

Practice of improvement reports in the UK

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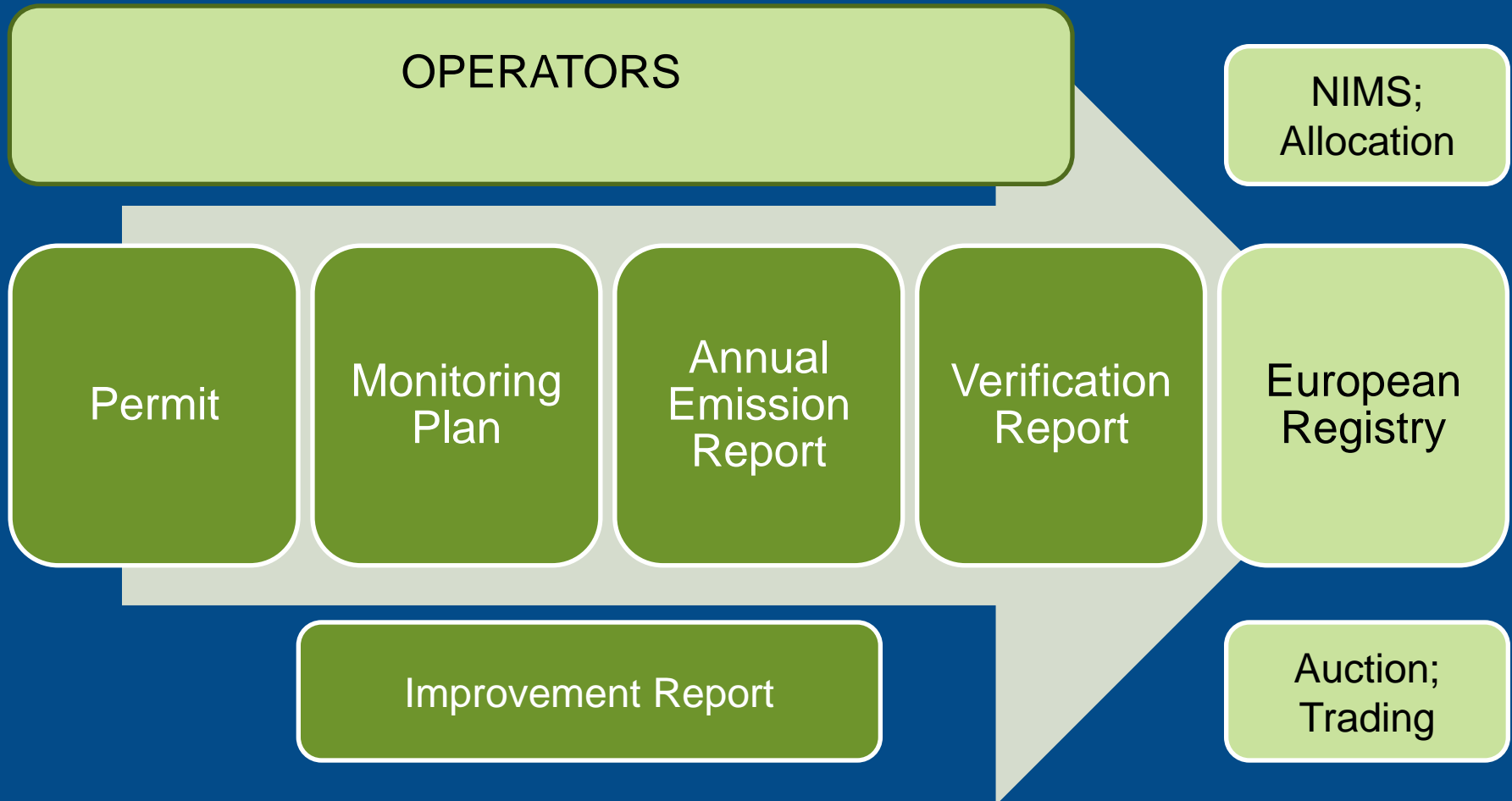
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Overview

- ⇒ Why report upon improvements?
 - ⇒ MRG vs. MRR
- ⇒ Phase II UK practice and the changes for Phase III
- ⇒ Improvement reports and compliance activities for 2013
- ⇒ The implications for not correcting non-conformities
- ⇒ Modifying the monitoring plan

Heart of EUETS is data reporting



MRG (2007)

- ➔ Section 3 Improvement of performance in monitoring and reporting emissions – verifiers have a role in highlighting to operators where improvements can be made.
- ➔ Section 4.3: ‘the monitoring methodology shall be changed if this improves the accuracy of the reported data, unless this is technically not feasible or would lead to unreasonable costs’
- ➔ Section 5.2: category B or C installations must use the highest tier, unless they can demonstrate that it is technically not feasible or will lead to unreasonable costs.

