. The second question aims to collect information on whether Member State specific templates or file formats for IT systems have been developed and what additional elements Member States have added to these templates or IT systems. The third question aims to gather information on what measures Member States have taken to implement and comply with the requirements in Article 74(1) and (2) of the MRR.

Instructions

- The question should be answered for the report due by 30 June 2022. For subsequent reports, the question only needs to be answered if there have been changes during that reporting period.
- If Commission templates are not used and Member State templates or file formats are not applied please state so in your response to this question.
- Please indicate under the second column of both tables whether your Member State has developed a Member State specific template or a specific file format. A translation of the Commission template should not be regarded as a Member State specific template or file format.
- Please specify under the third column of both tables whether your Member State's specific template is the Commission template with some additional elements, or a different template or specific file format. Please also specify what elements have been added to your Member State's template or IT system compared to the information contained in the Commission template.
- Please specify under the third question how you have ensured that the requirements of Article 74(1) and (2) of the MRR are complied with. Please also specify what standardised electronic reporting language or template is used.

5.4. Use of automated systems (IT) for electronic data exchange

Purpose

This question seeks to obtain an overview of Member States that use an IT system for submitting monitoring plans, emission reports or other documents. It aims to gather information regarding what measures Member States have taken to implement and comply with the requirements in Article 75 of the MRR.

Instructions

- This question only needs to be completed in detail if your Member State uses an IT system.
- The question should be answered for the report due by 30 June 2022. For subsequent reports, the question only needs to be answered if there have been changes during that reporting period.

- Please specify what measures have been taken to ensure integrity of data, confidentiality of data, authenticity of data and non-repudiation of data (application of Article 75(1) of the MRR).
- Please specify what measures have been taken to ensure compliance with the non-functional requirements specified in Article 75(2) of the MRR.

5B. INSTALLATIONS

5.5. *Fuel consumption and total emissions*

Purpose

This question seeks to support the following:

- assessing changes in the most important fuels used: over the years it will be possible to assess whether installations covered by the EU ETS change from fuels with higher CO₂ emissions per unit of energy, to those with lower specific CO₂ emissions;
- secondly, for allowing some checking of the consistency of emissions and fuel use between EU ETS and national inventories;
- comparing fuel use across the EU for the most important fuels.

Instructions

- The question should be answered annually.
- Response to this question is not expected to include fuel used for non-combustion purposes (i.e. fuel used as process raw material).
- Please fill in the total fuel consumption and the total emissions for the fuels listed in the table. For “other fossil fuels”, please include all other fuels not covered by the specific fuels listed. Please note that details concerning biomass including bio-fuels, bioliquids and other biomass fuels (sustainable or unsustainable) are excluded from this question. But the fossil fractions of biomass fuels are to be included.
- The fuel consumption (in terms of energy content) as well as the emissions from the fuels can be collected from section 8 and 9 as well as from the accounting sheet of the Commission’s AER template. These can also be extracted from the ETS reporting tool.
- If operators of installations have reported emission factors expressed as tCO₂/t or t/Nm³ and the carbon content of a material in a mass balance, a proxy value for the calorific value is not always provided in the annual emission reports. In those cases it may not be possible to extract the energy content of a particular fuel from the emission report. The competent authority may then estimate the energy content of the source streams used as fuels.

For more information on what fuels are included within the specific fuel types, please see the table below.

Fuel type description	This includes the following fuels
Hard coal	Anthracite, coking coal, other bituminous coals

Lignite and sub-bituminous coal	Coal briquettes and other low calorific coal derived products
Peat	Peat products
Coke	Coke oven coke, gas coke and lignite coke
Natural gas	
Coke oven gas	
Blast furnace gas	Oxygen steel furnace gas
Refinery gas and other process derived gases	Ethane, refinery gas, gas works gas and chemical plant process gases
Fuel oil	Heavy fuel oil, residual fuel oil
Liquefied petroleum gas	
Petroleum coke	
Other fossil fuels	Patent fuel, coal tar, oil shale and tar sands, natural gas liquids (NGL), naphtha: other kerosene, gas/diesel oil, white spirit, lubricants, bitumen, paraffin waxes, other petroleum products

5.6. *Aggregate total emissions for each reported IPCC Common Reporting Format (CRF) category*

Purpose

Article 73 of the MRR requires operators to report emissions from their Annex I activities in accordance with, among other things, codes from the CRF for national greenhouse gas inventory systems (as approved by the respective bodies of the United Nations Framework Convention on Climate Change (UNFCCC)).

The objective of this question is to assist Member States and the EU as a whole to improve the quality of data in the national inventories, as well as to enable the Commission to assess the data consistency between the EU ETS and the national inventories reported to the UNFCCC.

It should be noted that data in response to this question aligns with Member State responsibilities to report proxy inventory data by 31st July, in accordance with Article 8(1) of the Monitoring Mechanism Regulation (MMR).

Instructions

- The question should be answered annually.
- Please compile and submit the data reported by operators in accordance with the IPCC CRF categories listed in section 6 of the annual emission report (AER) template provided by the Commission. IPCC CRF categories from the 2006 IPCC guidelines should be used. Please indicate the IPCC CRF category and, for each category, provide the total emissions, the combustion emissions and the process emissions. An example of how to complete the table accompanying this question is provided below (example 1). An example of how to assign the CRF categories and emissions is provided in text box 1 (example 2).
- The data needed for this question should be collected from the operator's verified emission reports submitted to the competent authority. This data does not necessarily have to be equal to the data that is reported to the Commission in accordance with Article 7(1)(k) of the MMR (e.g. where the competent authority

may have corrected data after 30 June as a result of checks performed on the emission reports). The data collected under this question therefore concerns preliminary data.

- Annex X of the MRR requires operators to report the emissions per source stream or emission source. This is reflected in section 8 of the Commission AER template for the calculation based methodology. For the measurement based methodology information per source stream can be extracted from the corroborating calculation in section 9 of the Commission AER template. The extracted information allows Member States to determine the process and combustion emission data in this question. Information can also be extracted from the ETS reporting tool.

Example 1: Joint reporting of energy and process related emissions in the iron and steel sector.

CRF Category (Energy)	CRF Category 2 (Process emission)	Total emissions t CO _{2(e)}	Total combustion emissions (t CO _{2(e)})	Total process emissions (t CO _{2(e)})
1.A.2 Energy- iron and steel	2.C.1 Process- Iron and steel production	5,703,658	2,548,658	3,155,000

Textbox 1: Example of how emissions can be assigned to CRF categories (Example 2)

Some MS have developed a method for assigning emissions to CRF energy and process categories. Several information sources from the operator are used to assign the energy or process CRF category code to source streams (fuel and material flows) and to determine the total combustion and process emissions. This includes the following source stream information from the operator:

- information on the Annex I activity as listed in section 6 of the emission report template;
- the source stream type according to Annex II Table 1 of the MRR;
- the methodology for calculating emissions for the created source stream according to Article 24 or 25 of the MRR (combustion emissions, process emissions and mass balance emissions);
- information as to whether the source stream was used as a fuel or not.

Inventory experts are consulted to manually assign some material flows to CRF categories that could not be assigned following the aforementioned approach. For example in one MS, the CRF categories 1A2f and 2B8 are divided into several subcategories (e.g. cement "1A2f(b)", production of carbon black "2B8f"). This categorization is not available in EIONET, so CRF categories 1A2f(a) to 1A2f(d) are grouped under 1A2f and 2B8a to 2B8g under 2B8.

5.7. Use of default values for calculation factors

Purpose

This question seeks an overview of how the requirements in Article 31(1) of the MRR are applied and to what extent default values are used to calculate emissions.

Instructions

- The question should be answered annually.
- The data can be collected from the monitoring plan (sections 7d and 8 of the Commission monitoring plan template). Information can also be extracted from the ETS reporting tool.

5.8. *Application of frequency of analysis***Purpose**

This question seeks insight into the number of installations for which the competent authority has allowed a different frequency than the frequency listed in Annex VII of the MRR because of unreasonable costs. This question relates to the application of Article 35(2) (b) of the MRR only: the application of the 1/3 uncertainty rule in Article 35(2) (a) of the MRR is not covered in this question.

Instructions

- The question should be answered for the report due by 30 June 2022. For subsequent reports, the question only needs to be answered if there have been changes during that reporting period.
- Information on the analysis frequency applied can be generated from the monitoring plan (section 8g of the Commission monitoring plan template). The frequency needs to be compared against the analysis frequencies listed in Annex VII of the MRR. Information can be extracted from the ETS reporting tool.
- Please provide in the third column of the table, for each type of fuel or material, the number of major source streams for which a different analysis frequency in accordance with Article 35(2) (b) of the MRR is applied. In the interest of proportional approach, analogous information concerning minor source streams is not called for here.

5.9. *Application of tier approaches by category C installations***Purpose**

This question seeks an overview of category C installations that are not meeting the highest tier required by Articles 26 and 41 of the MRR. This carries on notification to the Commission of category C installations not in compliance with the highest tier. The provision of this information enables EU-wide trend analysis of:

- the types of installation involved
- monitoring parameters mostly affected
- tiers applied in practice. In addition, this information will help harmonise the application of the highest tiers across the EU in relation to the largest EU ETS emitters.

Instructions

- The question should be answered annually.
- The information can be collected from the monitoring plans (sections 8 and 9 of the Commission monitoring plan template, section 8 and 9 of the Commission AER template). Information can also be extracted from the ETS reporting tool.

- Please select the affected source streams under the calculation based and measurement based methodology. Please use the source stream list used by operators in the monitoring plans and emission reports. Only major source streams need to be included in this table. In the case of continuous emission measurement (CEMS) only emission sources emitting more than 5000 t CO₂, or contributing more than 10% of the total annual emissions of the installation (Article 41(1) of the MRR) per year have to be included in this table.
- If more than one monitoring parameter or more than one source stream is affected within an installation, please provide a separate row for each source stream or monitoring parameter.
- Please provide the installation identification code (the code recognised in accordance with Regulation (EU) No 2019/1122) for all rows. Where due to special circumstances involving confidentiality a Member State is unable to reveal the installation identification code, a more anonymous code may be entered to represent the identity of the individual installation involved, as long as the correlation to the actual installation identification code is clearly and accurately indicated to the Commission in a separate written communication.

