



# Panel debate on MS experiences and challenges with NIMs assessment

15<sup>th</sup> Compliance Conference  
27 November 2024

# Panellists

- Irini Nikolaou, DG Climate Action Directorate B.2 (in person)
- Michaela Hloušková, Czechia (online)
- Ville-Matti Rissanen, Finland (online)
- Cristina Garcia, Spain (in person)
- Ping Höjding, Sweden (in person)
- Martijn vander Schaaf, the Netherlands (in person)

# Contribution by the Panellists

# Irini Nikolaou

**Panel debate on MS experiences and challenges with NIMs assessment**

# Michaela Hloušková

**Panel debate on MS experiences and challenges with NIMs assessment**

# Experiences and challenges with NIMs assessment

Mgr. Michaela Hloušková

Ministry of the Environment of the Czech Republic



Ministerstvo životního prostředí

# Challenge

- Over 200 installations
  - MbE + external consulting company
- Around 40 CNPs
  - District heating
  - State Environmental Fund of the Czech Republic

# Lessons learned





# Thank you for your attention



Ministerstvo životního prostředí



@mzpcr



@ministerstvo\_zp



Ministerstvo životního prostředí



@ministerstvozivotnihoprostredi

# Ville-Matti Rissanen

**Panel debate on MS experiences and challenges with NIMs assessment**



energy authority

## Panel debate: Member state experiences and challenges with NIMs assessment

Compliance Conference, November 27, 2024

**Ville-Matti Rissanen**

Specialist

Emissions Trading

Energy Authority

## NIMs assessment in Finland

### Total number of installations: 517

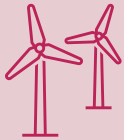
- 79 with >95% zero-rated emissions (biomass)
- 206 did not submit an application
- 14 only electricity producers
- 11 closed or ceased operation

### Installations in NIMs list: 207

- Combustion of fuels >20 MW: 139
- Pulp, paper and cardboard: 28
- Opt-in\* (small district heating installations): 9
- Metal ore, ferrous metals, iron and steel: 6
- Hydrogen: 5
- Lime: 4
- Mineral wool: 3
- Refining of oil: 3
- Others: 10

\*Activities included by Member State pursuant to Article 24 of Directive 2003/87/EC

# NIMs assessment in Finland



## Installations with Climate Neutrality Plan: 9

- All installations submitted their CNPs on time, and all plans were compliant
- Operators made minor corrections to the CNPs after submission
- At this point, no installation received the 20% reduction in allowances



## Installations with conditionality on implementation of energy efficiency improvement measures

- 139/207 (67 %) installations had this conditionality
- Only 4 installations received the 20% reduction in allowances



## Baseline Data Reports

- Accepted without revision: 58
- Minor revision requested: 59
- Major revision requested: 92

# Experiences and challenges

## Early submission to ensure time for compliance check

Energy Authority arranged three webinars for operators and verifiers during November 2023-March 2024

Deadline for submission: April 30, 2024

All BDRs were checked in detail, comparing the data with:

- ALC reports (2024 report)
- Emissions permits and reports.
- Complete CO<sub>2</sub> balance and energy balance for each installation and sub-installation

## Checking the implementation of energy efficiency recommendations has been challenging

Operators have very different practices to implement and document EE recommendations. It was unclear to the operators (also to the verifiers and CA) which measures are considered EE recommendations.

Operators had not filled out the BDR correctly, nor the verifiers the verification report. The CA requested additional information in most cases.

Energy efficiency authorities were consulted about energy audits and energy management systems (colleagues from the same agency)

## Several cases where the operator hasn't kept the MMP up to date

All operators were required to submit an updated MMP with their application

In some cases, operators had used outdated MMP for data collection, requiring major revisions to BDRs

Errors were also found in AL reports (cross-checking BDR, ALC report and MMP)

Thank you!



[ville-matti.rissanen@energiavirasto.fi](mailto:ville-matti.rissanen@energiavirasto.fi)



[www.energiavirasto.fi](http://www.energiavirasto.fi)

# Cristina Garcia

**Panel debate on MS experiences and challenges with NIMs assessment**



# Spanish experience with BDR in 2024

15<sup>th</sup> Compliance Conference

- Overview
- Checks
- Challenges
- A couple of examples of relevant sectors
- Lessons learned