Principle of Continuous improvement

MRR Article 9: Operators and aircraft operators shall take account of the recommendations included in the verification reports issued pursuant to Article 15 of Directive 2003/87/EC in their consequent monitoring and reporting.

Article 69(1) Each operator or aircraft operator shall regularly check whether the monitoring methodology applied can be improved

Annex I: procedure for ‘assessing potential measures for improvement of the monitoring methodology applied’

ETS5 – tier improvements – Article 69(2)

Source ref.	Fuel or material ref.	Parameter	Currently applied tier	Proposals for attaining the highest tier or justification for using a lower tier	Date for improvement
e.g. S1 & S2	F2 (coal)	Emission factor & NCV	2a (E factor), 2a (NCV)	<p>Highest tier(s) to be applied? Yes/No</p> <p><i>Highest tiers: Tier 3 (E factor) and Tier 3 (NCV) to be achieved through placing contract with ISO 17025 accredited laboratory to undertake analysis of fuel samples every two weeks in parallel with and in support of in-house weekly sampling and analyses.</i></p>	01/01/2009

ETS6 – verifier comments– Article 69(4)

Item	Verifier's comments	Comment type	Operator response	Proposed date for improvement
e.g. 1	<i>Although not considered of material impact, a meter (Ref. 1xyx) is being used to monitor source stream S1, when the meter approved under the operator's monitoring plan (Ref 1abc) is taken off-line for maintenance</i>	<i>Non-Material Non-Conformity</i>	<i>We have now notified the Competent Authority (24/04/2008) of a change to our monitoring plan to include this meter (Ref 1xyz)</i>	<i>N/A, corrected 24/04/08</i>
e.g. 2	<i>The operator's procedure for internal reviews of reported data (Ref: pp12) is not being properly implemented concerning horizontal check of the metered fuel F1 against available purchase records</i>	<i>Non-Material Non-Conformity</i>	<i>We are currently preparing a work instruction for the attention of relevant staff to formalise this process including the log of findings and necessary actions in our internal records</i>	<i>31/07/2008</i>
e.g.3	<i>Annual calibration of sub meters No. 1, 2 and 4 is recommended.</i>	<i>Recommendation</i>	<i>Not agreed. Costs would be disproportionate to the benefits of improved overall uncertainty. Please see attachment 1 for cost-benefit justification.</i>	<i>n/a</i>

Phase III Article 69

- ➔ No ETS 5 or 6 ➔ ETSWAP
- ➔ Based on information in Commission draft template
- ➔ If highest tiers are not applied, or the fallback approach is used,
 - ➔ Automatic workflow request sent to the operator
 - ➔ Frequency is dependent upon installation category
 - ➔ Exemptions for low emitters (<25,000 tCO_{2(eq)})
- ➔ Improvements are subject to technical feasibility or unreasonable cost

