



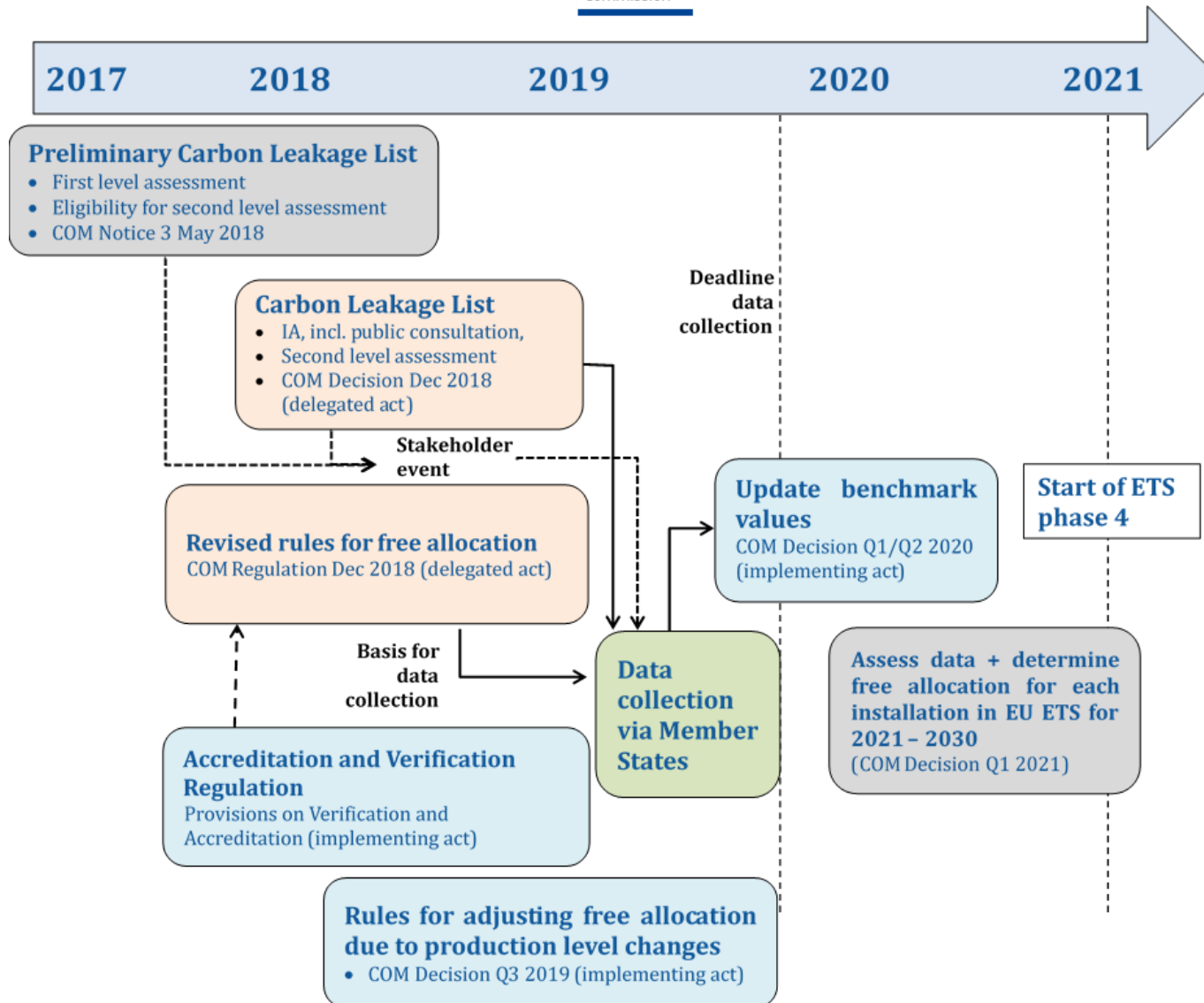
EU ETS Phase 4

Implementation – State of Play

9th Compliance Conference

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Free Allocation Implementation