5.10. *Application of tiers by category B installations*

Purpose

This question seeks an overview of category B installations that are not meeting the highest tier in accordance with Articles 26 and 41 of the MRR because of unreasonable costs or technical infeasibility. This information is asked for on an aggregated level (i.e. not installation specific).

Instructions

- The question should be answered annually.
- Please select the monitoring methodology and main Annex I activity concerned and indicate the number of category B installations affected. A distinction should be made between the calculation based and measurement based methodology.
- The information can be collected from the monitoring plans (sections 8 and 9 of the Commission monitoring plan template and sections 8 and 9 of the Commission AER template). The information can also be extracted from the ETS reporting tool.

5.11. *Installations applying the fall back approach*

Purpose

This question seeks an overview of installations applying the fall-back approach in accordance with Article 22 of the MRR. Only in rare cases and under strict conditions should the application of the fall-back approach be allowed by the competent authority. It is therefore important to understand where the fall-back approach has been applied in a Member State and for what reasons. Information on the parameter for which at least tier 1 was not met, and the estimated emissions affected by the parameter, provides insight into the circumstances which led to the application and approval of a fall-back approach.

Instructions

- The question should be answered annually.
- The information can be collected from the monitoring plan (section 12 in the Commission monitoring plan template and section 10 of the Commission AER Template). The reasons for applying the fall-back approach can be compiled from section 12b of the Commission monitoring plan template. The information can also be extracted from the ETS reporting tool.
- Please select the reason for applying the fall-back approach and the parameter affected. For more information on the reasons for applying a fall-back approach please see section 4.3.4 in the MRR Guidance Document No. 1 (for installations).
- In the last column, please estimate the total emissions affected by the parameter for the source stream or emission source that cannot meet tier 1. The parameters for calculation based methodology and measurement based methodology are listed in the drop down box menu. In the case of a measurement based methodology, the parameter is the annual average hourly emissions.
- If, for several parameters within an installation, tier 1 cannot be achieved, please provide a separate row for each parameter.
- Please provide the installation identification code (the code recognised in accordance with Regulation (EU) No 2019/1122) for all rows. Where due to special circumstances involving confidentiality a Member State is unable to reveal the installation identification code, a more anonymous code may be entered to represent the identity of the individual installation involved, as long as the correlation to the actual installation identification code is clearly and accurately indicated to the Commission in a separate written communication.

5.12. *Improvement reports*

Purpose

This question seeks an overview of the number of times that a particular type of improvement report must be submitted, in accordance with Article 69 of the MRR, and the number of times that the improvement report was submitted in practice. This enables analysis of how the MRR requirement on improvement reports is applied over time across EU. The question concerns improvement reports submitted in the previous reporting period, not the actual reporting period.

Instructions

- The question should be answered annually. As the question relates to the previous reporting period, i.e. the Article 21 report due by 30 June of 2022 includes information on improvement reports submitted in 2021.
- Please select the type of improvement report. It is important to analyse whether an improvement report was submitted because of: tiers not being met, application of the fall-back approach or as a result of verifier's comments (non-conformities and recommendations for improvements). Therefore the question asks for information related to the different types of improvement reports. This information can be collected from the submitted improvement reports themselves.
- Please indicate, in the last two columns, the number of installations required to submit an improvement report in accordance with Article 69 of the MRR, as well as the number of installations that actually submitted such a report. For

more guidance on when an improvement report must be submitted, please see section 5.7 of the MRR Guidance Document No. 1 (for installations).

- Information on whether an improvement report was required in a particular case can be collected from section 8 and 9 of the Commission monitoring plan template (deviation from the required tier) and the Annex I of the Commission Verification Report Template. The information can also be extracted from the ETS reporting tool.

5.13. *Transfer of inherent CO₂ and pure CO₂, and transfer of N₂O*

Purpose

Article 48 and 49 of the MRR allows operators to transfer inherent CO₂ and transferred CO₂ respectively, but only under strict conditions. Article 50 of the MRR includes requirements on the transfer of N₂O. The question seeks an overview of the following types of transfers that occurred in the reporting period:

- The transfer of inherent CO₂
- The transfer of CO₂ for carbon capture and storage
- The transfer of CO₂ that is used to produce precipitated calcium carbonate in which the CO₂ is chemically bound
- The transfer of N₂O in accordance with Article 50 of the MRR

For these types of transfer the magnitude of inherent and transferred CO₂ as well as transferred N₂O must be provided.

Information on the party transferring and receiving the inherent or transferred CO₂ or N₂O is essential to assess whether the requirements in Article 48, 49 and 50 of the MRR have been met. Transferred CO₂ can only be subtracted if it concerns a transfer to a capture installation, a transport network or to a storage site for the permanent geological storage of CO₂, or if it is chemically bound in PCC. Inherent CO₂ is related to a fuel and shall be taken into account in the emission factor of that source stream of the EU ETS installation that receives the inherent CO₂.¹⁰ The question therefore requests information on the transferring and on the receiving party.

Instructions

- The question should be answered annually.
- Information on these elements can be extracted from the emission report (section 9 and tab I (summary) and the accounting sheet of the Commission AER template). The information can also be extracted from the ETS reporting tool.
- Please indicate, for the party receiving the inherent or transferred CO₂, the installation identification code of that ETS installation. CO₂ (inherent or pure) or N₂O that is transferred to a non-ETS consumer cannot be deducted. In those cases non ETS consumer should be filled in under the third column. .
- The emissions of transferred CO₂ may only be deducted under certain conditions (please see section 8.3.1, 8.3.2 and 8.3.3 of the MRR Guidance Document No. 1 - for installations). To assess whether Article 48, 49 and 50 of the MRR have been applied correctly and to cross-check the information provided in the table, the CO₂ or N₂O transferred and the inherent CO₂ received must be completed.

¹⁰ Unless the receiving party is not an EU ETS installation. In those cases the transfer of inherent CO₂ shall be counted as emissions of the installation where it originates.

- Where due to special circumstances involving confidentiality a Member State is unable to reveal the installation identification code, a more anonymous code may be entered to represent the identity of the individual installation involved, as long as the correlation to the actual installation identification code is clearly and accurately indicated to the Commission in a separate written communication.

5.14. Application of Continuous Emission Monitoring Systems (CEMS)

Purpose

This question seeks data to support an assessment of whether the number of installations applying CEMS is increasing due to the new requirements on CEMS in the MRR. The information is asked for at an installation level to allow for comparison with previous years. This is important in relation to discussions in the international context, i.e. linking with systems that use CEMS as the main methodology for quantifying industrial CO₂ emissions, as well as to provide information on how CEMS are being used within Member States.

Instructions

- The question should be answered annually.
- The information requested can be extracted from the emission report (section 9 and the Accounting Sheet of the Commission AER template). The information can also be extracted from the ETS reporting tool.
- Please provide the installation identification code (the code recognised in accordance with Regulation (EU) No 2019/1122) for all rows. Where due to special circumstances involving confidentiality a Member State is unable to reveal the installation identification code, a more anonymous code may be entered to represent the identity of the individual installation involved, as long as the correlation to the actual installation identification code is clearly and accurately indicated to the Commission in a separate written communication.

5.15. Biomass

Purpose

The MRR contains specific requirements on biomass. It is important for the Commission to assess how these requirements are being applied, and to evaluate how much sustainable and non-sustainable biomass is used in installations covered by the EU ETS. For more guidance on the requirements on biomass, please see the MRR Guidance Document No. 3 (on biomass).

Instructions

- The first question containing the table should be answered annually. The second question should be answered for the report due by 30 June 2022. For subsequent reports, the second question only needs to be answered if there have been changes during that reporting period.
- The information requested can be extracted from the emission report (the summary tab I and accounting sheet in the Commission AER template).
- Emissions from biomass can be zero-rated if no sustainability criteria or GHG emission savings criteria apply or, if these criteria apply and are complied with. The actual emissions from biomass are automatically reported in the Commission

template for emissions reporting (see section 8 and the summary tab I and accounting sheet in the Commission AER template). In short, entry of the preliminary emission factor automatically leads to calculation of actual emissions from zero-rated biomass. This allows Member States to collect the necessary data for completing the fourth column of the table. The emissions should include not only emissions from mixed biomass but also emissions from exclusive (100%) biomass source streams¹¹ to provide a complete overview of all biomass. If the emissions from exclusive (100%) biomass cannot be provided based on the operator's emission reports, the competent authority should estimate the emissions from exclusive biomass by for example using a preliminary emission factor.

- In the fifth column of the table, please provide the emissions from biomass to which sustainability or GHG savings criteria apply but have not been met. These emissions can be extracted from the Commission AER template (see section 8 and the summary tab I and accounting sheet in the Commission AER template).
- In the sixth column, please specify the total fossil emissions from installations using biomass. This allows a calculation of the % of biomass in the total emissions of installations using biomass. Please fill in emissions that were reported as fossil in the emission report (see section 8 and the summary tab I and accounting sheet in the Commission AER template). This includes emissions from pure fossil fuel or material and emissions from biomass that cannot be zero-rated and is treated as fossil (non-sustainable biomass not meeting the sustainable and GHG savings criteria).
- Information on the energy content of biomass is important to check the quality of the data. The seventh to ninth columns of the table therefore ask for information on the energy content of the zero-rated and non-zero-rated biomass as well as the fossil energy consumed for those installations.
- Information on zero-rated and non-zero-rated biomass emissions, fossil emissions and the energy content (fossil and biomass) can be collected from the summary tab I and the accounting sheet in the Commission AER template. The information can also be extracted from the ETS reporting tool.
- Please describe in the second part of the question what methods are generally used to demonstrate compliance with sustainability criteria or GHG emissions savings criteria (according to national systems, Commission recognised voluntary schemes or based on audited evidence and GHG calculations provided by the operators) If national systems are used, please describe the main elements of these systems.

