

**6th Compliance Conference
MS perspective on international MRV
Brussels, 06th and 07th November 2014**



Introduction to the UBA Research Project:

“International Comparison of Monitoring, Reporting and Verification Approaches in Emissions Trading Systems”

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BACKGROUND

- In principle, monitoring, reporting and verification (MRV) **is needed** for the enforcement of every climate policy instrument.
- MRV systems on the facility level **have emerged** in many countries not only as a basis for national or regional emissions trading systems (ETS), or they are currently developed as pilot projects.
- A lot of information exchange, training and consulting activities worldwide by different institutions **are supporting** this process where DEHSt actively participates.
- UBA research project intends now **to contribute to mutual understanding** with the identification of key design elements and their configurations in different countries and
- Will finally **assess the essential elements** that ensure accuracy, reliability, credibility of GHG emissions data.

TARGET OF THE PROJECT IN DETAIL

- The research project compares and evaluates different MRV approaches of selected systems (worldwide) including a collection and analysis of main legal aspects, the comparison of compliance cycles as well as third party verification systems.
- As a result, quantitative and qualitative differences will be determined in order to demonstrate methodological differences and adaptation which is required in the case of linking.

PROJECT OVERVIEW

- **Duration:** October 2012 to August 2015
- **Research Institutions:** FutureCamp Climate GmbH, TÜV Nord Cert GmbH
- **Four Work Packages:**
 - Carbon market profiles:
(AUS-CPM, CAL, RGGI, EPA-GHGRP, Kazakhstan, South Korea, New Zealand, Quebec, Tokyo, Shanghai, Shenzhen, Guangdong)
 - Four in-depth analyses:
California, Australia, South Korea, China (Shanghai)
 - Guidebook on MRV design and linking, and
 - International conference

WORK PACKAGE 4: CONFERENCE/WORKSHOP

International Conference in Berlin, 13/14 October 2014

- **Purpose**: Discussion of MRV approaches in worldwide ETS regarding quality and barriers for linking.
- Identification of key elements for MRV Systems.
- Input for Guidebook on MRV design and linking.

Results and conclusions of the workshop (I)

- **Linking is already happening** (e.g. California-Quebec) and negotiations are ongoing in many parts of the world (Mexico etc.)
- **MRV systems** for GHG accounting **differ** a lot
 - Due to different national / regional administrative structures
 - Due to legal tradition
 - Due to MRV purpose (GHG inventory, ETS, carbon tax etc.)
 - Due to regional culture (e.g. AUS: “business behaviour”)
- Different approaches are possible to reach **confidence in data**
→ Criteria:
 - Reliable data (e.g. reliable measuring devices, IT supported database to check data, verification of data)
 - Harmonised enforcement incl. appropriate sanctions

Results and conclusions of the workshop (II)

- Overall confidence in MRV systems by broad **acceptance of general principles** (i.e. consistency, comparability and transparency)
 - Differences in MRV need to be disclosed and evaluated
- **Information has to be available** to be able to understand and evaluate MRV requirements in different countries
 - A serious exchange of views at the same level is possible
 - Right questions can be asked (e.g. whether a quality deficit is compensated through another design element)
- To **compare the quality level** in two systems, it is important to understand
 - The historical development of requirements
 - The existing standards/quality assurance and quality control systems

Recommendations

- Further exchange of information on MRV design and understanding MRV requirements in different countries is important!
- A follow-up conference on this issue is highly recommended!

Thank you for your attention!

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WORK PACKAGE 1: CARBON MARKET PROFILES

Carbon Market Profiles

Profiles on 12 national/regional ETS regarding their MRV approaches, in detail AUS-CPM, CAL, RGGI, EPA-GHGRP, Kazakhstan, South Korea, New Zealand, Quebec, Tokyo, Shanghai, Shenzhen, Guangdong on:

- Legal status
- Scope
- Compliance cycle
- Monitoring methodology
- Verification, accreditation
- Sanctioning procedure

WORK PACKAGE 2: 4 IN-DEPTH ANALYSES

Four In-Depth Analyses

- **California** Greenhouse Gas Cap and Trade Programme
- **Australia**'s Carbon Pricing Mechanism
- National Emissions Trading Scheme of **South Korea**
- **Shanghai** Pilot Emission Trading Scheme

In contrast to the EU ETS in order to evaluate differences in MRV quality.

WORK PACKAGE 3: GUIDANCE DOCUMENT

Guidebook on MRV design and linking

- Based on WP 2 all discovered MRV elements will be displayed in order to demonstrate the MRV variety around the world.
- In a second step the observed differences in MRV are assessed with regard to link those ETS.
- Including a recommendation on the minimum requirements for linking.