Delegated Act on Carbon Leakage List: Sector assessments of carbon leakage risk

- Publication of preliminary Carbon Leakage List in Official Journal: 8 May 2018
- Stakeholder events in March and May
- Discussion in Expert Group: October 2018
- Publication for feedback: November 2018
- Adoption: December 2018



Delegated Act on Free Allocation Rules

- Discussions of concepts and draft legal text in Climate Change Expert Group meeting (4 May, 14-15 June & 17 July 2018)
- Inter-service consultation: Summer 2018
- Publication for feedback: 26 October 2018
- Envisaged adoption: December 2018
- Scrutiny period: 2 months after adoption/ notification
- Envisaged entry into force: End February 2019



Implementing Act on MRVA rules (MRR & AVR)

- Discussion with MS started in February 2017 (5 rounds of consultation, several meetings of Technical Working Group MRVA, WG3, CCC)
- Inter-service consultation: Summer 2018
- Publication for feedback: 29/10 – 26/11/2018
- Envisaged adoption: December 2018
- Envisaged date of applicability:
 - AVR: early 2019
 - MRR: early 2019 as regards CORSIA and Schaefer-Kalk Court Ruling provisions ; 1 January 2021 for the rest of the text



Implementing Act on allocation adjustments

- 12-weeks public consultation launched in November 2018
- Discussion in Climate Change Expert Group in December 2018 and first half 2019
- Vote in Climate Change Committee in summer 2019
- Envisaged adoption: Q3 2019



Implementing Act on update of benchmark values

- Methodology specified by revised EU-ETS Directive
- Data needs for benchmark value updated to be specified by Delegated Act on revised rules for free allocation
- Re-calculation after completion of NIMs data collection
- Discussion in Expert Group end 2019/ early 2020
- Vote in Climate Change Committee in Q1 2020
- Envisaged adoption: Q2 2020



Innovation Fund

- Established by the ETS Directive, to support low-carbon innovation in renewable energy, energy intensive industry, energy storage and CCUS sectors. Successor to NER 300.
- Volume of at least 450 million allowances + NER 300 unspent funds
- Improved implementation based on experience with NER300:
 - More flexible disbursement of grants and higher risk-sharing,
 - Better selection procedure,
 - Streamlined governance,
 - Stronger synergies with other Union programmes (e.g. Horizon Europe, InvestEU)



Innovation Fund

State of play and next steps:

- Draft delegated act to be discussed in the Expert Group in December
- Adoption foreseen in 1st quarter 2019
- First call for proposals in 2020



Modernisation Fund

- Established by the ETS Directive, to support modernisation of energy systems and just transition in 10 beneficiary MS.
- No solid fossil fuels, except district heating in BG & RO
- Size: 2% of total quantity of allowances; additional up to 0.5% not used for free allocation



Modernisation Fund

State of play and next steps:

- Workshops in 10 Member States – ongoing
- Working papers and draft legal act discussed in the Climate Change Committee in Q1-Q2 2019
- MS deciding to use free allocation to power sector to publish modalities of competitive bidding process by end June 2019
- MS to notify transfer of allowances to Modernisation Fund by end September 2019
- Vote on the draft implementing act: September 2019
- Launch of the operations: 2021



Delegated Act on the Union Registry

- Implementing new rules from the recently amended ETS Directive
- Reflecting recent changes in the legislation on financial instruments and data protection
- Simplification of the existing procedures
- Implementing new rules in the Effort Sharing Regulation and in the LULUCF Regulation



Delegated Act on the Union Registry

State of play and next steps:

- Discussions with Member States and in the CCEG: October 2016 - July 2018
- Inter-service consultation: September 2018
- Envisaged adoption: December 2018, 2 months of scrutiny.
- Envisaged entry into force: Early 2019



Thank you for your attention