

# *Compliance Forum*

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Outcomes and Follow-up on the  
2<sup>nd</sup> Compliance Conference  
3-4 September 2009  
***“Going forward together”***

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*Chris Dekkers*

*Coordinator EU ETS Compliance Forum Secretariat*

*Brussels, 18 September 2009*

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# *Compliance Forum*

## Setting of the Conference

**Venue:** Borschette Meeting & Conference Centre

**Setting:** Thursday 3 September: discussions in four workshops  
Friday 4 September: presentations/discussions in plenary

**Attendance:** 120 representatives of Competent Authorities  
and Member States and the Commission

**Objective:** Allow free discussion and exchange of view on critical  
issues affecting the compliance of EU ETS

**Aim:** Make major steps towards coordinated and common  
Compliance

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## *Workshop Organizers/Rapporteurs*

**Workshop I**     *Aviation - UK / Howard Leberman*

**Workshop II**     *MRG issues - Ger: Matthias Wolf/ Doris Tharan*

**Workshop III**     *Verification & Accreditation - Ro: Ana Balanescu*

**Workshop IV**     *Data collection NL/ Be Julia Williams – Tomas Velghe*

**Day II**             *Art. 21 report & compliance: Commission M.Loprieno*

**Day II**             *E-reporting : Finland: Seppo Oikarinnen*

**Day II**             *Presenting SharePoint: Ger/NL: Doris Tharan*

**Moderators:**     *Members CF Steering Committee + Martin Bigg*

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## Outcomes Workshop I: Aviation

- Small operators – too much effort for too little CO<sub>2</sub>
  - Commission List – problematic & needs corrections
  - Tonne-KM data required at end of 2009. Operators who are not on the list but should be, pose a problem
  - MS need to share more information
    - *contact details for operators,*
    - *approach taken on interpretation issues*
  - Commission steer needed on debt recovery between MS and criteria when MS should apply for an Operating Ban
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## Recommended next steps

AITF III to continue enforcement & sanctions activities

- First recommendation is to develop light touch regulatory approach for small emitters
    - Raise issue at WG III and if endorsed, draft proposal to Commission for amendment of MRV decision: France to take the lead
  - Web based forum (SharePoint) to discuss issues and flag queries during follow-up MP determination process:
    - Identify MS approaches & share information on operators
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## Outcomes Workshop II and proposed next steps

- **13 MRG issues identified to give interpretation problems**
    - *all CAs have similar problems in implementing and enforcing ETS directive and MRG.*
    - *sharing experiences will resolve some issues directly whereas others need further investigations*
  - **Priority issues:**
    - *Transferred CO<sub>2</sub> - How to avoid leakages out of emissions trading system?*
    - *Highest accuracy vs. default factors*
    - *What efforts needed to arrive at common solutions & keep ETS fair for all?*
    - *Determination of biomass*
  - **Recommended Next Steps**
    - *New Task Force lead by DEHSt - support from NL-UK-PL to resolve outstanding issues*
    - *Notes on lower priority issues to be circulated by end of September 2009*
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## Outcomes Workshop III

**Need for consistent approach to accreditation/surveillance and verification related to a wide range of issues:**

- *man/days calculation, strategic and risk analysis and site visit;*
  - *evaluation of verifiers activity – need for level playing field way and common approaches by CAs towards verifiers*
  - *MS approaches on rejection of emission reports - dealing with not verified emission report;*
  - *inconsistent and/or different interpretations of the MRG requirements*
  - *cost pressures on verifiers and the effect on the quality of the verifications*
  - *verification policy for aviation*
  - *missing professional scepticism and independence of the verifier;*
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## Proposed next steps WS III

### Establishing Task Force dealing with key issues:

- Promote greater consistency regarding MS approaches to accreditation and verification activities through
    - ✓ Sharing experiences-case studies/best practices availability
    - ✓ Developing guidance, templates and, FAQs (e.g. material non-conformities)
  