15<sup>th</sup> Compliance Conference

## Overview

- NIMs submitted September 20<sup>th</sup>
- 897 installations included in NIMs list (+ 9 MWI installations)
  - 262 requested exclusion under article 27 and 126 are excluded automatically pursuant 27a (43 installations are included in both regimes, they are now excluded under 27a and will be reintroduced under 27 if they exceed the 2500tCO2 threshold)
- 651 have applied for free allocation (12 additional installations submitted the application but were excluded for different reasons – 95% biomass emissions/permit revoked/...)
  - 29 excluded by Art. 27a (14 also excluded by 27) and 166 excluded by Art. 27
- 380 installations have submitted new MMP for approval. This figure includes:
  - Installations excluded during 2021-2025 pursuant to articles 27-27a (they didn't need an approved MMP for that period, but require one for 2026-2030 application)
  - Installations affected by changes in FAR
  - Installations that submitted them, even if no required, to be on the safe side
- Distribution of competences
  - Permits, MRVA and Art. 27: Regional governments
  - Free allocation and Art. 27a: Central administration

## Checks done to BDR

### Some checks done to BDR:

- Consistency with other documents
  - Data submitted in Activity level reports
  - Permit and monitoring plan
  - Annual emissions reports (emissions and fuel consumption)
  - Monitoring methodology plan
    - If no new MMP submitted, ensuring that the approved plan complies with the rules and is consistent with BDR
  - Verification reports
  - ...
- Consistency within the BDR (CHP tool, electricity production, attributed emissions, heat production efficiency –from fuel and from electricity -, etc.)
- Alignment with the FAR
- A CNP has been submitted (if mandatory) and complies with regulation
- If energy audits are required and, if so, EE recommendations from audits have been implemented or exemptions applied according to verifiers

# Challenges

## Some challenges

- Limited time for digesting all the changes for competent authorities/installations/verifiers/consultants
  - We have organized workshops and prepared supporting documents, but capacity to absorb all the new issues remains limited
- Time constrains for analysis (specially with summer break in between)
- Resolving discrepancies when they have happened
  - Due to rules changes /changes in the installation/previous mistakes identified during BDR elaboration/other explanations
- Requests for corrections for more than 450 installations (in most cases, corrections were requested multiple times)
- Identification of new installations due to changes in AI and issuance of permits
- Performing automatic checks with the amount of information and changes in numbering of BM
- Ensuring that CNPs comply with the regulation

## Some relevant sectors

Spanish industrial profile includes practically all sectors with significant representation.

Manufacture of ceramic products:

- with 211 installations in the NIMs list, is the sector with the highest representation, followed by combustion of fuels (169)
- 154 applied for free allocation
- In the case of ceramic products, most installations are quite simple, with 2 sub-installations (fuel and process emissions), some others have product BM sub-installations
- Small installations with limited capacity to know the rules and follow the changes in legislation
- For 2026-2030, many of these installations have included heat recovery in their BDRs, and this has resulted in new heat BM sub-installations (additional checks to BDR, MMP approval,...).

Gypsum:

- There were only 2 installations, now we have more than 30, due to the change in the threshold in Annex I
- Very small installations (most of them well below 2500tCO<sub>2</sub>/year) → COM allowed to exclude this installations by Art. 27/27a from 2024

## Some lessons learned

### Positive lessons

- The situation is better than in 2019: more experience gained by AC/ installations/ verifiers/ consultants/ associations...
- Increased availability of data for proper checks (mainly from ALR)
- Tools provided by the COM have been very useful (NIMs list/ALC lists) for checks

### For future improvement:

- Time for adaptation: There should be more time to assimilate all the changes before they have to be implemented
- Enhanced tools: Tools for automatic checks for faster analysis would be useful
- Implementation challenges: The application of some of the changes in the directive from 1st January 2024 (changes in Annex I) has been/still is a challenge
  - Avoid this kind of very substantial changes in the middle of an allocation period
- Communication: Agile system for questions and answers between MMSS and COM

# GRACIAS

15<sup>th</sup> Compliance Conference



# Ping Höjding

**Panel debate on MS experiences and challenges with NIMs assessment**

# Martijn vander Schaaf

**Panel debate on MS experiences and challenges with NIMs assessment**



— Nederlandse Emissieautoriteit  
— Dutch Emissions Authority

# NIMs assessment The Netherlands

15<sup>th</sup> Compliance Conference

# The Netherlands

- 281 applications free allocation phase 4b
- ≈15% less than in phase 4a
- All kinds of sectors, including energy intensive industry, food, agriculture, etc.





# NIMs-assessment: approach

1. Opening of **web portal** for submission of all application documents
2. **Risk based assessment** data reports by NEa, using MMP's and VR's
3. **Assessment of energy efficiency conditionality by CA EED**
4. Assessment of CNP's by NEa