5.16. *Total quantity of waste used as fuel or input material per waste type*

Purpose

The question seeks to collect information on the emissions from waste used as fuel or input material in EU ETS installations. If accurate data cannot be obtained from the emission reports, an estimate of the amount of emissions from waste can be made.

Instructions

- The question should be answered annually.

¹¹ Exclusive biomass as referred to in Article 38(1) of the MRR

- Only the total emissions from waste have to be provided. The information does not have to be reported per waste type.
- The information requested can be collected from the emission report (section 8 and the Accounting Sheet of the Commission AER template). The information can also be extracted from the ETS reporting tool.
- Not all operators may have filled in the waste catalogue number for waste source streams in section 8 of the Commission AER template. If that is the case, Member States can estimate the emissions from waste used in EU ETS installations. The following information sources can help in the estimation of emissions from waste used by EU ETS installations:
 - The monitoring plan and emission report can indicate when fuel or material streams are waste. Information can be extracted from these documents and from the ETS reporting tool.
 - If there are interpretation problems, the Commission's list of waste classification codes¹² can give an indication which source streams can be regarded as waste¹³ under the Waste Framework Directive.
 - Information in the monitoring methodology plans, baseline data reports and annual activity level data can help determine the use of waste in EU ETS.
 - E-PRTR and Industrial Emission Directive reports include information on waste in industrial installations. However, the boundaries of installations reporting under E-PRTR or IED Directive can be different from EU ETS installations.

5.17. *Simplified monitoring plans and risk assessment*

Purpose

Article 13(2) of the MRR requires the competent authority or the operator to carry out a simplified risk assessment before any simplified monitoring plan is approved. This question seeks to understand the number of times that a simplified approach has been allowed under Article 13(2) in your Member State and the principles on which the simplified risk assessment is based. This information can give insight into the functioning of this article, especially in relation to small installations.

Instructions

- The question should be answered for the report due by 30 June 2022. For subsequent reports, the question only needs to be answered if there have been changes during that reporting period.
- In the first column of the table, please select what type of risk assessment was carried out. In the second column, please specify the principles on which the risk assessment was based, including: whether the inherent and control risks were assessed, what method and principles were used to assess those risks, to what extent the Commission Guidance on operator's risk assessment has been used to carry out the risk assessment, or other approaches (please specify).

¹² Commission Decision of 3 May 2000 replacing Decision 94/3/EC establishing a list of wastes pursuant to Article 1(a) of Council Directive 75/442/EEC on waste and Council Decision 94/904/EC establishing a list of hazardous waste pursuant to Article 1(4) of Council Directive 91/689/EEC on hazardous waste.

¹³ Any substance or object, which the holder discards or intends or is required to discard.

5C. AIRCRAFT OPERATORS

5.18. *Fuel consumption by aircraft operators*

Purpose

This question seeks an overview of the aircraft operators that are using either Method A, Method B or Method A and B to determine fuel consumption, and also the share that small emitters represent in the total number of aircraft operators applying either method (or both). The aim is to assess which method is used the most by aircraft operators, and to gather information on the number of small emitters applying the normal methodology to determine fuel consumption instead of the simplified methodology allowed under Article 55(2) of the MRR.

Instructions

- The question should be answered annually.
- The share of small emitters should be reported as a percentage (%) of the total number.
- The information can be collected from section 7 of the Commission monitoring plan template for aviation emissions.

5.19. *Aggregated total aviation emissions*

Purpose

The scope of EU ETS has changed over the last years because of the introduction of Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) in the EU and the agreement for linking the Swiss and EU emission trading systems¹⁴. Section 3.1 of the MRR Guidance 2 on aviation provides further information on the scope of EU ETS and the impact CORSIA and Swiss Linking had on this scope. With the implementation of CORSIA in the EU and Swiss Linking it is important to analyse both the aggregated emissions covered by EU ETS and the emissions covered by CORSIA and the Swiss ETS. This question seeks an overview of:

- the total aggregate emissions of all EU ETS flights and domestic EU ETS flights carried out by aircraft operators in the reporting period for which your Member State is the administering Member State. The information is requested on an aggregate level and does not have to be completed per route.
- the total aggregate emissions of all CORSIA flights carried out by aircraft operators in the reporting period for which your Member State is the administering Member State.
- the total aggregate emissions subject to offset requirements under CORSIA. Only flights between two countries participating in CORSIA are subject to offset requirements.
- the total aggregated emissions of all Swiss ETS flights carried out by aircraft operators in the reporting period for which your Member State is the administering Member State.

¹⁴ The linking agreement was ratified in December 2019: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A22017A1207%2801%29>.

Article 2(3) of Commission Delegated Regulation (EU) 2019/1603 allows aircraft operators to voluntarily report on flights that are carried out between two third countries. The second question asks the number of aircraft operators that reported such flights. This will give insight how Article 2(3) has been implemented by Member States.

Instructions

- The question should be answered annually.
- Please use the information from the emission reports to aggregate the total emissions of all flights and the emissions for domestic flights (section 8a of the Commission Aviation AER template). Please note that the information on emissions from domestic flights cannot be extracted from the EU ETS support facility.
- Information on the emissions from CORSIA flights and emissions from flights that fall under the CORSIA offset requirements can be collected from section 12 of the Commission Aviation AER template. Information on emissions subject to Swiss ETS can be collected from section 5 and 8b of the Commission Aviation AER template.

5.20. Biofuels

Purpose

The MRR contains specific requirements on biomass, including Article 54 of the MRR. Biofuels are an important issue for the aviation industry, with view to reducing fossil CO₂ emissions. It is therefore essential for the Commission and Member States to assess how the requirements on the use of biofuels are being applied, how effective they are, how the situation on the use of biofuels develops over the years, and how much sustainable and non-sustainable biofuels are being used by aircraft operators under EU ETS. For more guidance on the new requirements on biofuels and biomass please see the MRR Guidance Document No.3 on biomass.

Instructions

- The question should be answered annually.
- The information requested can be extracted from the emission report (section 5 in the Commission Aviation AER template).
- The emissions from biofuels can be zero-rated if the applicable sustainability or greenhouse savings criteria are complied with. The actual emissions from biomass are automatically reported in the Commission AER template for emission reporting (see section 5 in the Commission Aviation AER template). In short, entry of the preliminary emission factor automatically leads to calculation of actual emissions from zero-rated biomass. This allows Member States to collect the necessary data for completing the second column. The emissions should include emissions from mixed biomass as well as emissions from exclusive (100%) biomass source streams to provide a complete overview of all biomass. If the emissions from exclusive (100%) biomass cannot be provided based on the aircraft operator's emission reports, the competent authority should estimate the emissions from exclusive biomass by for example using a preliminary emission factor.
- In the third column of the table, please provide the emissions from biofuels where the sustainability or greenhouse savings criteria have not been met. Please include

the emissions that are reported in the emission report as emissions from non-sustainable biomass.

5.21. *Use of the Small Emitters Tool (SET) by aircraft operators*

Purpose

The question seeks an overview of the extent to which the SET and the EU ETS Support Facility is used in the monitoring and reporting of aircraft operators' emissions. Information is requested on:

- the number of small emitters using the SET tool;
- the number of aircraft operators below 25000 tonnes of CO₂ or aircraft operators having total emissions of less than 3000 tonnes of CO₂ whose emission reports are generated from the EU ETS support facility independently from any input of the aircraft operator. The emissions of those aircraft operators are considered verified in that case. Section 6 of Guidance Document III on verification of EU ETS aviation provides information on the application of the thresholds and what requirements those aircraft operators have to meet;
- the number of aircraft operators using an alternative method to determine the emissions of missing flights;
- the number of aircraft operators using the small emitters tool to determine the emissions of missing flights in accordance with Article 66(2) of Implementing Regulation (EU) 2018/2066.

Instructions

- The question should be answered annually.
- The information can be collected through the monitoring plan and the emission report (sections 10 and 11 of the Commission Aviation monitoring plan template and sections 6 and 7 of the Commission Aviation AER template).

5.22. *Improvement reports for aircraft operators*

Purpose

The question seeks an overview of the number of times a particular type of improvement report was required in accordance with Article 69 of the MRR, and the number of times such a report was submitted in practice. It enables analysis of how the MRR requirement on improvement reports is applied over time and across EU. The question relates to improvement reports submitted in the previous reporting period.

Instructions

- The question should be answered annually. As the question relates to the previous reporting period, the Article 21 report due by 30 June of 2022 includes information on improvement reports submitted in 2021.
- In the two columns, please indicate the number of aircraft operators required to submit an improvement report in accordance with Article 69 of the MRR and the number of aircraft operators that submitted such a report in practice. For more guidance on when an improvement report must be submitted, please see section 6.6 of the MRR Guidance Document No. 2 for aircraft operators.

- Information on whether an improvement report was required in a particular case can be collected from Annex I of the Commission Verification Report Template. The information can also be extracted from the ETS reporting tool.

5.23. *Simplified monitoring plans and risk assessment for aircraft operators*

Purpose

Article 13(2) of the MRR requires the competent authority or the aircraft operator to carry out a simplified risk assessment before any simplified monitoring plan is approved. This question seeks to understand the number of times a simplified approach has been allowed under Article 13(2) in your Member State and the principles on which the simplified risk assessment is based. This information can give insight into the functioning of this article especially in relation to small emitters.

Instructions

- The question should be answered for the report due by 30 June 2022. For subsequent reports, the question only needs to be answered if there have been changes during that reporting period.
- In the first column of the table, please select what type of risk assessment was carried out. In the second column, please specify the principles on which the risk assessment was based, including: whether inherent and control risks were assessed, what method and principles were used to assess those risks, to what extent the Commission Guidance on aircraft operator's risk assessment was used to carry out the risk assessment), or other approaches (please specify).