WORK PACKAGE 4: CONFERENCE/WORKSHOP

Workshop

- **Purpose**: Discussion of MRV approaches in worldwide ETS regarding quality and barriers for linking.
- Identification of key elements for MRV Systems.
- Input for Guidebook on MRV design and linking.

Thank you for your attention!

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CONFERENCE PROGRAM: Day 1

Day Chair: Felix Nickel

Day 1 (13 October, 2014)

	Topic
12:30	Registration: Welcome Coffee and Badge Pick-up
13:00	Welcome and Introduction of the Research Project and the Outcomes Dr. Hans-Jürgen Nantke , Head of Division, German Emissions Trading Authority (DEHSt) at the Environment Agency Dr. Jürgen Landgrebe , Head of the Department Energy Installations, Registry and Economic Aspects, German Emissions Trading Authority (DEHSt) at the Environment Agency
13:30	Comparing Various MRV Approaches of 12 Countries: Observations and Findings: Presentation of preliminary project results Dr. Klaus Wallner , Consultant, FutureCamp Climate Susanne Pasch , Verifier, TÜV NORD Cert GmbH
14:15	Experience with MRV Implementation of an Emerging ETS: A case study Maroo Kim , Deputy Director Greenhouse Gas Management T/F Team, Ministry of Environment, South Korea
15:00	Coffee Break
15:30	Perspective "MRV Good Practice": Which MRV Elements are Relevant for the Comparability of ETS and how are those designed? Short presentation and discussion moderated by Felix Nickel , Member of Management Board, FutureCamp Climate Maroo Kim , Deputy Director Greenhouse Gas Management T/F Team, Ministry of Environment, South Korea Pauline Kennedy , Senior Carbon Finance Specialist, Partnership for Market Readiness (PMR), Climate Change Policy & Finance Department, World Bank Simon Dawes , Senior Manager, Ernst & Young, Australia Naomi Walker , Technical Advisor, EU ETS Monitoring, Reporting and Verification, Environment Agency UK Li Yongjun , Climate Change Services, TÜV NORD China, Shanghai
17:00	Wrap-up Day 1 Felix Nickel , FutureCamp Climate
19:00	Dinner

CONFERENCE PROGRAM: Day 2

Day Chair: Dr. Jürgen Landgrebe

Day 2 (14 October, 2014)

	Topic
9:00	Welcome and Introduction Day 2 Doris Tharan , Project Manager, German Emissions Trading Authority (DEHSt) at the Environment Agency
9:15	Linking-Perspective of a National/Regional ETS Presentation on approach, expectations and experience on Linking Mariza Montes de Oca , Centro Mario Molina, Mexico Richard Eaton , Senior Consultant, Ricardo-AEA Li Peng , Senior Consultant, SinoCarbon
10:45	Evaluation of Observed MRV Elements Discussion on differently designed MRV elements in existing MRV systems: Short presentations by Simon Dawes , Ernst & Young, Australia and Lisa Buchner , DEHSt accompanied by discussions moderated by Doris Tharan , DEHSt
12:00	Coffee Break
12:30	Importance of MRV Evaluation Experience from global Projects Cathrine Sachweh , Consultant Market based Mechanisms, ecofys The importance of informational exchange and how to organize it Experience from international Projects Richard Eaton , Senior Consultant, Ricardo-AEA
13:30	Summary of Results and Outlook Dr. Jürgen Landgrebe , Head of the Department Energy Installations, Registry and Economic Aspects, German Emissions Trading Authority (DEHSt) at the Environment Agency

International Comparison of Monitoring, Reporting and Verification Approaches in Emissions Trading Systems (UFOPLAN FKZ 3712 41 505)

- **WP 1: Carbon Market Profiles**

Profiles on 12 national/regional ETS regarding their MRV approaches (Legal status, scope, compliance cycle, monitoring methodology, verification and sanctioning procedure)

(AUS-CPM, CAL, RGGI, EPA-GHGRL, Kazakhstan, Korea, New Zealand, Quebec, Tokyo, Shanghai, Shenzhen, Guangdong)

- **WP 2: 4 Individual Documents**

that compare an ETS to the EU ETS in order to evaluate differences in MRV quality

(California, Australia, South Korea, Shanghai)

- **WP 3: Guidance document**

Based on WP 2 all relevant MRV elements will be displayed as well as assessed if differences are relevant in case of linking ETS

- **WP 4: Workshop**

Discussion of key pillars of MRV Systems as well as evaluation of those similarities and differences in ETS to be linked in order to collect Input for WP 3