



ETERP

**Introduction to the Emission Trading
Electronic Reporting Project and
possible future scenarios**

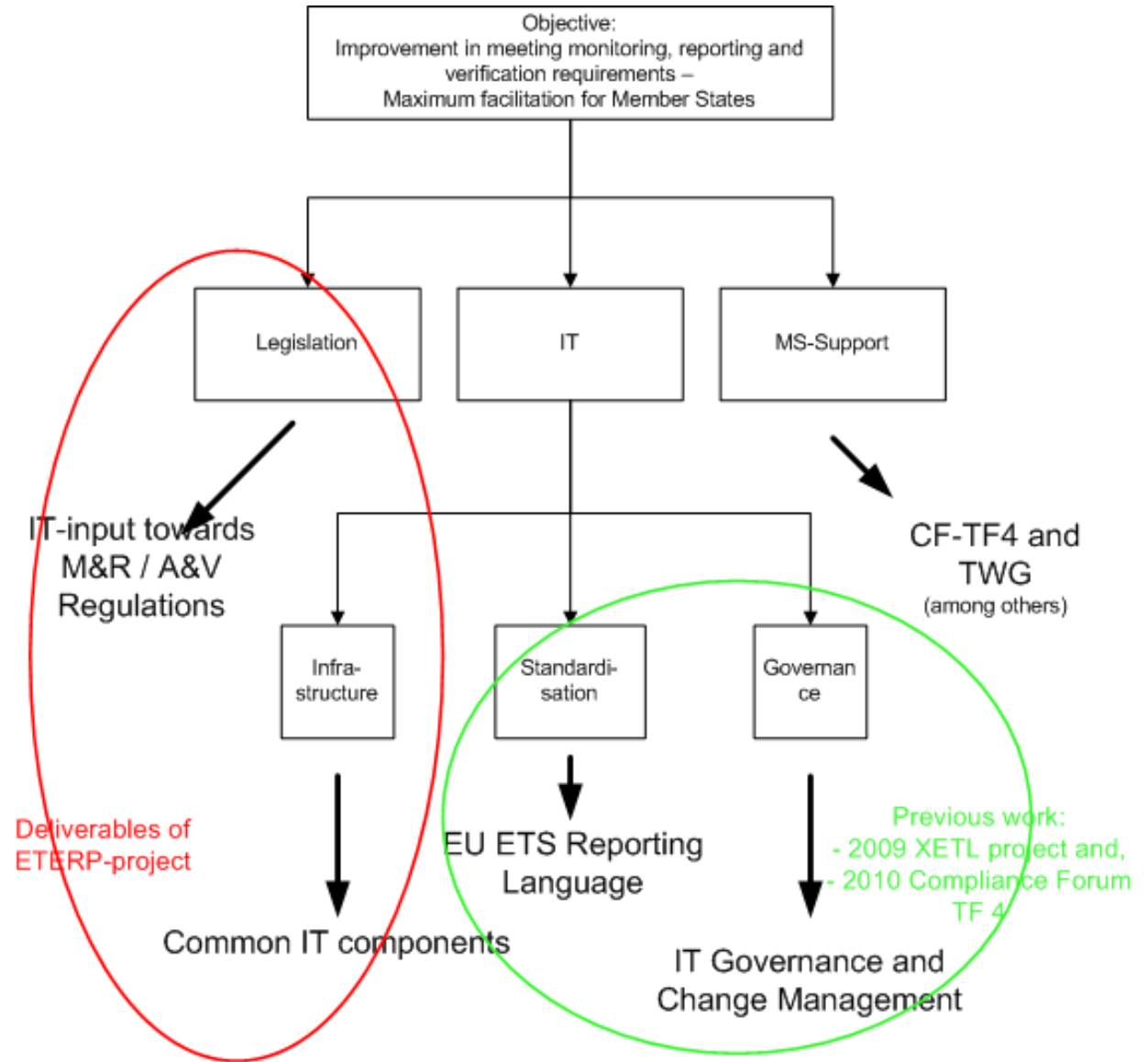
Agenda

1. *Background and Introduction to ETERP*
2. *Possible scenarios for Member States IT*
3. *Important next steps*
4. *High-level overview of some existing IT-systems*
5. *Questions*