6. ARRANGEMENTS FOR VERIFICATION AND ACCREDITATION

6A. GENERAL

6.1. *Number of verifiers accredited or certified*

Purpose

The questions in the first table seek an overview of the total number of verifiers accredited by a national accreditation body in your Member State. If a Member State applies certification, information has to be provided on the total number of verifiers certified in a Member State.

To obtain a complete overview on verifier's capacity the question also aims to collect information on the total number of foreign verifiers operating in your Member State: these are verifiers that are accredited in another Member State but that are carrying out verification in your Member State.

In the second table a Member State is asked to provide information on the total number of verifiers against a particular accreditation scope. This allows for an analysis of the availability and capacity of verifiers in each scope. The scopes relevant for installations and aviation are covered under this question.

Instructions

- The question should be answered annually.

- In the first row of the first table please specify the number of verifiers accredited by the national accreditation body in your country. In the third row please indicate the number of verifiers accredited in another Member State but operating in your Member State (foreign verifiers). If the foreign verifiers originate from several Member States, please specify those in the appropriate box.
- The list in the second table provides a summarised description of the different scopes of accreditation; please see Annex I of the AVR for a complete description of the scopes.
- Please note that verifiers can be accredited or certified against multiple scopes; in those cases the verifier must be included for each scope it is accredited or certified against.

6.2. *Application of information exchange requirements*

Purpose

The AVR contains specific information exchange requirements that are both important within a given Member State, as well as being relevant for the information exchange between the competent authority and NABs/NCAs of different Member States. This question aims to provide an overview on how these information exchange requirements are being applied, and what issues consistently arise in practice, e.g. verifier complaints and non-conformities. This includes information on the number of administrative measures imposed on verifiers that are accredited or certified by your Member State.

Instructions

- The question should be answered annually.
- Under “administrative measures”, please indicate the number of verifiers that were suspended, whose accreditation certificate was withdrawn or for which the scope of accreditation has been reduced.
- The rows related to certification only have to be completed by Member States that have set up a certification system in accordance with Article 55(2) of the AVR.
- Please specify the number of complaints made on accredited verifiers and the number of complaints that were resolved. If these resolved complaints originated from the prior reporting period please fill in the number of these resolved complaints in the fourth column. This will allow an analysis on how complaints on verifiers are followed-up. The same approach should be followed for verifier non-conformities.

6B. INSTALLATIONS

6.3. *Conservative estimation of emissions*

Purpose

Article 70 of the MRR contains specific requirements on when the competent authority must conservatively estimate emissions. This question seeks to provide an overview of the reasons for conservatively estimating the emissions, taking into account the requirements in Article 27 of the AVR on the type of verification opinion statements. Information on emission reports that are not satisfactory, emission re-

ports that are not submitted, or emission reports that are not in line with the MRR is essential for the proper functioning of the market. Furthermore, information on how the conservative estimation is carried out by the competent authority supports the development of good practice and harmonised approaches on conservative estimation. To give an overview of the total number of negative verification opinion statements and number of emission reports that were not submitted by the required deadline and to enable an analysis of the share receiving conservative estimation the second part of the question requests information on the number of installations that received a negative verification opinion statement or that had not submitted a verified emission report by the required deadline.

Instructions

- The question should be answered annually.
- For more guidance on the type of negative verification opinion statements, please see section 3.2.13 of the Commission guidance, i.e. the Explanatory Guidance on Verification and Accreditation (EGD I).
- Only situations that led to a conservative estimation of emissions by the competent authority must be reported under the first part of this question. Positively verified emission reports that have not led to a conservative estimation because the verified data is used, do not have to be listed in this first table.
- Please provide the information as far as it is known at the time the Article 21 report is due. Where a final or complete assessment is not possible, for example concerning the percentage of emissions affected by a conservative estimate, please provide a best estimate.
- In some cases, the total amount of emissions will not (or not entirely) be conservatively estimated by the competent authority. For example, where most of the emission data in the verified emission report are accurate, or where the competent authority has identified a data gap that needs to be corrected while the other data are accurate. For that reason, Member States are required to fill out the share in percentage (%) of the emissions that are conservatively estimated. This percentage does not have to be precise and an estimate will suffice.
- Concerning the method used for conservative estimation, please specify the method in general terms. For example, whether the method is based on estimation by percentage, whether the Commission Guidance on conservative estimation of emissions by the competent authority is used, or another method is used.
- Please provide the installation identification code (the code recognised in accordance with Regulation (EU) No 2019/1122) for all rows. Where due to special circumstances involving confidentiality a Member State is unable to reveal the installation identification code, a more anonymous code may be entered to represent the identity of the individual installation involved, as long as the correlation to the actual installation identification code is clearly and accurately indicated to the Commission in a separate written communication.
- Please select in the second part of the question the number of installations which did not submit a verified emission report by 31 March or which received a particular type of negative verification opinion statement (limitation of scope, material misstatement, non-conformities that provide insufficient clarity and prevent the verifier from stating that the emission report is free from material misstatement).
- Information can be found from the competent authority's record on submission of reports and in the verification opinion statement of the Commission verification

report template. The information can also be extracted from the ETS reporting tool.

6.4. *Non-material misstatements and non-conformities, non-compliance with the MRR and recommendations for improvements*

Purpose

Article 27 of the AVR requires the verifier to report any identified and outstanding non-material misstatements, non-conformities, non-compliance issues and recommendations for improvement in the verification report. This question seeks an overview of the number of installations for which such issues are reported. It gives insight into the application of Article 27 of the AVR and the share of emission reports that have led to conservative estimations of emissions in the case of non-material misstatements (the application of Article 70(2) of the MRR).

Instructions

- The question should be answered annually.
- Please select the relevant type of issue found and list the number of installations for which a type of issue was reported in the verification report as well as the number of issues (non-material misstatements, non-conformities, non-compliance and recommendations of improvements). The non-conformities concern those that do not have a material impact and have not led to a negative verification opinion statement (please see section 3.2.13 EGD I for more information).
- Only outstanding and unresolved issues listed in the verification report must be reported. Information can be extracted from Annex I and the accounting sheet of the Commission verification report template. The information can also be extracted from the ETS reporting tool.
- The last column in the table asks for the share of emission reports that have been conservatively estimated by the competent authority, as a result of the issue reported in the verification report. This request is relevant in particular for situations in which non-material misstatements have led to a conservative estimation in accordance with Article 70(2) of the MRR.

6.5. *Checks on emission reports and verification reports*

Purpose

The question seeks information on the checks that competent authorities carried out on the emission and verification reports. Checks by the competent authority on the emission reports and verification reports are an additional quality control measure to improve the overall quality of the emission and verification reports. In addition, these checks provide to the competent authority an indication of the quality of specific verifiers.

Instructions

- The question should be answered annually.
- If the process for the assessment of emission reports and verification reports has not yet been completed fully for the reporting period, please provide best estimates based on the reports that have been assessed, and on the experiences from

the previous year. If the answer is based on an estimate, please indicate this clearly.

- If a Member State does not perform checks of the emission reports or verification reports, please answer 0% or not applicable.

6.6. *Waive of site visits for installations*

Purpose

Article 31 of the AVR allows operators to submit an application to the competent authority to waive a verifier's site visit during the verification. Waiving a site visit is only possible under strict conditions: a key prerequisite is that the verifier's risk analysis must allow such a waiver. The first question seeks an overview on the number of times a site visit has been waived under one of the following particular criteria listed in Article 32 of the AVR:

- Condition I: category A or B installation using one single source stream consisting of natural gas and/ or one or more de-minimis source streams¹⁵;
- Condition II: category A or B installation using one single source stream consisting of fuel without process emissions whereby the fuel is directly combusted in the installation without intermediate storage and involving one or more additional de-minimis source streams that aggregated do not exceed the threshold for de-minimis source streams in accordance with Article 19 of the MRR.¹⁶
- Condition III: installation with low emissions which fall under condition II. The use of simplified monitoring plan is in that case not required.
- Condition IV: an unmanned site with telemetered data sent directly to another location where all data is collected, processed, managed and stored; and the same person is responsible for all data management and recording for the site¹⁷; or
- Condition V: the site is a remote or inaccessible location and there is a high level of centralisation of data collected from that site and transmitted directly to another location where all this data is processed, managed and stored with good quality assurance.

The second question relates to waiving site visits for installations with low emissions which are not subject to the competent authority's approval, hence less information is requested to be reported.

Instructions

- The question should be answered annually.
- Please select the applicable condition from the drop down menu. For more guidance on these conditions, please see the Key Guidance note II.5 on site visits.

¹⁵ Specific requirements apply for the monitoring methodology used in those installations, i.e. the monitoring of activity data is based on fiscal metering by the gas supplier and the emission factor is a default value. The de-minimis source streams should, when aggregated, not exceed the threshold for de-minimis source streams in accordance with Article 19 of the MRR.

¹⁶ Specific requirements apply for the monitoring methodology applied in those installations, i.e. concerning the activity data and emission factors. Another prerequisite is the competent authority having allowed the use of a simplified monitoring plan

¹⁷ Further conditions apply to evidence related to the inspection of meters.

- The information can be extracted from the Commission verification report template under ‘site verification details’. This also applies to information on site visits waived for installations with low emissions. The information can also be extracted from the ETS reporting tool.

6.7. *Virtual site visits*

Purpose

Article 34a of the AVR allows verifiers to carry out virtual site visits if a force majeure circumstance prevents the verifier from physically visiting the site of the installation. Such virtual site visits are only allowed under certain conditions. KGN II.5 on site visits provides more information. This question aims to collect information on the extent to which Article 34a of the AVR is applied in the verification of installation’s emission reports.

