Overview of planned Commission Projects for 2014
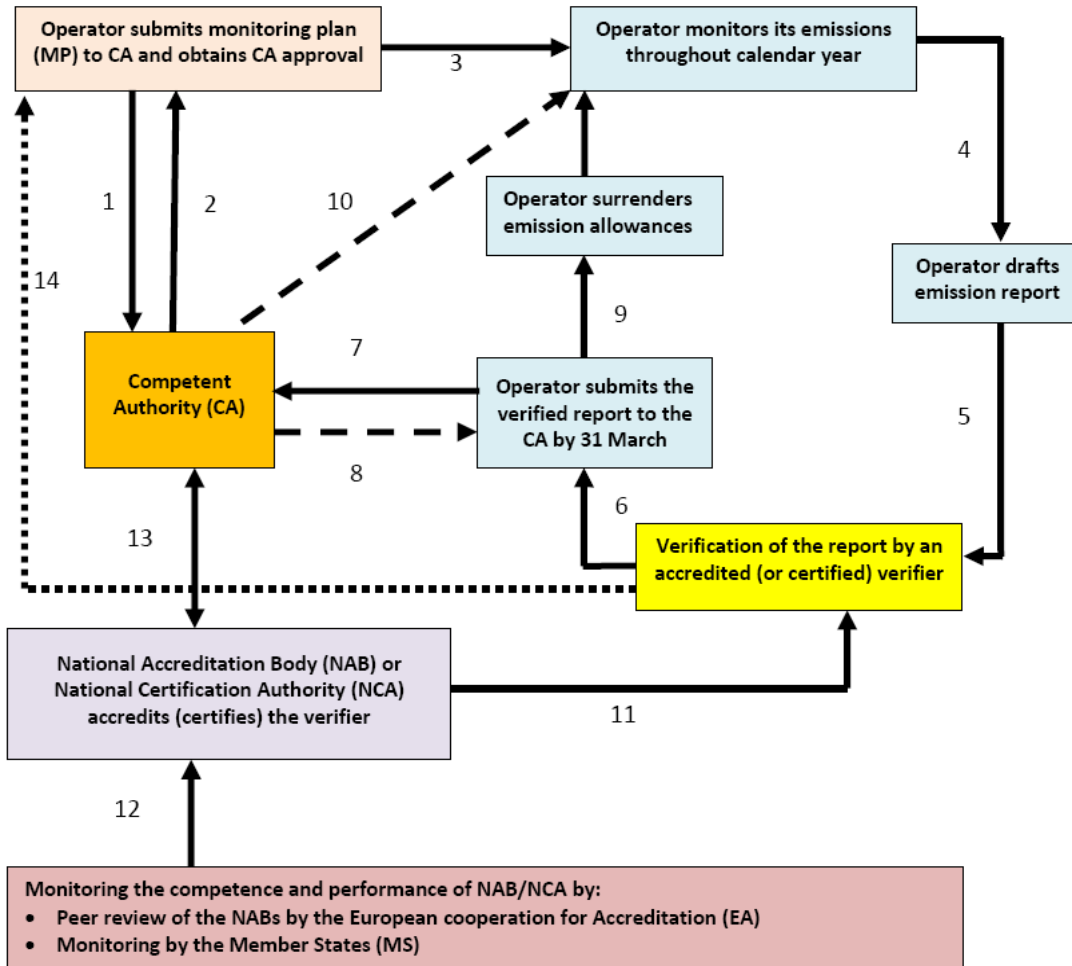
Rob Gemmill, Edoardo Turano   - DG CLIMA

4th EU ETS Compliance Conference, 3&4 June 2013

Overview

- *Introduction and background*

- *EU ETS Member States Peer Review*

- *EU ETS Member States Compliance Cycle Evaluation*

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Background: ETS Compliance cycle

Phase III compliance cycle activities:

1 Permit and MP submission
2 CA approval of MP
3-4 Emission monitoring during calendar year
5 AER by operator
6 Verified AER and VR
7 Verified AER and VR submission to CA
8 CA check of Verified AER
9 Surrender of allowances
10 CA inspection on operator
11 Accreditation of verifiers
12 NAB peer evaluation
13 Exchange of information
14 Continuous Improvement