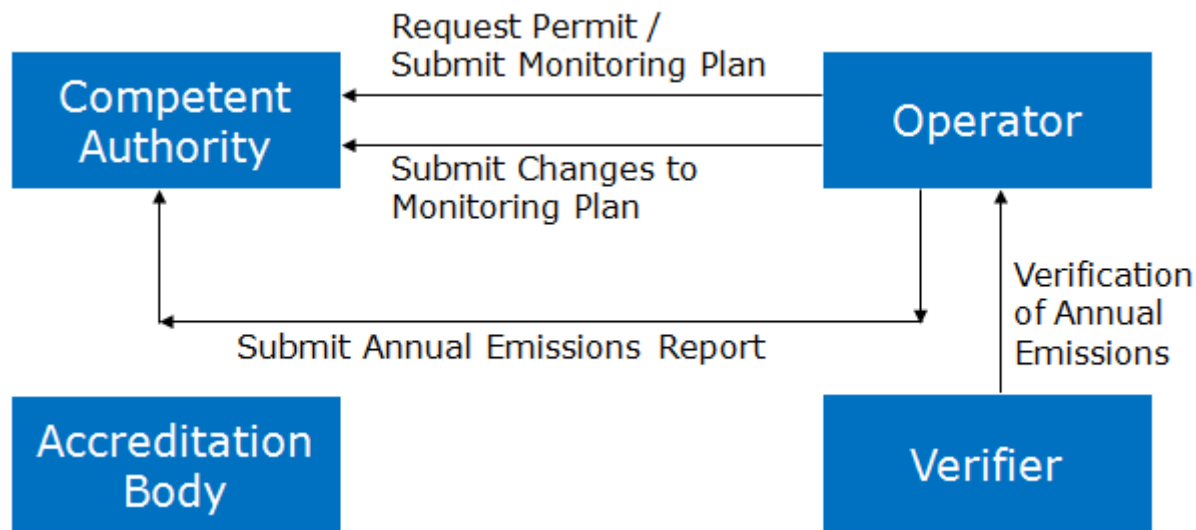
1. Background and Introduction to ETERP

- *Improvement of MRV for EU ETS through IT*



1. Background and Introduction to ETERP Project (2009) – The EU ETS Reporting Language

- **Development of EU ETS reporting language:**
- *Primary deliverable was an XBRL-schema, the so called XETL dictionary for Stationary Installations and Aviation:*
 - Defines the content, structure and hierarchy of ETS-messages:



- *The EU ETS Reporting language is published on the Commission website: http://ec.europa.eu/clima/policies/ets/monitoring_templates_en.htm*