Instructions

- The question should be answered annually.
- Please specify in a few words the type of force majeure for which virtual site visits were allowed: e.g. COVID pandemic.
- If there were different types of force majeure, please fill in separate rows for the different types of force majeure.
- Please specify in the third column whether the competent authority has approved the operator’s application for virtual site visits or if a generic authorisation under Article 34a (4) of the AVR¹⁸ was provided. If some virtual site visits were subject to an individual approval whilst others were subject to a generic authorisation, please use different rows.
- The information can be extracted from the Commission verification report template under ‘site verification details’. The information can also be extracted from the ETS reporting tool.
- In the last column please confirm whether conditions of Article 34a of the AVR were met: i.e. whether all required documentation was submitted by the operator, whether conditions for virtual site visits were met.¹⁹ If conditions were met, please respond yes. If conditions were not met for all verifications, please respond no and include the number of verification for which this was the case. Where such information is not yet or only partially available by the time the Article 21 report has to be submitted, please state so.

¹⁸ Where a large number of installations are affected by the similar serious, extraordinary and unforeseeable circumstances, outside the control of the operator or aircraft operator, and immediate action is needed because of legally imposed national health reasons.

¹⁹ Conditions for virtual site visits include: existence of force majeure circumstance, verifier’s decision to carry out virtual site visit is justified by the verifier’s risk analysis, measures have been taken to reduce the verification risk to an acceptable level to obtain reasonable assurance, a physical site visit has been carried out without undue delay, the competent authority has approved the virtual site visit (unless a generic authorisation according to Article 34a (4) of the AVR is provided).

6B. AIRCRAFT OPERATORS

6.8. *Conservative estimation of emissions for aircraft operators*

Purpose

Article 70 of the MRR contains specific requirements on when the competent authority must conservatively estimate emissions. This question aims to provide an overview of the reasons for conservatively estimating emissions, taking into account the requirements in Article 27 of the AVR on the type of verification opinion statements. Information on emission reports that are not satisfactory, emission reports that are not submitted or emission reports that are not in line with the MRR is essential for the proper functioning of the market. In addition, information on how conservative estimation is carried out by the competent authority is considered relevant for developing good practice and harmonising approaches to conservative estimation.

Instructions

- The questions should be answered annually
- See question 6.3

6.9. *Non-material misstatements, non-conformities, non-compliance with the MRR and recommendations for improvement*

Purpose

Article 27 of the AVR requires the verifier to report any identified and outstanding non-material misstatements, non-conformities and recommendations for improvement in the verification report. Both the tables on the data in emission reports and the data in tonne-km reports aim to provide an overview of the number of aircraft operators for which such issues are reported. This information will also enable analysis of issues which arise consistently.

Instructions

- The question should be answered annually for emissions. For tonne-km data, the information usually only needs to be completed for a request for free allocation of allowances from the special reserve. Currently no further submissions of tonne-kilometre data are planned because of the introduction of Regulation (EU) 2017/2392 for preparing for ICAO's global market measure. However, a new amendment of the EU ETS Directive may require the submission of tonne-kilometre data in the future.
- See question 6.4.

6.10. *Checks on emission reports and verification reports*

Purpose

The question seeks information on the checks that competent authorities carried out on emissions and verification reports. Checks by the competent authority on the emissions and verification reports are an additional quality control measure to improve the overall quality of the emission and verification reports. In addition, it pro-

vides the competent authority with an indication of the quality of specific verifiers. The same applies for tonne-km reports.

Instructions

- The question should be answered annually. For tonne-km data the information only needs to be completed in the case of a request for the free allocation of allowances from the special reserve.²⁰
- If the process for the assessment of emission and verification reports has not yet been fully completed for the reporting period, please provide best estimates based on the emission reports that have been assessed, and on the experiences from the previous year. If the answer is based on an estimate, please indicate this clearly.
- If a Member State does not perform checks on emission reports or verifications reports please answer 0% or not applicable.

6.11. Waive of site visits for aircraft operators

Purpose

Article 32(1) of the AVR allows waive of site visits for verification of a small emitter's emission report, where the verifier concludes following its risk analysis that all information can be accessed remotely.

The answers to this question enable a trend analysis of the number of times a site visit is waived for small emitters

Instructions

- The question should be answered annually.
- The information can be extracted from the Commission's verification report template under 'site verification details'. This also applies to information on site visits waived for small emitters as defined in Article 55(1) of the MRR.

6.12. Virtual site visits

Purpose

Article 34a of the AVR is also applicable to the verification of aircraft operator's emission report. If it is not possible for a verifier to visit the site of an aircraft operator because of force majeure, a virtual site visit can be carried out provided the conditions in Article 34a of the AVR have been met. KGN II.5 on site visits provides more information on the applicable conditions. This question aims to collect information on the extent to which Article 34a of the AVR is applied in the verification of aircraft operator's emission reports.

Instructions

- The question should be answered annually.
- Please specify in a few words the type of force majeure for which virtual site visits were allowed: e.g. COVID pandemic.

²⁰ Currently no further submissions of tonne-kilometre data are planned because of the introduction of Regulation (EU) 2017/2392 for preparing for ICAO's global market measure. However, a new amendment of the EU ETS Directive may require the submission of tonne-kilometre data in the future.

- If there were different types of force majeure, please fill in separate rows for the different types of force majeure.
- Please specify in the third column whether the competent authority has approved the operator's application for virtual site visits or if a generic authorisation under Article 34a (4) of the AVR²¹ was provided. If some virtual site visits were subject to an individual approval whilst others were subject to a generic authorisation, please use different rows.
- The information can be extracted from the Commission verification report template under 'site verification details'.
- In the last column please confirm whether conditions of Article 34a of the AVR were met: i.e. whether all required documentation was submitted by the operator, whether conditions for virtual site visits were met.²² If conditions were met, please say yes. If conditions were not met for all verifications, please say no and include the number of verifications for which this was the case. Where such information is not yet or only partially available by the time the Article 21 report has to be submitted, please state so.

7. REGISTRIES

7.1. *Terms and conditions*

Purpose

The Commission needs to know under what legal conditions the registry is made available to Member State account holders. The Commission can then compare these conditions and potentially remove poor practice, as well as share best practice across all Member State's registry administrators.

Instructions

- The question should be answered for the report due by 30 June 22. For subsequent reports, the question only needs to be answered if there have been changes during that reporting period.
- The copy of your Member State specific terms and conditions can be provided in your national language if it is not available in English.

7.2. *Surrender of allowances by operators*

Purpose

Competent authorities might need to close operator accounts in the registry because there was no reasonable prospect of further allowances being surrendered, e.g. if the operator or aircraft operator has been declared bankrupt. Emissions for which no al-

²¹ Where a large number of installations are affected by the similar serious, extraordinary and unforeseeable circumstances, outside the control of the operator or aircraft operator, and immediate action is needed because of legally imposed national health reasons

²² Conditions for virtual site visits include: existence of force majeure circumstance, verifier's decision to carry out virtual site visit is justified by the risk analysis, measures have been taken to reduce the verification risk to an acceptable level to obtain reasonable assurance, a physical site visit has been carried out without undue delay, the competent authority has approved the virtual site visit (unless a generic authorisation according to Article 34a (4) of the AVR is provided).

allowances were surrendered prior to the closure of the account indirectly increase the overall cap of the EU ETS. The purpose of this question is for the Commission to assess the magnitude of such closures by competent authorities and of the outstanding emissions.

Instructions

- The question should be answered annually.
- Please complete the table providing the operator and/or installation details. Please also provide the reason why there was no reasonable prospect of allowances being surrendered by the installation or aircraft operator in question

7.3. *Use of mandate for small emitters (aircraft operators)*

Purpose:

Article 15 (3) of the Registry Regulation makes the provision for aircraft operators with emissions of less than 25000 tonnes per year or who operate less than 243 flights per period to mandate a different person or legal entity to open and operate an EU ETS Registry account on their behalf. This question seeks to provide the Commission with an indication of how much the mandate has been used and by whom it was used, so it can judge whether the mandate is useful and whether it should be retained in the legislation.

Instructions:

- The question should be answered annually.
- Please provide the number of times the mandate was used in your Member State and which aircraft operators have used it.

8. ALLOCATION

8A. GENERAL

8.1. *Use of template for the MRV of allocation data*

Purpose

The Commission has developed templates for the monitoring methodology plans, baseline data reports, annual activity level reports and separate verification reports for the verification of baseline data reports and the verification of annual activity level reports. This question first seeks an overview of Member States that use Commission templates for submission of monitoring methodology plans, baseline data reports, annual activity level reports and verification reports. If such templates are not used or only partially used for certain documents, the second question has to be completed. The second question aims to collect information on whether Member State specific templates or file formats for IT systems have been developed and what additional elements Member States have added to these templates or IT systems.

Instructions

- The question should be answered for the report due by 30 June 2022. For

subsequent reports, the question only needs to be answered if there have been changes during that reporting period.

- If Commission templates are not used and Member State templates or file formats are not applied, please state so.
- Please indicate under the second column whether your Member State has developed a Member State specific template or a specific file format. A translation of the Commission template should not be regarded as a Member State specific template or file format.
- Please specify under the third column whether your Member State's specific template is the Commission template with some additional elements, or a different template or specific file format. Please also specify what elements have been added to your Member State's template or IT system compared to the information contained in the Commission template.

8.2. *Charge of fees in relation to allocation data*

Purpose

This question seeks to obtain an overview of the fees and charges to be paid by operators for the approval of the monitoring methodology plan, the approval of significant changes to that plan and other activities related to allocation. It also seeks information on annual subsistence fees.

Instructions

- The question should be answered once for the report due by 30 June 2022. For subsequent reports, the question only needs to be answered if there have been changes during that reporting period.
- Annual subsistence fees should include charges associated with the receipt of annual activity level reports.
- If your Member State has different categories of fees for different types of installations please use different rows or specify under other fees these different types of categories. Such information can also be provided as remarks under question 13.1.

8.3. *Use of IT system for the management of allocation data*

Purpose

This question seeks to collect information from Member States that are using an IT system. Member States are asked to specify whether the IT system also covers the processes related to the submission and approval of monitoring methodology plans, notification of changes to those plans, baseline data reports and annual activity level reports.