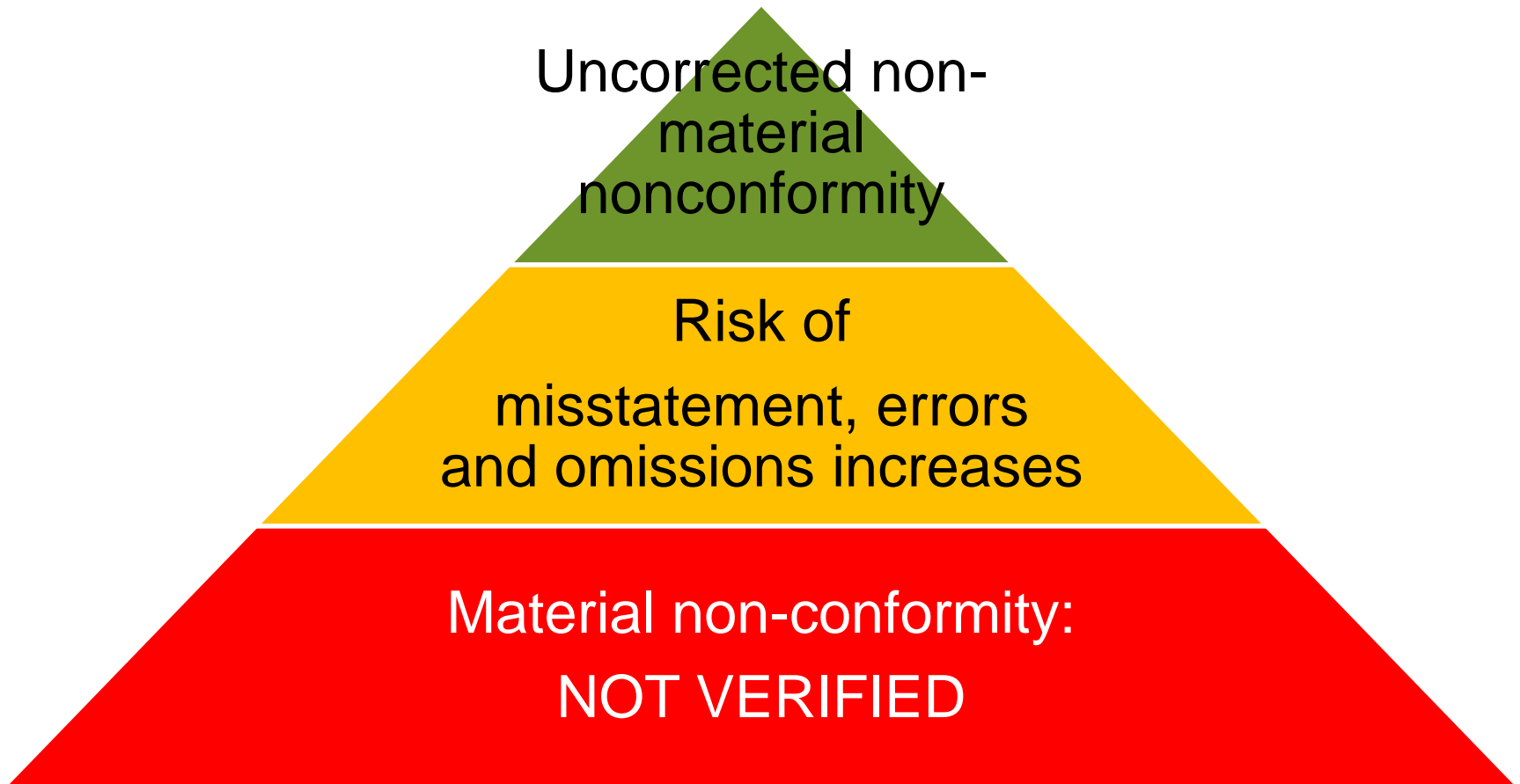
Verifier findings: Article 69(4)

- ➔ Installations and aviation
- ➔ Non-conformities
- ➔ Recommended improvements, such as
 - ➔ Operator risk assessment
 - ➔ Data flow/control activities
 - ➔ Procedures
 - ➔ Monitoring methodology
- ➔ Automatic workflow request sent to the operator
- ➔ Submit by 30 June in the year that the verification report submitted
- ➔ Exemptions for low emitters to REPORT on verifier findings

Compliance activities in the UK

- ➔ First improvement reports due 30 June 2013
 - ➔ Tiers improvements (follow up on issues not resolved during re-permitting)
 - ➔ Verifier comments/recommendations
- ➔ What happens if the agreed deadline for implementing the improvement has not been met?
 - ➔ Non-compliant with MRR Article 9 and the principle of improvement

What if ANY operator does not correct a non material non-conformity?



Obligation upon the operator to modify the monitoring plan

- ➔ If doing so will improve the accuracy of the reported data e.g. Increase tier level
- ➔ If it is necessary to respond to verifier's comments
- ➔ It is not necessary if an operator's procedure needs amending (unless it affects the summary information, art. 12(2))

Requires additional activity by operator. In the UK, we call it a variation

Key messages

1. Continuous improvement drives increased confidence in the accuracy of the data
2. The principle of improvement is not new but the obligations are now clearer
3. Harmonised template, or MS systems based on that template
4. Verifier findings and recommendations should not be ignored, even if an operator is exempt from reporting on them.
5. Modify the MP, but only if necessary!