

Summary results of online public stakeholder consultation on public consultation on a Regulation on Monitoring and Reporting of greenhouse gases and a Regulation on Accreditation of verifiers and on Verification of annual emission reports.

General

From 15 April to 10 June 2011, DG CLIMA carried out an online stakeholder consultation. This stakeholder event was specifically designed to allow the broader public that had not been involved in the regular consultations the possibility to express their views on the proposed regulations as well as more generally to raise public awareness on Commission activities in those sectors of activities.

The data collected through the online stakeholder consultation suggest a keen interest of EU citizens in climate change information and support the further improvement of reporting in this area, in particular with regard to the comprehensiveness and transparency of the information collected.

132 contributions were received, the majority of which (56%) were from private companies and business associations. Contributions originated in 11 out of the 27 Member States while 10 contributions from outside the EU were also received. There were no contributions coming from the new Member States. 56 out of the 132 respondents declared that they are very familiar with the MRG and 49 declared that they were familiar. 85 of them have been "directly" (36) or "indirectly" (49) involved in its implementation.

Overall, respondents found that the two new regulations could respond better to the need of having a more coordinate and harmonised approach to monitoring, reporting and verification in the EU ETS. The main issues raised were related to the need of a more coordinated approach at national level to avoid the present gaps and inconsistencies in the market. It was also underlined the necessity to find the right balance between accuracy of monitoring, reporting and cost efficiency. The issue of promoting biofuels was specifically mentioned by the responses from the aviation sector. The need of having a strong co-operation among national Accreditation Bodies and Competent Authorities was stressed by the majority of the responses to the Accreditation and Verification section. 75% of respondents agreed to need of having emissions verified by accredited verifiers. Finally, there was a minority of private individuals (19) that were ideologically opposed to the EU ETS in particular, as an instrument to fight Climate Change, and to the EU in general.

Monitoring and Reporting

Among the different issues related to the M&R Regulation the industry stakeholders were quite keen in highlighting the large variety of national reporting rules and how this could be an obstacle to the establishment of a common-level playing field.

NGOs made a point that GHG emissions from biomass are currently exempted from the Emissions Trading System (ETS) through a zero-emission factor for biomass. As a result, operators who use biomass to produce energy do not have to surrender allowances against their biomass emissions. One important point that they expressed is that treating biomass as zero emission does not reflect its actual emission performance—emissions from biomass combustion are similar to the combustion of coal.

Aviation operators made a point about the significant quantity of small emitters within ETS, and the high number of these operators who must purchase credits for the majority of their emissions. It is vital that a cost-efficient method of monitoring and reporting be made available. They requested the Commission to amend the small emitters threshold from 10,000 to 50,000t CO₂ per annum.

Industry operators agree on adding the activity/production related data but only to the extent that this is required to effectively implement the allocation rules when it comes to effectively happened changes to the operation of an installation. Moreover there is a clear need to stress the importance of having precise rules for uncertainty data. This is to avoid unnecessary arbitrary decisions.

An aviation operator considered the issue of calculating fuel density. With this respect there is a need to develop a harmonised approach to provide a good estimate of fuel consumption and emissions. When the actual density is not available, the current MRG stipulates that a standard density of 0.8 kg/litre shall be used. This may not give a good estimate of density due to variable temperature conditions during fuel uplifts, depending on the seasons or location of airports. For a better estimate of density, the M&R Regulation should allow the use of average density at each airport, e.g. quarterly average density to cater for the different seasons.

Power generators were making a point on calculation of emissions as the preferred option. With respect to the promotion of biomass sustainability criteria the operator is asking for caution on the consideration of possible sustainability criteria for solid biomass. Careful attention should be given to the implications for the ETS. A power generator is advocating for the use of default-values for the oxidation factor - The regulation for small emitters has to be simplified - plant operators are entitled to obtain positive responses from authorities within specified periods provided that the conditions stipulated have been met.

Accreditation and Verification

Operators made a point on several occasions with respect to the fact that where the emissions reporting methodology is straightforward, emitters should be left the possibility to just provide evidence to the competent authority without systematically having to use an independent verifier. The correct methodology must be understood as the methodology agreed upon between the Competent Authority and the operator in the monitoring plan. The duty of the verifier should be to provide evidence of the correct usage of this methodology and the accuracy of the emissions data determined on this basis. National authorities should ensure consistent and harmonized use of the monitoring and reporting requirements throughout the EU. These materials should help the users and authorities to implement the provisions but strictly have to stick to the provisions set legally. No interpretation of the legal provisions is relevant here, only practical examples and explanations. The amount should be kept to the absolute minimum to ensure consistent applicability.

Aviation operators made a point that if the ETS Support Facility run by Eurocontrol is validated and verified as an independent source, that any additional separate verification requirements are redundant and place unnecessary financial and administrative burdens on small emitters. There is still need, however, for specific provisions for a specific small emitters' verification method, which would include the possibility to submit reports from the

ETS facility directly to the relevant competent authority, whilst remaining fully accountable for their emissions.

Every effort should be made in order to limit the costs and administrative hurdles resulting from the verification of reports. Verification should be strictly limited to the requirements necessary to verify the accuracy of the emissions data reported. If the accuracy of the reported data can be demonstrated through other means (eg Eurocontrol data for aircraft operators), the requirement for a report to need verification by a verifier does not appear justified for the strict implementation of the ETS. Where an operator can demonstrate accuracy through other means, and on the condition that such means are independent from the operator, the competent authority should have the possibility to approve such alternative methods.

The verification requirements are too onerous and costly. With respect to airline operators, there was a shortage of approved verifiers when pre-verification checks were needed and even up to the 31 March 2011 deadline for submitting verified emissions reports. The EC should work to streamline the verification requirements and reduce costs to the operators. There is also a need to streamline the requirement for retaining relevant documents for 10 years. This is considered quite onerous by aviation operators. The term should be 3 Years.

From a small emitter's point of view where the emissions reporting methodology is straightforward, small emitters should be left the possibility to just provide evidence to the Competent Authority without systematically having to use an independent verifier.

Public Administrations made a point that the correct methodology at the basis for verification must be agreed upon between the Competent Authority and the operator in the monitoring plan.

Several operators made a point that the costs and administrative hurdles resulting from the verification of reports should be limited. Verification should be limited to the requirements necessary to verify the accuracy of the emissions data reported. If the accuracy of the reported data can be demonstrated through other means (e.g. Eurocontrol data for aircraft operators), the requirement for a verification report done by a verifier is not necessary. In this case the Competent Authority should have the possibility to approve such alternative verification methods.

Operators are also asking the Competent Authority for specific deadlines for the verification and accreditation process.

Currently verification and accreditation is carried out by large global auditors. The system should be designed to encourage suitable local verifier bodies and individuals to participate in the verification and accreditation process. This is important in order to ensure cost-effectiveness.

NGOs made a point about the fact that there is a high conflict potential between verifier and operator due to the fact that the operator engaged the verifier. Need for the EU to request Member States to nominate a certain number of verifiers who should intervene on every country except their country of origin and in this way the verification teams will be politically independent.