



9th EU ETS Compliance Conference

Report on break-out session III

**Implementing updated Free Allocation Rules
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Summary break-out session III

- *The aim of this session was to:*
 - have an overview of the Free Allocation Rules (FAR) by DG CLIMA B2
 - share experience on the third trading period
 - give an outlook to fourth period and MRV of data relevant for allocation
 - learn about impact of the FAR on MS implementation.
- *The Commission presentation highlighted the main differences between the current rules and FAR → new FAR requirements have increased simplification and harmonisation of allocation procedures*

Summary break-out session III

- *In the NL, as in other EU MS, challenges in Phase III included:*
 - new concepts (Benchmarking, sub-installations)
 - complex data collection, short timeframe, limited expertise
 - financial interest resulting in some delays for implementation.
- *Same challenges faced for phase IV but we have more experience and better data.*
- *New challenges approval of MMP and collection of benchmark data.*

Summary break-out session III

- *The Belgian presentation gave a comparison between the monitoring methodology requirements for allocation data for phase III and IV, the impact of the FAR on reporting and verification of data and the Pros and Cons of the differing implementation methods for the Flemish and Walloon regions.*

Conclusions break-out session III

- *If MS detects errors after the data has been submitted to Commission in September, MS should inform the Commission as there is still time to correct errors while the Commission is finalising the NIMS*
- *MS are encouraged to approve the MMP prior to NIMS submission where possible*
- *Likely not possible for MS with a large number of installations*
- *Verifiers have a different role if the MMP is not approved → COM guidance and templates*
- *Commission is planning to have training courses for MS CA with possibilities for verifiers to attend.*

Conclusions break-out session III

- *There will also be guidance, FAQ, helpdesk etc.*
- *MS should look to simplify the notification processes to Commission to reduce delays.*
- *Commission to take back what is the best TF to deal with questions on the implementation of the FAR rules.*
- *The TF AV is planning to deal with AV issues related to the FAR but they should liaise with the TWG Benchmarking*
- *IT tools may help the process. It was suggested to include annual activity level in DECLARE*

Conclusions break-out session III

- *The role of the verifier and NAB is important in the fourth trading period. Preparation is well under way as reported by the European Co-operation of Accreditation*
- *Stable text on FAR should be available from Mid December*
- *Homework for Commission, CA, NAB, verifiers for very intense time.*
- *Decisions need to be taken on when to start the process of implementation (mid December or when legislation is final)*