



# **Introduction: MRR and AVR Simplifications**

**Rob Gemmill, DG CLIMA**

**Compliance Forum Event, Compliance Challenges for 2013 and Beyond: Making it Simpler, more Efficient, more Effective, Brussels, 7-8 February 2012**

# Overview

- *Raise awareness of simplifications throughout the proposed M&R and A&V Regulations*
- *Review of specific examples*
- *Note of special provisions for installations of low emission and aviation small emitters*
- *Guidance is also aimed at making implementation simpler, more efficient and more effective*
- *Why make things difficult?*



## Overall changes - simplifications

- *Clarification of areas of confusion*
- *Requirements encouraging greater consistency*
- *Requirements encouraging greater efficiency*
- *Requirements encouraging greater fairness*
- *Simplifications to improve cost-effectiveness*
- *Approaches that have worked well are kept*
- *Reduction of duplications*
- *Clearer identification of responsibilities*
- *Need for supplementary guidance*



## Specific Examples (MRR)

- *Article 10: Coordination of CAs*
- *Article 13: Standardised and simplified MPs*
- *Article 15(1): Flexibility on notification of non-significant changes to the MP*
- *Article 19: Categorisation of installations and source streams*
- *Article 26: Tier hierarchy*
- *Articles 28 and 29: Simplifications to uncertainty analysis requirements*
- *Article 33: Sampling plans (to accommodate heterogeneous source streams in particular)*



## Specific Examples (MRR) continued

- *Article 34: Conditions allowing use of non-accredited laboratories*
- *Article 37: Derogation from highest tier default re OF/CFs*
- *Article 39: Biomass EF and fraction determination – estimation methods*
- *Article 46: Corroboration of CEMS by calculation (no tier approach to calculation now allowed)*
- *Articles 47 and 55: Provisions for installations with low emission and aviation small emitters (25,000 tCO<sub>2</sub>)*



## Specific Examples (MRR) continued

- *Article 58: Control system (risk assessment and control activities)*

***Good controls facilitate easier compliance and verification***

- *Article 69(1): Improvement report frequency reduced for Category A and B installations*
- *Articles 74 and 75: Electronic data exchange formats and use of automated systems (IT)*

***IT all about simplification, efficiencies and effectiveness***



## **Simplifications: Applicable Tiers (Article 26)**

- *Derogations according to tier compliance being technically not feasible or involving unreasonable costs*
- *For minor source streams, the highest tier that is technically feasible and not incurring unreasonable costs may be applied with a minimum of tier 1*
- *For de-minimis source streams, conservative estimates (no-tier approaches) may be applied, unless a defined tier methodology is possible without additional effort*
- *For oxidation and conversion factors, the operator may apply the lowest tiers listed in Annex II, as a minimum*



## Specific Examples (AVR)

- *Article 4: Presumption of conformity*
- *Article 12: Risk analysis*  
***Risk-based system facilitates proportionality and targeted approach***
- *Articles 19: Uncertainty assessment (reduced requirements on verifiers)*
- *Article 21: Site visits facilitate verification*
- *Article 23: Materiality level (offers proportionality)*
- *Article 31: Simplified verification for installations*
- *Article 32: Simplified verification for aircraft operators*





## Specific Examples (AVR) continued

- *Article 33: Simplified verification plans*
- *Article 34: Sectoral scopes of accreditation*
- *Article 55: Cross-border accreditation*
- *Article 68: Electronic data exchange and use of automated systems (standardised verification report)*
- *Article 69: MS responsibility to establish effective information exchange (including, where relevant, designation of focal point CA)*



# Principles of verification

- *The verifier carries out risk analysis consisting of:*
  - *assessment of inherent risks (risks to material misstatements assuming no control activities have been implemented)*
  - *assessment of control risks (risks that ineffective control activities could lead to material misstatements)*
- *Based on risk analysis the verifier sets a verification plan and determines verification activities e.g. sampling, extent of checks to be carried out on control activities*

***Less inherent & control risk → simpler verification***

# Installations with Low Emissions

- ***Allowed derogations under MRR Article 47:***
  - *Except for N<sub>2</sub>O, the competent authority may allow a simplified monitoring plan (in accordance with Article 13)*
  - *No requirement to submit evidence concerning compliance with tier uncertainty thresholds or the results of a risk assessment demonstrating commensurate control activities (Article 12)*
  - *The improvement report required under Article 69(4) in response to the verifier's verification report*
  - *Activity data are allowed from purchase records and estimated stock changes*



# Installations with Low Emissions

- ***Further derogations allowed under MRR Article 47:***
  - *From Article 28(2) - providing the CA uncertainty assessment related activity data determination*
  - *From the requirement to determine stock data at the beginning and end of the reporting period for inclusion in the uncertainty assessment (Article 28(2))*
  - *Allowed determination of activity data and calculation factors according to tier 1 (as a minimum), without need to provide evidence that higher tiers are technically not feasible or would incur unreasonable costs*
  - *Allowed use of any laboratory that is technically competent and able to generate technically valid results*





# Simplified verification for installations (AVR Article 31)

- *The verifier may omit need for an installation site visit subject to:*
  - *The risk analysis indicating that sufficient relevant data can be accessed remotely in order to result in a positive verification opinion with reasonable assurance*
  - *Conditions established by the Commission being met*
  - *CA approval of an application to waive a site visit*
- *Approval of CA is not needed for waive of site visits during the verification of installations with low emission*





# Simplified verification for aircraft operators (AVR Article 32):

- *The verifier may omit need for a site visit of a small emitter (as defined by Article 54(1) of the MRR) where he concludes, based on his risk analysis, that he can remotely access all relevant data*
- *Where the EUROCONTROL simplified tool (MRR Article 54(2)) is used, to determine fuel consumption, independent of data input by the aircraft operator, the verifier may, based on the risk analysis, decide not to carry out:*
  - *Checks on data flow, control activities and procedures*
  - *Analytical procedures*
  - *Data verification and checking of the monitoring methodology*





# Thank You for your attention

*Marco Loprieno*

[marco.loprieno@ec.europa.eu](mailto:marco.loprieno@ec.europa.eu)

*Rob Gemmill*

[robert.gemmill@ec.europa.eu](mailto:robert.gemmill@ec.europa.eu)

*DG CLIMA.A.3*

*EU ETS Monitoring Reporting and Verification*

