UK Use of IT Tools in the EU ETS Compliance Process

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Current UK System

- Access Database
- Electronic Templates (Excel) allow:
    - Import of data returned electronically by operators
    - Save significant business processing time
    - Used by other UK Regulators to varying extents
    - Approach has brought consistency across UK regulators
- Inefficiency in import routines and no access for operators or verifiers

ET SWAP Vision

- **Common Business Processes** – leading to consistent and accurate data - both within and outside UK

- **Web-based** - permit application & issue, annual report submission, verification, improvements, status tracking, data interrogation, payment to improve efficiency for Regulators, Operators & Verifiers

- **Links to internal & external systems** that allow easy flow of information & avoid data duplication & import issues

- **Develop a system in a collaborative way** to share knowledge, costs and resource and share with other MS to improve scheme consistency and robustness

- **Create re-usable "core business functions"** across different legislative regimes

- **Service Orientated Architecture (SOA) and open source software** ensuring flexible and adaptable to change

ETSWAP Current Status

- Mutual Understanding Document and Vision Statements produced including process flows common to many MS

- Non functional prototype developed

- Required architecture agreed

- Re-use from current SOA deployments envisaged

- Partners established

ETSWAP Next Stages

- Develop first prototype of eXtensible Emissions Trading Language (XETL) – Nov 2008 to allow automated exchange of data within and across organisations involved in Emissions Trading

- Work with existing partners and others to refine specifications, finalise commercial strategy and obtain final pricing

- Kick off design and development early 2010 using gateway review step process with partners involved at every stage

- Review whether Aviation included

- Upon completion share product with other Member States

XETL Development

Steps

- Detailed analysis of existing UK and partner data structures and comparison with Germany and USA

- Formulation of XETL data dictionary and plan for international implementation

- Process analysis to clarify data to be exchanged between participants

Deliverables

- Technical specification

- Descriptive document outlining use of language and it's vocabulary

Requires meaningful engagement with other MS, EU Commission and USA to ensure broad international appeal

Aviation Sector Monitoring Plans

- Commission Monitoring Guidelines urgently required
- Preferred – Commission supplies one template for all MS
- Two templates:
    - Benchmarking needed by Jan 2009 latest
    - Long term by Jan 2010 for limited trial July 2010
- Workflow process:
    - On line plan submission
    - Regulator determination
    - Regulator issues approved plan
    - On line submission/determination of changes
- Short term - tactical solution or ET-SWAP
- Long term - ET-SWAP with status tracking, auto reminders etc.

Conclusion

- XETL is critical to development of ET-SWAP to ensure long life

- International acceptance of a common trading language is critical to linking trading systems worldwide

- IT Projects such as ETSWAP can facilitate a more consistent and robust approach to trading by creating common workflow processes, improved communication and more focussed compliance and enforcement