

Compliance Forum

Outcomes, Conclusions & Recommendations from Break-Out Session IV

Key Phase III Challenges on Compliance and Enforcement

4th Compliance Conference, June 2013

Brussels 4th June 2013

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Discussions focused on:

1. **Review of emission reports and verification reports - Wolfgang Bednar**
 2. **Closures of data gaps and conservative estimations - Matthias Wolf**
 3. **Practice of improvement reports - Naomi Walker**
 4. **Enforcement and inspection in relation capacity changes issues - Steven Bank**
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1. **Review of emission reports and verification reports** **(1)**

- Overall Checks
 - Reports of all installations
 - Automated as far as possible
 - In dept checks
 - Based on findings during overall checks
 - Additional criteria
 - Random sample
 - If there are doubts
 - Official letter to installation
 - 2 weeks for response
 - Change amount of emitted CO₂ if doubts cannot be dispelled
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1. **Review of emission reports and verification reports (2)**

- IT supported automation as far as possible to increase the number of installations checked
 - Improve these automated checks based on experience gathered
 - Automated link EC Registry to the IT-System (via XETL)
 - In dept checks have to be assessed individually
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2. **Closures of data gaps and conservative estimations (1)**

- Working paper “Data Gaps and Non-Conformities” on Task Force
 - Presentation “Note on conservative estimates” by Christian Heller held in TWG 23 May 2013
 - Further discussion on Task Force M&R the 1st of July
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2. Closures of data gaps and conservative estimations (2)

- Harmonised approach on safety margin proposed in the paper
 - Possible need for deviating approaches under special circumstances
 - How to deal with conservative estimation in absence of AER from the operator?
 - The discussion showed that the Task Force is a good place to address these aspects
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3. Practice of improvement reports (1)

- Phase III Article 69 MRR
 - Frequency is dependent upon installation category
 - Exemptions for low emitters (<25,000 tCO₂(eq))
 - Automatic workflow request sent to the operator

 - Verifier findings: Article 69(4) MRR
 - Automatic workflow request sent to the operator
 - Submit by 30 June in the year that the verification report submitted

 - If no improvement: operator non-compliant with MRR Article 9 and the principle of improvement
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3. Practice of improvement reports (2)

- Continuous improvement drives increased confidence in the accuracy of the data
 - The principle of improvement is not new but the obligations are now clearer
 - Harmonised template, or MS systems based on that template
 - Verifier findings and recommendations should not be ignored, even if an operator is exempt from reporting on them.
 - Sending the improvement report is not enough, eventually MP has to be modified if necessary
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4. **Enforcement and inspection in relation capacity changes issues (1)**
 - New element in current trading period: capacity changes/reductions in activity level can lead to change in allocation (art 21 and 23 CIMs)
 - Possible obligation for operators to have a procedure on identifying and reporting relevant changes based on the art 12 (3) MRR
 - Non-reporting of relevant changes must be an offense under national law
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4. **Enforcement and inspection in relation capacity changes issues (2)**
 - Possible solution: introduction of separate requirements for accreditation of verifiers for scope 98 of AVR
 - Obligation for confirmation from the operator that any changes occurred during the year
 - Inspectors from CA may observe relevant changes to the capacity or activity level, which have not been reported
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