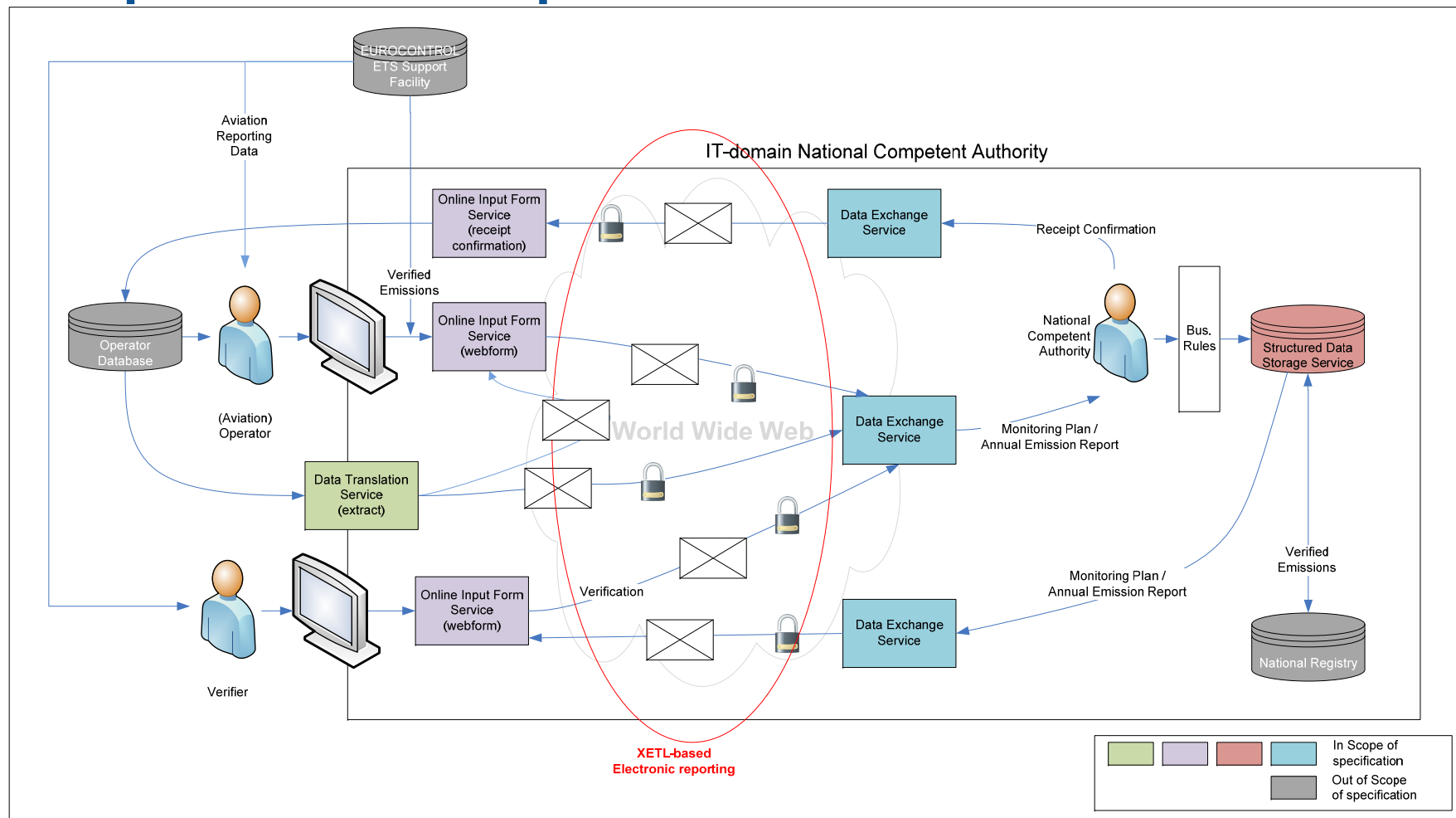
1. Background and Introduction to ETERP

The IT-blueprint as primary outcome

- ***IT-Blueprint for common IT tool major outcome of ETERP project***
- *Blueprint consists of:*
 - The **requirements document**, describing in detail 'what' the common IT components should be able to do
 - The **specifications document**, describing in more detail 'how' the common IT components should work.
 - The **current version of XETL** (v 1.1): the EU ETS Reporting Language
- *The IT blueprint comprises the full extent of a pan-European supported set of descriptions of IT-functionality and content for ETS MRV-support*
- *Member States can use different kinds of technical concepts based on the logical/functional concepts of the IT blueprint*



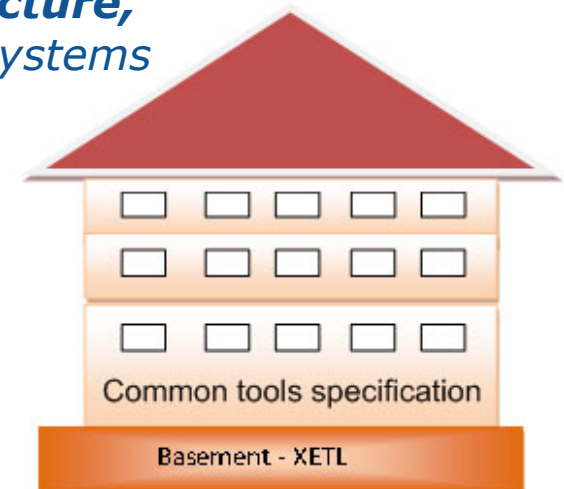
1. Background and Introduction to ETERP Specifications scope overview



2. Possible scenarios for Member States IT

Current situation – Differing IT-maturity between MS

- **Half the Member States (ca. 14) have IT systems in place to support (part of) MRV processes**
 - The maturity level and scope of the IT systems differ
 - Most systems focus on online input forms or internal CA-workflow
 - Few systems offer sophisticated data exchange and data translation
- **Half the Member States (ca. 13) have no or (very) limited automation in place and do their regulatory work primarily manually**
- **There was no overall European vision on the structure, architecture and usage of supporting information systems**
- *IT-blueprint aims to achieve this*