Instructions

- The question should be answered once for the report due by 30 June 2022. For subsequent reports, the question only needs to be answered if there have been changes during that reporting period.

8.4. *Information on renunciation and suspension of allowances as well as the recovery of excess allowances as a result of overallocation*

Purpose

This question seeks to collect information on the number of installations that

- have renounced free allocation for all or certain sub-installations under Article 24 of the FAR;
- for which the competent authority has suspended the issuance of allowances in accordance with Article 3(3) of the Implementing Regulation (EU) 2019/1842 on annual activity level data;
- for which the competent authority has recovered excess allowances resulting from over-allocation.

Instructions

- The question should be answered annually.

8.5. *Application of Article 6(1) and 6(2) of Implementing Regulation (EU) 2019/1842*

Purpose

According to Article 6(1) of Implementing Regulation (EU) 2019/1842 no adjustment of the allocation is made if the operator demonstrates, based on the activity level report and additional data requested by the competent authority, that the decrease of the activity level of a sub-installation, to which the heat or fuel benchmark is applicable, is not related to a change of production levels of the sub-installation but because the energy efficiency of that sub-installation increased by more than 15% compared to the one based on the baseline data or the new entrant data report. The first part of the question seeks to collect information on whether Article 6(1) was applied to installation and, if that was the case, the number of heat and fuel benchmark sub-installations to which Article 6(1) is applied. The second part of the question asks whether the competent authority has rejected an operator's application under Article 6(1) and, if that is the case, the number of heat and fuel benchmark sub-installations for which this application was rejected.

According to Article 6(2) of Implementing Regulation (EU) 2019/1842 no adjustment of allocation is made if the operator demonstrates that an increase of the activity level of a sub-installation to which the heat or fuel benchmark is applicable, is not related to a change of production levels of the sub-installation but because the energy efficiency of that sub-installation decreased by more than 15% compared to the one based on the baseline data or the new entrant data report. The third part of the question asks whether Article 6(2) was applied to installation and, if that was the case, the number of heat and fuel benchmark sub-installations to which Article 6(2) is applied.

For more guidance on the application of Articles 6(1) and 6(2) please see Guidance Document 7: Guidance on Allocation Level Changes.²³

Instructions

- The question should be answered annually.

²³ https://ec.europa.eu/clima/system/files/2021-09/gd7_activity_level_changes_en.pdf

8.6. *Reasons for excluding installations from the scope of EU ETS*

Purpose

Installations can be excluded from the scope of EU ETS for several reasons. This question seeks to collect information on the number of installations that were excluded from the scope of EU ETS because of a particular reason.

Instructions

- The question should be answered annually.

8.7. *Total number of emission allowances issued and total value of investments in relation to Article 10c of the ETS Directive*

Purpose

The question seeks to inform the Commission on how Article 10c of the EU ETS Directive is being applied. The information is only requested on an aggregate level.

Instructions

- The question should be answered annually.
- Please provide the number of emission allowances and the total investments²⁴ in the reporting period.

8B. BASELINE DATA REPORTS

8.8. *Number of installations receiving a negative verification opinion statement*

Purpose

The question seeks to collect information on the number of installations receiving a particular type of negative verification opinion statement: limitation of scope, material misstatement or non-conformities that provide insufficient clarity and prevent the verifier from stating with reasonable assurance that the report is free from material misstatement.

Instructions

- The question should be answered for the first time in 2024 when the next baseline data report in phase 4 is due. Subsequent information must be provided every 5 years.
- The information can be collected from the verification report under verification opinion statement.

²⁴ The data on investments concern the types of investments eligible under Article 10c of the EU ETS Directive, i.e. retrofitting of infrastructure, upgrading of infrastructure, clean technologies, diversification of energy mix and diversification of sources of supply (see Annex V of Guidance document on the optional application of Article 10c of Directive 2003/87/EC, (2011/C 99/03), OJ 31 March 2011, C 99/9).

8.9. *Outstanding issues in the baseline data reports*

Purpose

Article 27 of the AVR requires the verifier to report any identified and outstanding non-material misstatements, non-conformities, non-compliance issues and recommendations for improvement in the verification report. This question seeks an overview of the number of installations for which such issues are reported concerning the verification of baseline data reports. It gives insight into the application of Article 27 of the AVR. The question also seeks to collect information on the extent to which the competent authority has determined historic activity levels because the data gaps leading to the verifier's opinion were due to exceptional and unforeseeable circumstances that could not have been avoided even if all due care had been exercised.

Instructions

- The question should be answered for the first time in 2024 when the next baseline data report in phase 4 is due. Subsequent information must be provided every 5 years.
- Please select the relevant type of issue found and list the number of installations concerned and number of issues reported in the verification report. Information can be found in Annex I of the Commission's verification report template.

8C. ANNUAL ACTIVITY LEVEL DATA

Questions 8.10, 8.11 and 8.17 need to be answered once for the report due by 30 June 2022. For subsequent reports, the questions only need to be answered if there have been changes during that reporting period. Questions 8.12 to 8.16 need to be answered annually based on information from the latest submitted annual activity level reports and verification reports in relation to the previous year (the reporting period). So for the Article 21 report that is due by 30 June 2022, the questions need to be answered based on the annual activity level reports and corresponding verification reports that are submitted by 31 March 2022 in relation to the 2021 reporting year.

8.10. *Reporting of additional parameters*

Purpose

Article 3(2) of Implementing Regulation (EU) 2019/1842 allows Member States to require operators to report additional parameters in the annual activity level reports. The question seeks to collect information on the type of additional parameters that are required by Member States.

Instructions

- The question should be answered once for the report due by 30 June 2022. For subsequent reports, the question only needs to be answered if there have been changes during that reporting period.

8.11. *Reporting of preliminary activity level report*

Purpose

Article 3(2) of Implementing Regulation (EU) 2019/1842 allows Member States to

require operators to submit a preliminary activity level report. The question seeks to collect information on whether such reports are required and if these reports have to be submitted what the deadline for submission is.

Instructions

- The question should be answered once for the report due by 30 June 2022. For subsequent reports, the question only needs to be answered if there have been changes during that reporting period.

8.12. *Negative verification opinion statement and non-submission of activity level report*

Purpose

The question seeks to collect information on the number of installations not submitting a verified activity level report or receiving a particular type of negative verification opinion statement: limitation of scope, material misstatement or non-conformities that provide insufficient clarity and prevent the verifier from stating with reasonable assurance that the report is free from material misstatement. The question also asks for the number of installations for which a conservative estimation of allocation was carried out by the competent authority in accordance with Article 3 (4) of Commission Implementing Regulation (EU) 2019/1842.

Instructions:

- The question should be answered annually.
- The information can be collected from Competent Authority's records and the verification opinion statement in the Commission verification template for the verification of annual activity level data.

8.13. *Outstanding issues in the verification of annual activity level reports*

Purpose

Article 27 of the AVR requires the verifier to report any identified and outstanding non-material misstatements, non-conformities, non-compliance issues and recommendations for improvement in the verification report. This question seeks an overview of the number of installations for which such issues are reported. It gives insight into the application of Article 27 of the AVR and the number of installations for which a conservative estimation of emissions is made in the case of non-material misstatements (the application of Article 3(4) of Implementing Regulation 2019/1842).

Instructions

- The question should be answered annually.
- Please select the relevant type of issue found and list the number of installations for which a type of issue was reported in the verification report as well as the number of issues (non-material misstatements, non-conformities, non-compliance and recommendations of improvements). For more information, please see section 8.4 and 8.5 of GD4 on the verification of baseline data reports, annual activity level data and validation of monitoring methodology plan.

- Only outstanding and unresolved issues listed in the verification report must be reported. The non-conformities concern those that do not have material impact and have not led to a negative verification opinion statement.
- Information can be extracted from Annex I of the Commission verification report template for the verification of annual activity level data.
- The last column in the table asks for the number of installations for which a conservative estimation is made in accordance with Article 3(4) of Implementing Regulation 2019/1842). This request is relevant in particular for non-material mis-statements that have led to a conservative estimation.

8.14. *Rejection of annual activity level reports*

Purpose

This question aims to collect information on the number of annual activity level reports that have been rejected by the competent authority for a particular reason and the action taken as a result of rejection of annual activity level reports and as a result of checks on verified annual activity level reports.

Instructions

- The questions should be answered annually.

8.15. *Waive of site visits for installations*

Purpose

Article 31 of the AVR allows operators to submit an application to the competent authority to waive a verifier's site visit during the verification of annual activity level reports. Waiving a site visit is only possible under strict conditions. A key prerequisite is that the verifier's risk analysis must allow such a waiver. For more information on the applicable conditions please see section 8 of GD4 on the verification of allocation data. The question seeks an overview on the number of times a site visit has been waived under one of the following particular criteria listed in Article 32 of the AVR:

- Condition I (Article 32(3a) of the AVR): Same type of installations as outlined under condition I for waive of site visits for AER verification. These installations must have one sub-installation to which a product benchmark is applicable. The relevant production data must have been evaluated as part of an audit for financial accounting purposes.
- Condition II (Article 32(3b) of the AVR): Same type of installations as outlined under condition II for waive of site visits with a maximum of two sub-installations and the second sub-installation contributing less than 5% to the installation's total final allocation of allowances.²⁵

²⁵ Further conditions include the requirement for the verifier to have sufficient data available to assess the split of sub-installation. If the sub-installation contributing 95% or more to the installation's total final allocation of allowances is a sub-installation to which a product benchmark is applicable, the production data relevant for the product benchmark must have been evaluated as part of an audit for financial accounting purposes. The operator must provide evidence thereof.