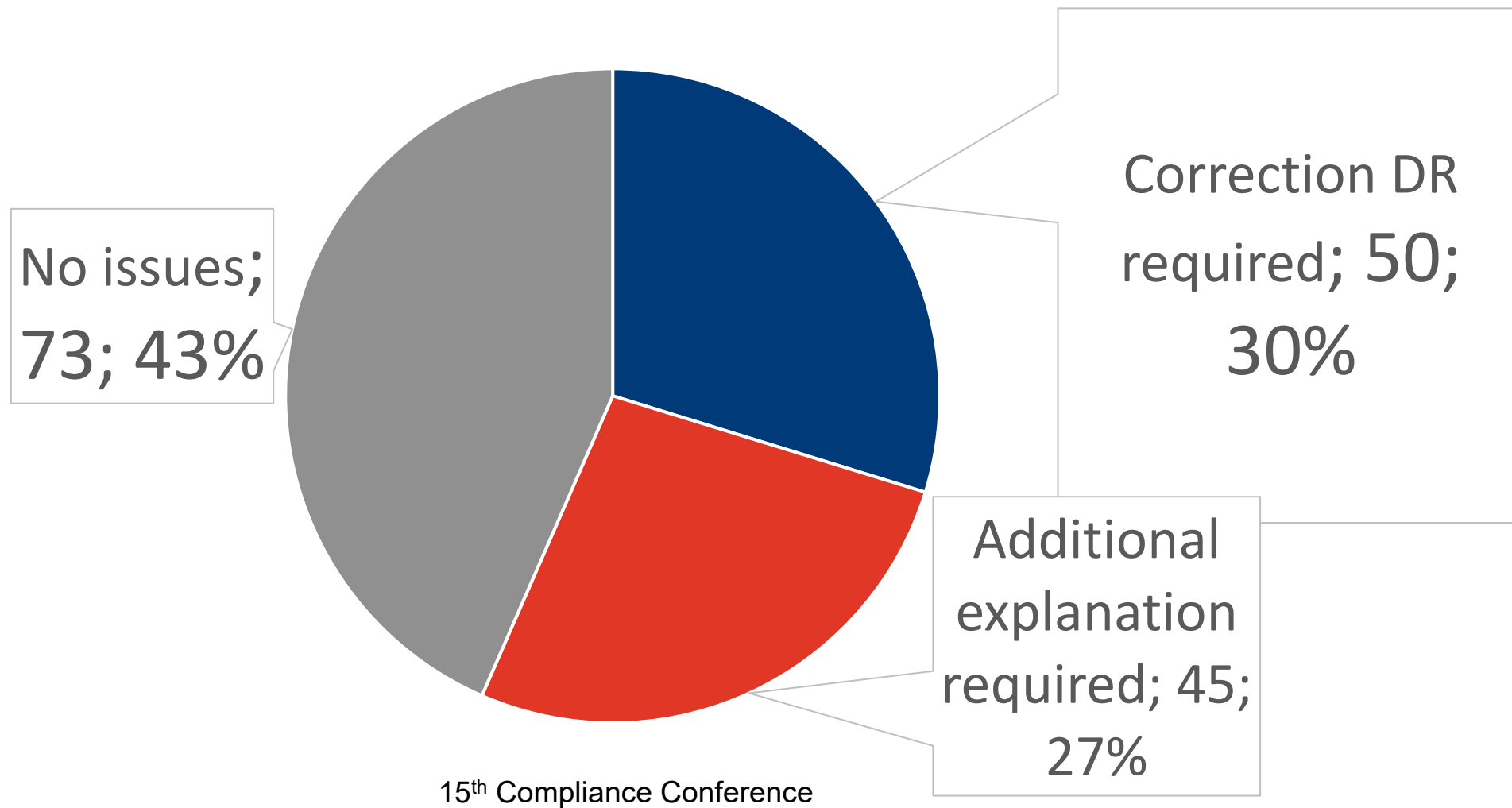
15<sup>th</sup> Compliance Conference

# NIMs-assessment: practice

## Baseline Data Reports

- Translated template BDR published on website
- Release of Excel-tool for operators that can copy overlapping data from ALC-report 2023 into BDR-template
- Use of tool for screening of all 281 BDR's:
  - Comparison of BDR with data in ALC-2023
  - (Expected) differences with ALC-data due to new FAR
  - Consistency checks

# Results of 168 manual assessments



15<sup>th</sup> Compliance Conference

# NIMs-assessment: practice

## Energy efficiency conditionality

- 1 (new) installation did not comply -> provisional cut of 20% allocation
- Rest of installations complied, due to existing Dutch energy efficiency policy, requiring to implement measures with payback time of 5 years



# NIMs-assessment: practice

## Heat from electricity

- 31 installations claimed free allocation for heat from electricity
- Very intensive discussions with operators and verifiers on submitted cases
- 10 claims were modified by operator, on request of the NEa, to ensure compliance with FAR
- 2 operators refused to modify claim, NEa modified data report

# NIMs-assessment: practice

## General

- Time schedule was very challenging
- Intensive discussions on heat from electricity and double counting
- Harmonisation on interpretation of FAR requirements important.

# Discussion

Please raise your flag (in the room), or use the chat for asking questions

# Thank you for your attention