



Monitoring, Reporting, Verification and Permitting The Perspective of Multi-Nationals

Dop Schoen
Brussels, 26 April 2007
2nd meeting ECCP WG on Emissions Trading

“Learn by doing”

- Implementation of MRG1 showed M&R is not as easy as it sounds
- Commission has shown willingness to learn and improve:
 - Concept of intrinsic cost-effectiveness
 - Alternative for ISO-17025 accreditation
 - Willingness to correct infeasibilities/errors
- Key question now: how to proceed?



Process observations

- A lot was achieved, but implementation not uniform across MS's
- Possible causes for lack of alignment:
 - Insufficient guidance or requirements not clear enough
 - Requirements not workable (too restrictive or consequences underestimated)
 - Requirements not applied (by MS or operator)
- This is a complex area, so: bit of all



Examples

- Insufficient guidance / not clear enough:
 - Uncertainty assessment of activity data is new science: CA's, operators and manufacturers do not have the answer
 - Most operators will not have knowledge to work uncertainty of emission factor
- Requirements not workable:
 - Hard requirements for ISO-17025 and ISO-14181; use wording like "or equivalent" instead
 - (Uncertainty requirements for flares and FCCU's)
 - Full compositional analysis of flare makes it virtually impossible to be in compliance.
 - Be careful when adding other substances (in view of limitations in quantification)



Clear responsibilities

- Decision assigns responsibility for implementation of MRG to MS's (through National Regulation)
- Commission to ensure this happens
- Operators shall comply with National Regulation
- MS's to ensure this happens (enforcement)

- MS's can not agree on uniform application of MRG
- Do not transform MRG into a Regulation:
 - Would increase number of parties beyond workable level
 - Would ignore disagreement between MS's
 - Work the issue at the level where the problem resides!



EU ETS in practice

- Differences in approaches of MS's :
 - Not all MS's have approved MP's
 - Not all CA's require MP's to cover all elements from the Decision
 - Scope of what is in/out varies (e.g. flaring)
 - Permitting process varies
 - Toughness on supportive data for uncertainties varies strongly
 - Varying scope of verification (responsibilities..)
- Lack of alignment
 - Is confusing for operators
 - Disturbs the level playing field



Possibilities to stimulate compliance by operators

Operators can be stimulated to comply:

- Introduction of intrinsic cost effectiveness helps
- Reward good ones, be tough on laggards
- Avoid frustration:
 - Issue Monitoring rules before allocation starts
 - Avoid hidden requirements
 - Provide further guidance where required
 - Allow pragmatic solutions: E.g. accurate flare flow measurement + process simulation for flare composition analysis



Verification process

- Split of responsibility between verifier and CA not always the same
- Common basis for all MS's would help (e.g. EA6/03)
- European Accreditation process would help as well (accreditation per process type for all MS's)
- A verifier's assessment should determine need for site visit



Key Messages (1/2)

- We all have learned a lot by doing
- Some monitoring rules require new competences. This will take time.
- Do not transform MRG into a Regulation
- Ensure consistent and aligned application by Member States
 - Regarding implementation of the MRG2
 - Regarding the scope of verification and accreditation process



Key Messages (2/2)

- Introduce Community level accreditation for verifiers
- A verifier's assessment should determine need for site visit
- Check feasibility of monitoring other GHG before including them in the ETS
- Make the MRG workable: allow flexibility and pragmatic solutions