Diagram contents

Operator submits monitoring plan (MP) to CA and obtains CA approval — 3 — Operator monitors its emissions throughout calendar year — 4 — Operator drafts emission report — 5

Operator surrenders emission allowances — 9

Competent Authority (CA) — 1, 2, 10, 7, 8, 14

Operator submits the verified report to the CA by 31 March — 6

Verification of the report by an accredited (or certified) verifier — 11

National Accreditation Body (NAB) or National Certification Authority (NCA) accredits (certifies) the verifier — 13

Monitoring the competence and performance of NAB/NCA by:
- Peer review of the NABs by the European cooperation for Accreditation (EA)
- Monitoring by the Member States (MS)

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Background: ETS Compliance cycle

- *Effort to ensure harmonised, consistent, effective implementation of MRR and AVR*

- *Development of MRVA guidance documents, tools, templates, FAQs*

- *Initiative to facilitate harmonised electronic reporting (development and update of common reporting language)*

- *Compliance Forum as a platform for CAs to discuss, find solutions to common issues and exchange experience*

ETS Compliance Cycle: Projects for 2014

- *EU ETS Member States Peer Review*
  - **as further tool to pursue harmonisation and effective capacity building**

- *EU ETS Member States Compliance Cycle Evaluation*
  - **as a way to assess the status of implementation**

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ETS MS Peer Review: objectives and approach

- *Evaluation of ETS compliance cycle implementation and reporting under ETS Article 21 - done by **peers***

- *Learning exercise and sharing of experiences to enhance MS procedures and compliance regime*

- *NOT an audit*

- *Open two-way communication, mutual trust and cooperative atmosphere between MS host and reviewers*

- *Participation on a voluntary basis (both as host MS and as reviewer)*

Peer Review Methodology development

- *Definition of a methodical, clear and repeatable procedure*

- *Possible elements of the methodology*
  - **Objective settings and definition of issues to be analysed**
  - **Process definition (activities, their relationships and sequence, on-site visits)**
  - **Criteria for the selection of host MS and review team**
  - **Criteria for the assessment of the collected data and information**
  - **Planning and scheduling of the review activities**
  - **Reporting of the evaluation findings and dissemination of the learning**

Peer Review execution

- *Based on the defined methodology*
  - **Selection of 2 MS as host countries (on a voluntary basis)**
  - **Selection of reviewers**
  - **Preparation of background materials and information**
  - **Review execution (including MS visits)**
  - **Collaboration is pivotal for a good outcome**

- *Sharing of information, relevant findings, best practices among MS*

ETS Compliance Cycle Evaluation

- *Follow-up to 3 previous projects*
- *Recomendation for the Commission from the last project on the 2008 and 2009 compliance cycles:*
  - **Need for more clarity in the future MRR and AVR**
  - **Ensure common approaches through guidance, templates and tools**
  - **Improve the exchange of information and experience among MS**
  - **Enhance the use of IT**
- *Collaboration is a key*

2014 Compliance Cycle Evaluation Objectives

- *Analysis of MS implementation status in relation to 2013/2014 ETS compliance cycle*
  - **Compliance with MRR and AVR requirements**
  - **MS specific provisions**
- *Definition of best practices, successes and shortcomings, possible inconsistencies among Member States*
- *Definition of actions and recommendation for the Commission to further improve effectiveness, harmonisation and consistency*

2014 Compliance Cycle Evaluation High Level Approach

- *Identification of EU ETS compliance issues to be assessed in each MS, covering all the steps in the process*
  - **permitting (including approval of the monitoring plan)**
  - **notification of changes in the monitoring plan**
  - **reporting and verification of reports**
  - **accreditation**
  - **inspection and enforcement**

- *Collection and evaluation of data (MS input and collaboration is essential)*

- *Evaluation of data at MS level and possibly at sectoral level*

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Questions ?

Thank you for your attention!

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Further information on ETS MRVA:

http://ec.europa.eu/clima/policies/ets/monitoring/index_en.htm

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