  - Provide support to the Commission's development of the Verification and Accreditation and Supervision of Verifiers Regulation
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## Outcomes of Workshop IV

- **Questionnaire & draft paper Ecofys identified 4 main issues:**
    - ✓ *Legal issues and interpretation*
    - ✓ *Methodology*
    - ✓ *Data collection process*
    - ✓ *Quality requirements and verification*
  
  - **Data collection exercise needed for adjustment of the EU-wide cap <-> Allocation issues**
    - ✓ *Additional guidance on the data collection by EC not to be expected*
    - ✓ *MS will have to deal with their own uncertainty*
    - ✓ *Setting up of new Task Force would be useful to formulate common approaches*
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## Proposed next steps WS IV

### **Tasks of the new Task Force on New Sources & Gases**

- ✓ Develop Q&A document with main focus on the scope - no need for additional work on MRG.
  - ✓ Clarify and propose best practice solutions from those MS that are already at the stage of final legislation (e.g. reference year, focus on “big installations”, sanctions yes or no)
  - ✓ Develop data collection templates with associated guidance for operators, verifiers and CA staff who have to review and make these available to any MS that wants them
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## Revising art 21 report towards compliance

### **Recommended:**

- *Redefine art 21 report towards a high level quality compliance and management instrument*
- *Establish link with ongoing and new EC and CF/ IMPEL capacity-building projects on compliance*
- *Explore how peer-review process can be developed for art 21 report using the UNFCCC inventory reviews and the EA peer review system as examples*

### **Actions to be undertaken by**

- *DG ENV: finalise revision of 2006 questionnaire. Start consultancy project to explore peer review approach in relation to compliance issues of art 21 report*
  - *DG ENV/MS-CAs establish a CF task-force to explore practical arrangements for pilot peer-review exercise with limited number of countries (2-3 MS)*
  - *NL will seek partners/ countries to organize together workshop to discuss options*
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## Developing E-reporting format

### **Presenters & Expert Panel proposed follow-up actions:**

- *Commission and MS to develop together architectural Blueprint for XETL for next 5 to 10 years with aim to give certainty to all XETL Stakeholders*
- *Commission to lead on establishing Governance arrangements for XETL with International panel to address long term vision and a TWG to lead day to day issues*
- *Development of Guidance for XETL use/ data exchange ; Communications Plan to all possible users; obtain “buy in” from participants ; address the Security Issues*

### **Recommended steps:**

- *Cion: Ensure (legal) embedding of governance and support the development of common services, i.e templates and data dictionary to meet Art 21 & other LT requirements*
- *Compliance Forum: share lessons and provide platform for common software projects*
- *Member States/ CAs: Assess impact of IT systems and software development; run pilots (software, tools and schema) and establish links with E-PRTR a.o.*

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## Communication

### **Communication between Compliance Forum, Task Forces and Competent Authorities in the Member States**

- *DEHSt (Germany) and NEa(NL) evaluated the options for setting up a communication platform for Forum: MS SharePoint came out as the best choice*
- *DEHSt & NEa to start SharePoint following the accord by the Steering Committee and the Compliance Forum (04/09/09) in the pilot phase*
- *Feedback from users of SharePoint will be sought and highly appreciated*

### **Next steps:**

- *DEHSt and NEa will continue development of communication*
  - *Aim is to have SharePoint fully operational by end of September 2009*
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## Summary of conclusions & recommendations

### **Chair concluded, also on behalf of Steering Committee:**

- *Successful conference, high level discussions and involvement of the conference participants – 120 participants from 23 MS and from Iceland and Norway*
  - *Conference showed that major efforts by CAs and Cion will be needed to prepare for the 3<sup>rd</sup> trading period & ensure that compliance processes withstand future pressures*
  - *Many proposals for follow-up and for new Task Forces did come forward, more than can be accommodated in view of human and financial resources*
  - *Steering Committee will discuss what can be done with resources available, which Task Forces will be prioritized, who will take the lead and which tasks can be delayed*
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