- Condition III (Article 32(3c) of the AVR: simple installations that only have heat benchmark or district heating sub-installations and the verifier has sufficient data²⁶ available to assess the split of sub-installations if relevant.
- Unmanned sites (Article 32(4) AVR). The same conditions for telemetered data and meter inspection are applicable as for AER verification. There needs to be evidence to confirm that the meters have been inspected on site in accordance with Article 11 of the FAR (see KGN II.5).
- Installations located on remote or inaccessible sites, in particular off-shore installations (Article 32(5) AVR). The same conditions for centralisation of data and meter inspection are applicable as for AER verification. There needs to be evidence to confirm that the meters have been inspected on site in accordance with Article 11 of the FAR (see KGN II.5).

Instructions

- The question should be answered annually.
- Please select the applicable condition. For more guidance on these conditions, please see section 8 of GD 4 on the verification of baseline data reports, annual activity level data and validation of monitoring methodology plan.
- The information can be extracted from the Commission verification report template for the verification of annual activity level data under ‘site verification details’.

8.16. *Virtual site visits*

Purpose

Article 34a of the AVR allows verifiers to carry out virtual site visits if a force majeure circumstance prevents the verifier from physically visiting the site of the installation. Such virtual site visits are only allowed under certain conditions. KGN II.5 on site visits provides more information. This question aims to collect information on the extent to which Article 34a of the AVR is applied in the verification of installation’s annual activity level reports.

Instructions

- The question should be answered annually.
- Please specify in a few words the type of force majeure for which virtual site visits were allowed: e.g. COVID pandemic.
- If there were different types of force majeure, please fill in separate rows for the different types of force majeure.
- Please specify in the third column whether the competent authority has approved the operator’s application for virtual site visits or if a generic authorisation under Article 34a (4) of the AVR²⁷ was provided. If some virtual site visits were subject

²⁶ Where measurement instruments are used to generate the heat data are not working correctly and are not maintained properly by the operator, this may impact the verifier’s risks of waiving site visit and the verifier’s decision to waive site visit.

²⁷ Where a large number of installations are affected by the similar serious, extraordinary and unforeseeable circumstances, outside the control of the operator or aircraft operator, and immediate action is needed because of legally imposed national health reasons.

to an individual approval whilst others were subject to a generic authorisation, please use different rows.

- The information can be extracted from the Commission verification report template for the verification of annual activity level data under ‘site verification details’.
- In the last column, please confirm whether conditions of Article 34a of the AVR were met: i.e. whether all required documentation was submitted by the operator, whether conditions for virtual site visits were met.²⁸ If conditions were met, please say yes. If conditions were not met for all verifications, please say no and include the number of verifications for which this was the case. Where such information is not yet or only partially available by the time the Article 21 report has to be submitted, please state so.

8.17. *Infringements and penalties*

Purpose

Penalties have to be high enough to act as a deterrent against infringements of legislation. Transparency on these penalties and infringements contributes to the confidence that market actors have in the scheme. The question seeks an overview of what infringements and penalties regarding allocation have been regulated in national law: e.g. failure to submit a monitoring methodology plan, failure to submit an annual activity level report.

Instructions

- This question should be answered for the report due by 30 June 2022. For subsequent reports, the question only needs to be answered if there have been changes during that reporting period.
- If your Member State has one fixed fine or imprisonment sanction, please specify your fine in the Maximum column.

8.18. *Penalties imposed*

Purpose

The question seeks an overview of the types of infringements which occurred and the penalties imposed. Increasing transparency in relation to penalties increases confidence in the functioning of market oversight.

Instructions

- This question should be answered annually.
- The type of infringement should be selected from the list in question 8.17. A drop down box is included to facilitate the completion of this question. Every imposed penalty should be reported in a separate row.

²⁸ Conditions for virtual site visits include: existence of force majeure circumstance, verifier’s decision to carry out virtual site visit is justified by the verifier’s risk analysis, measures have been taken to reduce the verification risk to an acceptable level to obtain reasonable assurance, a physical site visit has been carried out without undue delay, the competent authority has approved the virtual site visit (unless a generic authorisation according to Article 34a (4) of the AVR is provided).

- If the penalty was enforced in the same reporting period, please answer yes in the last column. Any penalties that were imposed in prior reporting periods, and then enforced in the current reporting period, need to be completed in the second table. Under the second table, you are asked to include those enforced penalties per type of infringement, type of penalty and the reporting year in which the penalty was reported in the Article 21 report. This will provide a consistent way of reporting on actual enforcement and execution of imposed penalties mitigating different interpretations by MS. It will also allow a better analysis of when penalties have become final.

9. FEES AND CHARGES

9.A INSTALLATIONS

9.1. *Fees and charges for issuance and update of permits*

Purpose

This question seeks to obtain an overview of the fees and charges to be paid by operators for the issue and update of permits as well as the approval of monitoring plans. It also seeks information on annual subsistence fees.

Instructions

- The question should be answered once for the report due by 30 June 2022. For subsequent reports, the question only needs to be answered if there have been changes during that reporting period.
- Annual subsistence fees should include charges associated with the receipt of annual emission reports and improvement reports as well as inspection and enforcement.
- If your Member State has different categories of fees for different types of installations please use different rows or specify under other fees these different types of categories.

9.B AIRCRAFT OPERATORS

9.2. *Fees and charges for approval and update of monitoring plans*

Purpose

This question seeks to obtain an overview of the fees and charges paid by aircraft operators for the approval and update of monitoring plans. It also seeks information on annual subsistence fees.

Instructions

- The question should be answered once for the report due by 30 June 2022. For subsequent reports, the question only needs to be answered if there have been changes during that reporting period.

- Annual subsistence fees should include charges associated with the receipt of annual emission reports and improvement reports as well as inspection and enforcement.
- If your Member State has different categories of fees for different types of installations please use different rows or specify under other fees these different types of categories.

9.C INSTALLATIONS AND AIRCRAFT OPERATORS

9.3. *Fees and charges for opening and holding a registry account*

Purpose

Information obtained by this question will enable the Commission to publish all Member State's registry fees on the public pages of the EU Registry and then update this information on an annual basis. Registry fee information is difficult to collect without being obtained directly from Member States.

Instructions

- The question should be answered once for the report due by 30 June 2022. For subsequent reports, the question only needs to be answered if there have been changes during that reporting period.
- If your Member State has different categories of fees for different types of aircraft operators please use different rows or specify under other fees these different types of categories.

10. ISSUES RELATED TO COMPLIANCE WITH DIRECTIVE 2003/87/EC

10A. INSTALLATIONS

10.1. *Measures taken to ensure that operators comply with the permit, the MRR and the AVR*

Purpose

This question seeks to obtain relevant compliance and enforcement information by asking what measures Member States have taken to ensure operators comply with their permit and the MRR and the AVR.

Instructions

- The question should be answered annually.
- If inspections were carried out by the competent authority please fill in the number of on-site inspections that were carried out under the column Comment.
- Preventive measures to ensure operator's compliance could include trainings of operators, regular workshops to ensure operators know the rules or other measures. Please indicate briefly what type of preventive measures are taken.
- If any recurrent deficiencies have been identified as a result of preventive measures or inspections please answer yes. You can highlight in general terms the type of deficiencies under the column Comment.

10.2. *Infringements and penalties*

Purpose

Penalties have to be high enough to act as a deterrent against infringements of legislation. Transparency on these penalties and infringements contributes to the confidence that market actors have in the scheme. The question seeks an overview of what infringements and penalties have been regulated in national law.

Instructions

- This question should be answered for the report due by 30 June 2022. For subsequent reports, the question only needs to be answered if there have been changes during that reporting period.
- If your Member State has one fixed fine or imprisonment sanction, please specify your fine in the maximum column.
- If there are more infringements to which penalties apply please list those (e.g. excess allowances not returned by the operator despite the return being requested by the competent authority).
- Please list the national law that was used to define infringements and sanctions. If several legal instruments are relevant, please mention those legal instruments.

10.3. *Penalties imposed*

Purpose

The question seeks an overview of the types of infringements which occurred and the penalties imposed. Increasing transparency in relation to penalties increases confidence in the functioning of market oversight.

Instructions

- This question should be answered annually.
- The type of infringement should be selected from the list in question 10.2. A drop down box is included to facilitate the completion of this question. Every imposed penalty should be reported in a separate row.
- If the penalty was enforced in the same reporting period, please answer yes in the last column. Any penalties that were imposed in prior reporting periods and then enforced in the current reporting period need to be completed in the second table. Under the second table, you are asked to include those enforced penalties per type of infringement, type of penalty and the reporting year in which the penalty was reported in the Article 21 report. This will provide a consistent way of reporting on actual enforcement and execution of imposed penalties mitigating different interpretations by MS. It will also allow a better analysis of when penalties have become final.

10.4. *Names of operators for which excess emission penalties were imposed*

Purpose

According to Article 16(2) of the EU ETS Directive, Member States have to publish the names of operators who are in breach of the requirement to surrender sufficient

allowances. Those operators shall be held liable for the payment of excess emission penalties pursuant to Article 16(3) of the EU ETS Directive. This question provides insight into which operators covered by Article 16(2) of the EU ETS Directive have had excess penalties imposed on them in the reporting period. In principle, there should be no difference between non-compliant operators listed in the registry and operators on which excess penalties have been imposed.

Instructions

- This question should be answered annually.

10B. AIRCRAFT OPERATORS

10.5. *Measures taken to ensure that aircraft operators comply with the MRR and AVR*

Purpose

This question seeks to provide an overview of the measures that Member States have taken to ensure aircraft operators comply with the MRR. The information provided will help the Commission to understand compliance and enforcement of the MRR and the AVR within the aviation sector.

Instructions

- The question should be answered annually.
- If inspections were carried out by the competent authority please fill in the number of on-site inspections that were carried out under comments.
- Preventive measures to ensure operator's compliance could include trainings of operators, regular workshops to ensure aircraft operators know the rules or other measures. Please indicate in a few words what type of measures are taken.
- If any recurrent deficiencies have been identified as a result of preventive measures or inspections please answer yes. You can highlight in general terms the type of deficiencies under comments.

