



Outline of Plans for 2013

Planned Commission projects for 2013

Rob Gemmill and Tiziana Frongia

2nd Compliance Forum Event, 1&2 October 2012

Overview

- *Finalisation of MRR and AVR guidance*
- *ETERP III: Update of XETL and future governance*
- *Update ETS Article 21 Questionnaire*
- *2013 Peer Review project*
- *Aviation*
- *Maritime*
- *2013 ETS Compliance Forum Work Programme and Conference*

Finalisation of MRR and AVR related guidance and templates

Finalisation of guidance: Objectives

- *To complete availability of relevant guidance and tools to assist common understanding, application and compliance concerning MRR and AVR*
- *To further interests in correct implementation and overall well-functioning of the ETS, including in connection with promoted consistency and cost-effectiveness*

Reminder of 2012 M&R products

Document	Status
General guidance document for installations	Endorsed
General guidance document for aviation	Endorsed
Monitoring plan template (Installations)	Endorsed
Monitoring plan templates (Aviation)	Endorsed
Biomass topics	Final draft for TWG
Uncertainty assessment	Endorsed
Sampling and analyses	Endorsed
Data flow activities and control system	1 st Draft
Further templates (Reports)	Under development

Reminder of 2012 A&V products

User Manual and Explanatory Guidance (EDG I)

Templates:

- *Verification report*
- *Information exchange*

Exemplars:
filled-in templates

Key Guidance Notes (KGD II):

- *Scope of verification (II.1)*
- *Verifier's risk analysis (II.2)*
- *Process analysis (II.3)*
- *Sampling (II.4)*
- *Site visits during verification (II.5)*
- *Verification report (II.6)*
- *Competence of verifiers (II.7)*
- *Relation AVR and EN ISO 14065 (II.8)*
- *Relation AVR and EN ISO/IEC 17011 (II.9)*
- *Information exchange templates (II.10)*
- *Certification (II.11)*

Aviation
verification
guidance
(GD III)

Exemplars and Frequently Asked Questions

2013 follow-on project

- *M&R (and A&V) elements to be considered for finalising guidance:*
 - First feedback from MS on experience using existing guidance
 - Update of existing guidance as appropriate
 - Complement of existing guidance with further documents, templates, exemplars and tools
 - Collection of FAQs from MS and model answers

Possible new M&R topics

- *Templates for improvement reports*
- *Templates for notifying MP changes*
- *List of applicable standards*
- *Update of Annex VII (minimum frequency of analyses)*
- *Develop list of default values for biomass materials (if possible)*
- *Guidance on estimation methods for determining biomass in mixed fuels*
- *Application of EN14181 to CEMS*
- *Exemplar MPs/RA/procedures/sampling plans/etc.*
- *Flow, N₂O, CCS*

Possible new A&V topics

- *Key inherent and control risks (lists)*
- *Examples of process analysis type tests*
- *Verification in relation to CEMS and EN 14181*
- *Verification man-day table (to assist NABs/NCAs)*
- *Guide to NAB peer evaluation (for CAs)*
- *Examples of peer evaluation equivalence for NCAs*
- *Guidance on NAB/NCA administrative measures*
- *Verification of sustainable biofuel/bioliquid use*
- *Verification of small emitters (keeping costs down)*

Further possibilities

- *Checklists for Competent Authorities:*
 - MP approvals
 - Inspections
 - AVR requirements concerning CAs
- *Uncertainty treatment: Stockpiles*
- *Compendia of good practice*

Next Steps

- *Assessment of Member State suggestions and priorities*
- *Prioritisation*

Member State suggestions and priorities requested

Emissions Trading Electronic Reporting Project (ETERP)

Proposals for the next ETERP

- *Update of XETL in line with the requirements of the MRR and AVR*
 - Missing Phase III fields
 - Data quality check mechanism
 - Removal of duplications
- *Update of IT Blueprint and guidance (as appropriate)*
- *Options for longer term governance system*
 - Structured change management procedure
 - Steering Committee, Technical Working Group, Administrative Back Office and Technical Support
- *Options to facilitate greater Member State uptake of XETL and related systems*

Update of the ETS Article 21 Questionnaire

Article 21 Report: legal background

- *Directive 2003/87/EC Art. 21(1): Every year MS shall submit to the Commission a report on the ETS Directive implementation*
- *Items: allocation of allowances, operation of registries, application of the monitoring and reporting guidelines, verification and issues relating to compliance with the Directive and on the fiscal treatment of allowances*
- *Directive 2009/29/EC maintains the Article 21 requirements, but replaces MRG with MRR and AVR*

Phase I and II Implementation

- *Commission Decision 2006/803/EC and questionnaire:*
- *Revised ETC questionnaire discussed in 2009 in WG3 with MS but never formally adopted*
 - Takes into account changes due to the inclusion of N₂O, partially on aviation and CCS, into the trading scheme following the 2007 MRG revision and its amendments
 - Most of MS are already informally using this draft, uploading their reports on EIONET
- *New requirements related to Registries, Benchmarking, Auctioning, NSG are not taken into account in the revised ETC questionnaire*