2. Possible scenarios for Member States IT Barriers against development of systems in some MS

- *Lack of funding*
- *Shortage of staff*
- *Shortage of IT expertise*
- *Technical difficulty (e.g. no adequate infrastructure)*
- *No insight in the possible benefits*
- *Lack of political commitment*





2. Possible scenarios for Member States IT The Case for Change

- *The following **benefits of the use of IT for MRV-support** have been mentioned:*
 - For Member States - Higher efficiency for CA, less administrative burden for operators and verifiers, better data quality, better and faster access to information, Less errors in input of data, better tracking & tracing, etc.
 - For Commission - More uniformity in EU ETS compliance as a whole
- ***IT blueprint will (without obligation):***
 - Help the Member States with no IT
 - Provide guidance for further streamlining of IT-use and electronic communication
 - Form the basis for new developments
- ***Member States can use different kinds of technical concepts provided that these concepts are built based on the logical/functional concepts described in the IT blueprint***



2. Possible scenarios for Member States IT Cooperation models between Member States

- *The following cooperation models can be distinguished:*
 1. **Joined development or purchase** of common IT components and implementation between Member States. The question is to ensure that the resources are forthcoming. Even if the money would not be that huge, the question is how this divided between the MS
 2. MS are **allowed the usage of (parts of) existing systems** of other MS
 3. Member States with mature IT systems **license their own system** to other Member States based on a limited fee
 4. MS with mature IT systems act as a mentor for other MS and **host the IT and compliance services and processes on their own IT system**, provided that it would be economically and politically acceptable
- *The models have differing levels of costs and possible customizing*
- *Important note!: In all cooperation models, Member States need to map their own specific functional demands/wishes (based on law, organisation, processes, etc.) to the IT blueprint and existing systems. There is no 'one-size-fits-all' system*



3. Important next steps

Member State steps going forward

- *Member States that are interested in participating in future developments for selection and implementation of the systems and/or functionalities, **need to:***
 - **Decide if and what IT they need**
 - Use the IT blueprint (requirements and specifications documents) for this
 - **Map the Member State specifics from law, organisation, processes, etc.** in order to find where they differ from existing systems
 - **Decide upon which scenario would be possible for them:**
 - Joined development or purchase
 - Sharing of existing systems (through own implementation, licensing or hosting)
 - **Find each other in order to start up shared projects**



3. Important next steps

Change management on IT blueprint is necessary

- *The IT blueprint currently consists of:*
 - The EU ETS Reporting Language (XETL)
 - The Requirements document for common IT components
 - The Specifications document for common It components
- *All three have been developed in conjunction with diverse technical working groups consisting of experts from multiple Member States. They can thus act a valuable foundation upon which further development of IT for EU ETS can be based*
- *A change management structure and procedure should be put in place in order to make sure this foundation is kept up-to-date and it can*
 - A draft change management structure/procedure has already been developed
 - EC, Member State, Developer and Operator participation in change management is most important
 - First order of business is to update XETL to the new M&R and A&V Regulations
- *Facilitation of MS IT-development through tools and publication of existing ETERP and XETL materials*



4. High-level overview of some existing IT-systems

Different perspectives on IT-systems

- *UK – ETSWAP-system pays specific attention to:*
 - Sharing of systems (and maintenance) between multiple Member States
 - Integrated system
 - The use of XETL
- *Germany – FMS/VPS-system pays specific attention to:*
 - Modularity
 - Security
- *Finland – PMRV-system pays specific attention to:*
 - Workflows
 - Link to Registry
- *The Netherlands – PAN-system pays specific attention to:*
 - Content focus – rule engine
 - Evolutionary implementation
- *All approaches are valid and possible and have their own advantages*

5. Questions

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Contact information

- *PwC – Contacts*
- *Neal Muusze* neal.muusze@nl.pwc.com +31 6 13206407
- *Jeroen Kruijd* jeroen.kruijd@nl.pwc.com +31 6 51158880
- *Gertjan Baars* gertjan.baars@nl.pwc.com+31 6 53776307
- *Ivo van Rij* ivo.van.rij@nl.pwc.com +31 6 51783903

- *Innofactor – Contacts*
- *Tuomas Riski* tuomas.riski@innofactor.com +358 50 3305732
- *Sampo Strand* sampo.strand@innofactor.com +358 50 5468846