10.6. *Infringements and penalties*

Purpose

Penalties have to be high enough to act as a deterrent against infringements of the legislative requirements. Transparency on the infringements and penalties that can be imposed contributes to the confidence market actors have in the scheme. The question seeks an overview of what infringements and penalties have been regulated in national law.

Instructions

- This question should be answered for the report due by 30 June 2022. For subsequent reports, the question only needs to be answered if there have been changes during that reporting period.
- If your Member State has one fixed fine or imprisonment sanction, please specify your fine in the maximum column.
- Please list the national law that was used to define infringements and sanctions. If several legal instruments are relevant, please mention those legal instruments.

10.7. Penalties imposed

Purpose

This question seeks to assess the types of infringements which occurred and the penalties imposed. Increasing transparency in relation to penalties increases confidence in the functioning of market oversight.

Instructions

- This question should be answered annually.
- The type of infringement should be selected from the list in question 10.6. A drop down box is included to facilitate completion of this question. Every imposed penalty should be reported in a separate row.
- If the penalty was enforced in the same reporting period, please select yes in the last column. Any penalties that were imposed in prior reporting periods and then enforced in the current reporting period need to be completed in the second table. Under the second table, you are asked to include those enforced penalties per type of infringement, type of penalty and the reporting year in which the penalty was reported in the Article 21 report. This will provide a consistent way of reporting on actual enforcement and execution of imposed penalties mitigating different interpretations by MS. It will also allow a better analysis of when penalties have become final.

10.8. Names of aircraft operators for which excess emission penalties were imposed

Purpose

According to Article 16(2) of the EU ETS Directive, Member States have to publish the names of aircraft operators who are in breach of the requirement to surrender sufficient allowances. Those aircraft operators shall be held liable for the payment of excess emission penalties pursuant to Article 16(3) of the EU ETS Directive. This question provides insight into which aircraft operators covered by Article 16(2) of the EU ETS Directive have had excess emission penalties imposed on them in the reporting period. In principle, there should be no difference between non-compliant aircraft operators listed in the registry and aircraft operators on which excess emission penalties have been imposed.

Instructions

- This question should be answered annually.

10.9. Operating ban

Purpose

This question seeks to provide insight into the measures that Member States would have taken before they would request the Commission to impose an operating ban on an aircraft operator in accordance with Article 16(10) of the EU ETS Directive.

Instructions

- This question should be answered for the report due by 30 June 2022. For subsequent reports, the question only needs to be answered if there have been changes during that reporting period.

11. THE LEGAL NATURE OF ALLOWANCES AND FISCAL TREATMENT

11.1. *Legal nature of allowance*

Purpose

This question seeks data regarding the legal nature of an emission allowance in each Member State.

Instructions

- The question should be answered once and after changes.
- Please indicate what the legal nature of an allowance is in your Member State and how this is regulated in your national law (e.g. whether it is seen as a property right, under which act it is regulated and what requirements apply to the transfer of allowances).

11.2. *Financial accounting for emission allowances*

Purpose

This question seeks to compare the method of financial accounting for allowances across EU. The question seeks to address the issue of how companies are required to deal with allowances in terms of financial accounting. The treatment of tax is covered under question 11.4.

Instructions

- The question should be answered for the report due by 30 June 2022. For subsequent reports, the question only needs to be answered if there have been changes during that reporting period.

11.3. *VAT on issuance and transactions in emission allowances*

Purpose

This question seeks to assess whether VAT is due on the issuance of and transactions in emission allowances, and to understand whether use is being made of the reverse-charge mechanism. The reverse-charge mechanism has the potential to act as a valuable tool against fraud and it is important for the Commission to know whether Member States are using this mechanism.

Instructions

- The question should be answered for the report due by 30 June 2022. For subsequent reports, the question only needs to be answered if there have been changes during that reporting period.
- If VAT is only due on issuance of allowances and not on transactions or vice versa, please fill in partially and indicate whether the VAT is due on the issuance of allowances or transactions.

11.4. *Tax on emission allowances*

Purpose

This question seeks to compare the treatment of tax on emission allowances for

corporations across EU. The question does not concern the treatment of tax on allowances for individuals.

Instructions

- The question should be answered for the report due by 30 June 2022. For subsequent reports, the question only needs to be answered if there have been changes during that reporting period.

12. FRAUD

12.1. Arrangements for fraudulent activities related to the free allocation of allowances

Purpose

Information on fraud and other activities related to market abuse is pivotal to improve transparency and thereby increase confidence in the market. Reports on market oversight under the MIFID Directive²⁹ and Market Abuse legislation³⁰ will provide data on fraud, money laundering and market abuse with respect to the trading of emission allowances. Information on fraud related to auctioning is monitored through the Auction monitor and is available to stakeholders. However, this does not apply to fraudulent activities by operators, aircraft operators, verifiers or others related to the free allocation of emission allowances. This question seeks to gather information concerning good practice on the arrangements Member States have put into place concerning fraudulent activities related to the free allocation of allowances. This includes fraud, the provision of deliberately false information, money laundering or activities concerning market abuse carried out by operators or aircraft operators, verifiers or other parties during the new entrant procedures.

Instructions

- The question should be answered for the report due by 30 June 2022. For subsequent reports, the question only needs to be answered if there have been changes during that reporting period.
- In the table, please specify the details of arrangements and procedures your Member State has implemented in national law.
- Under the first row, you are requested to indicate whether there are procedures or processes in place for operators, aircraft operators or third parties to raise concerns over potentially fraudulent activity regarding the free allocation of allowances. This can for example be complaint procedures or special information processes/channels available for parties to raise concerns to the competent authority for EU ETS or another organisation and/or consultation procedures that allow parties to submit consultations or comments when decisions are taken on fraud. Please de-

²⁹ Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC, OJ L 145, 30.4.2004, p. 1.

³⁰ See http://ec.europa.eu/internal_market/securities/abuse/index_en.htm (Regulation (EU) [...] of the European Parliament and of the Council on insider dealing and market manipulation (market abuse), [...] and Directive (EU) [...] of the European Parliament and of the Council on criminal sanctions for insider dealing and market manipulation [...])

scribe these processes and indicate how these parties raise concerns and to which organisation.

- If the same procedures do not apply to the investigation or prosecution of fraud regarding free allocation of allowances as other types of fraud in your Member State, you are requested to provide information on those specific procedures and the role of the EU ETS competent authority in that process: e.g. will the EU ETS competent authority be asked to participate in the investigation or are they only informed of the process, what steps are carried out to investigate or prosecute fraud.

12.2. *Arrangements on the communication of fraudulent activities*

Purpose

This question seeks to gather information concerning good practice on the arrangements and communication procedures Member States have set-up to ensure that competent authorities involved in the implementation of EU ETS are being informed of any fraudulent activities. These activities include fraud, the provision of deliberately false information, money laundering or activities concerning market abuse carried out by operators, verifiers or other parties within the ETS compliance chain. It is not only related to the free allocation of allowances but also to trading, auctioning, monitoring, reporting, verification and other activities. Although this question is about identifying Member State good practice rather than legal obligation, it is important that information on fraudulent activities investigated or brought to court is communicated to the competent authorities involved in EU ETS. The establishment of proper communication channels should ensure that crucial information on EU ETS compliance aspects and the functioning of the market is exchanged with the relevant ETS competent authority or competent authorities: it is the responsibility of those competent authorities to safeguard the proper functioning of ETS. Sharing information should allow the competent authority or competent authorities to take necessary follow-up measures such as updating monitoring plans, adapting inspection strategies. In addition information on fraud committed by verifiers is important information to share with the relevant national accreditation body that has accredited or certified the verifier and that is entitled to impose administrative measures. Information on communication arrangements and procedures is pivotal to improving transparency and thereby increasing market confidence.

Instructions

- The question should be answered for the report due by 30 June 2022. For subsequent reports, the question only needs to be answered if there have been changes during that reporting period.
- In the table, please specify the details of the arrangements and procedures your Member State has set-up.

12.3. *Information on fraudulent activities*

Purpose

This question seeks to gather information on the number of investigations being carried out, the number of court cases concerning fraudulent activities, as well as the number of cases that have led to conviction, settlement out of court, or acquittal. The question also seeks indication of the types of fraud or fraudulent activity involved in

broad terms including fraud, the provision of deliberately false information, money laundering or activities concerning market abuse carried out by operators, verifiers or other parties within the whole compliance chain. Data on fraudulent activities are not only requested in relation to the free allocation of allowances but also on trading, auctioning, monitoring, reporting, verification and other activities. Actual numbers of fraud and other activities related to market abuse that are being investigated, or have been committed, are pivotal to improving transparency and thereby increasing market confidence.

Instructions

- The question should be answered annually.

13. OTHER OBSERVATIONS

13.1 *Opportunity to bringing forward other issues*

Purpose

This question seeks to provide Member States with the opportunity to bring forward general issues or any issues related to previous sections.

Instructions

- Please fill out issues related to each section in the relevant boxes.
- The information in the boxes could relate to issues that you want to bring to the attention to the Commission, issues that you encountered when completing the questionnaire or further explanations of your responses to the questions. For example:
 - Observation that a particular question is not applicable or relevant in your country.
 - Explanation how data was collected to a particular question: e.g., collecting data on fuel consumption under question 5.5, estimating emissions from waste for question 5.16.
 - Problems you encountered when collecting the data and completing the question.
 - Data in question 6.5 is not complete because the review of annual emission report was not yet completed by the time the Article 21 report had to be submitted.

13.2 *Confirmation of whether changes occurred in the reporting period*

Purpose

A number of questions need to be answered only once for the report due by 30 June 2022. For subsequent reports, the question needs to be answered only when changes occurred during that reporting period. This question seeks confirmation that no such changes have arisen during the reporting year other than those that have been updated as relevant.

Instructions

- Please confirm that the one-off questions have been answered for the report submitted by 30 June 2022.

- For subsequent reports, please confirm that the one-off questions have been updated where relevant.