Objectives for Current Project

- *To support relevant revision of Commission Decision 2006/803/EC and its questionnaire in order to take into account all the new requirements developed under the revised "ETS Directive", Directive 2009/29/EC*
- *To support re-launch of "Article 21 reporting" as an important tool in overall ETS compliance strategy*
- *Moreover the project should justify the requirements for the data requested (reasons and uses)*

Examples: Article 21 Data

- *Example use: To evaluate trends (year on year) with view to advising future policy developments:*
 - Areas of non-compliance (e.g. failure to submit AERs)
 - CA coordination carried out and benefits
 - CA/NAB/NCA coordination and/or information exchange and identified benefits/difficulties
- *Notes recalled from adoption of the MRR:*
 - MS approaches to ETS use of sustainable biofuels and bioliquids
 - Proposed innovative techniques relevant to permanent storage

Proposed Methodology

- *Identification and prioritisation of requirements to support revision including impact assessment*
- *Ad-hoc "Revision of Article 21" TWG*
- *Potential presentation to 2013 Compliance Conference: Note of relevant feedback*
- *Further relevant updates to MS via WG3 and CCC*

Further Thoughts

- *Focus should be on helpful exchange of information in order to promote improvements*
- *Possibility to use the Article 21 questionnaire to best target peer review effort*

2013 Peer Review Project

Pilot Study (2011)

- *Objectives of Peer Review: "Tool" in support of the annual Article 21 Report aimed at promoting greater harmonisation of MS implementation of ETS, and improvements in the compliance cycle*
- *2011 Hosts: (i) NL; (ii) DK*
- *2011 Review Team: UK, Latvia, Estonia, Portugal and Poland/UNECE*
- *Process: Inspection of the EU ETS implementation in host country; interviews with experts; open minded and constructive discussions; exchange of recommendations and best practice*

Main Pilot Study Conclusions (2011)

- *If well prepared and organised, can be an effective and welcomed instrument for improving ETS compliance*
- *Allows thorough discussion between EU ETS experts from different Member States/Competent Authorities*
- *Enhances learning from each other/observation of choices other MS's have made*
- *Promotes reflection on reasons for selections in the past and whether changes in the compliance processes could be an option (at home)*
- *Could become additional compliance assuring instrument, complementary to the Article 21 report*

Peer Review Project 2013

- *Sufficient support secured at the 11th July 2012 CCC meeting to proceed with a follow-up peer review exercise in 2013 (expressed July 2012 CCC):*
 - **Bulgaria as reviewer**
 - **Poland as reviewer/possible host**
 - **Netherlands as a reviewer**
 - **UK as a host/reviewer**
 - **Previous expressions of interest noted from Lithuania and Estonia**

Further interest welcomed

Thank you for your attention!

Contact:

Robert.Gemmill@ec.europa.eu

Tiziana.Frongia@ext.ec.europa.eu



Aviation ETS small emitters

European Commission

DG CLIMA

**B.3 – International Carbon Market, Aviation and
Maritime**



AVIATION

Aviation ETS Small Emitters - Restricted call for a contractor

Aim: accurate and detailed understanding of the impacts on small emitters emitting less than 25 000 tonnes of CO₂ per year

ToR includes inter alia the following tasks:

- **Costs for small emitters and competent authorities**
- **Simplifications regarding MRV and registry**
- **Alternative thresholds**
- **Alternative means of regulating emissions**

Consultations foreseen

Consultations with relevant stakeholders

Consultations with all Member States and Norway and Iceland

Planning

26 September - Restricted call

17 October, 16.00 - Deadline for tenders

29 October, 14.30 – Opening of the tenders

December - Start of the project (runs 6 months)



European
Commission

MARITIME

Maritime GHG emissions – Background for study on MRV

- *International maritime transport only sector not covered by EU's GHG emission reduction commitment*
- *Decision 406/2009/EC (ESD) and Directive 2009/29/EC (ETS Review) of the European Parliament and the Council call for an EU action if no international agreement was approved by 31 December 2011*
- *Commission's work programme 2012: Legislative initiative on maritime GHG emissions, proposal expect for QI/2013*
- *Impact assessment to be finalised before end of 2012*
- *Commission supports initiatives for global agreement in the IMO*

Maritime GHG emissions – Study on MRV

- *Aim: Prepare the implementation of an EU-scheme for MRV for ships in view of a possible legal proposal addressing maritime GHG emissions*
- *Contract not yet awarded, but kick-off of study planned for December 2012*
- *Close co-operation with Member States' experts foreseen*
- *Tasks include:*
 - *Development of MRV procedures;*
 - *Assessment of needs for registers and databases*
 - *Development of requirements for verification and accreditation*



Thank you for your attention!

**Contact person on aviation:
Yvonne Schmidt**

**Contact person on maritime:
Heiko Kunst**