



# Overview of Commission Projects for 2013

**Rob Gemmill, Edoardo Turano - DG CLIMA**

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# Overview

## *2013 Commission projects:*

- *Monitoring and Reporting, Verification and Accreditation (MRVA) guidance*
- *EU ETS Article 21 questionnaire update*
- *EU ETS electronic reporting*

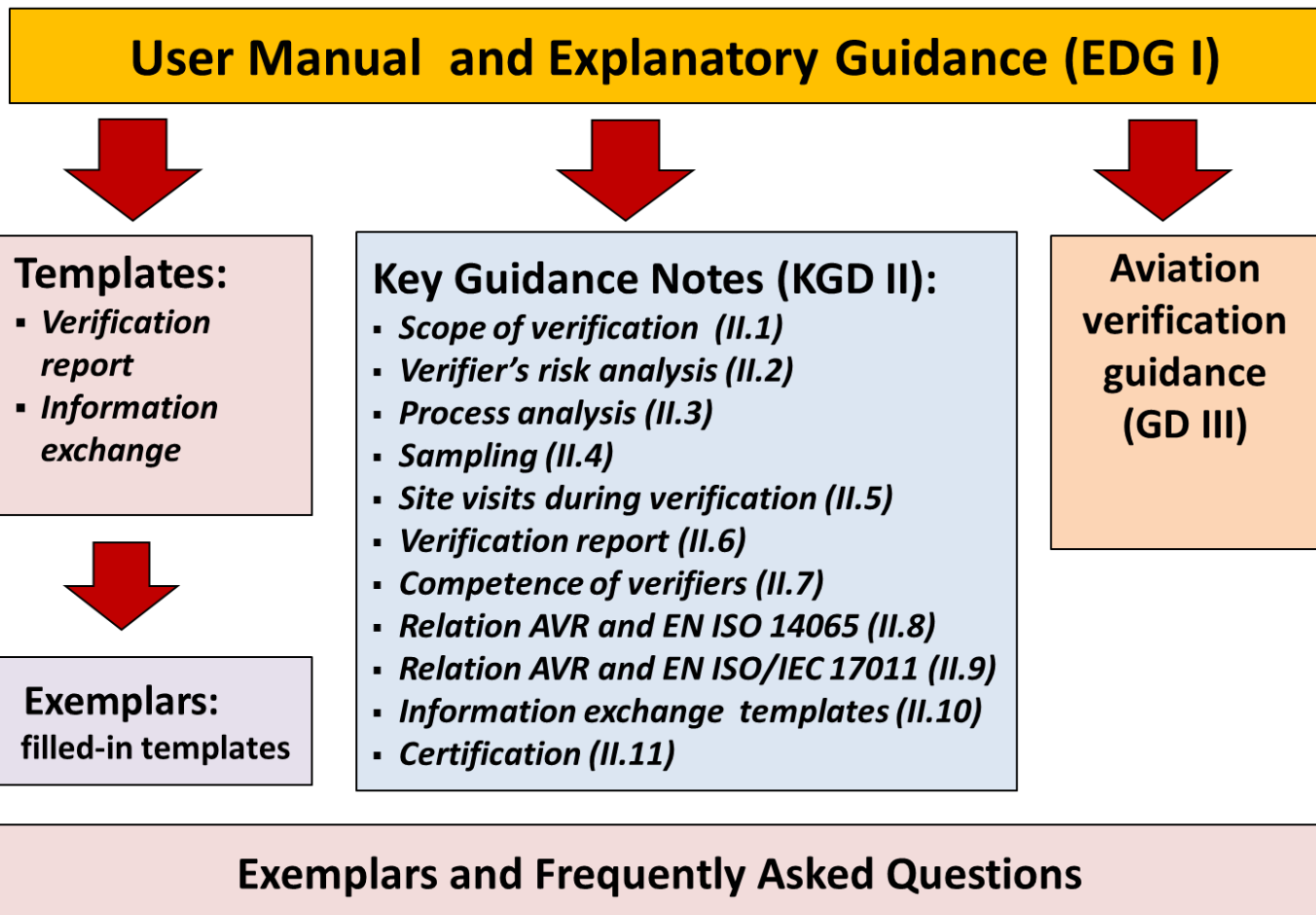
# MRVA Guidance: Objectives

- *To ensure availability of relevant guidance and tools to assist common understanding, application and compliance concerning the EU ETS M&R and A&V Regulations*
- *To further Commission aims regarding correct and harmonised implementation and well-functioning of the ETS, including in connection with promoted consistency and cost-effectiveness*
- *To provide a practical and user-friendly package to assist CAs, operators/aircraft operators, verifiers, NABs, NCAs*

# 2012 M&R guidance

Document	Status
General guidance document for installations	GD1 Endorsed
General guidance document for aviation	GD2 Endorsed
Monitoring plan template (Installations)	Endorsed
Monitoring plan templates (Aviation)	Endorsed
Biomass topics	GD3 Endorsed
Uncertainty assessment	GD4 Endorsed
Sampling and analyses	GD5 Endorsed
Data flow activities and control system	GD6 Endorsed

# 2012 A&V guidance



# MRVA 2013: Project Approach

- *Identification of need for supplementing or updating existing guidance*
- *Assessment of Member State requests (questionnaire)*
- *Coordination with other initiatives (e.g. Task Forces)*
- *Setting priorities*

# Development of deliverables

- *Development of 1<sup>st</sup> draft of guidance document / template / FAQ / exemplar*
- *Feedback and comments by TWG on 1<sup>st</sup> draft*
- *If appropriate:*
  - *Development of 2<sup>nd</sup> draft*
  - *Feedback and comments by TWG on 2<sup>nd</sup> draft*
- *Development of final draft*
- *Consultation with WG3 and, if appropriate, Endorsement in CCC*

# MRVA 2013: Current M&R status

Document	Status
Annual Emissions Report (installations)	Endorsed
Annual Emissions Report (Aviation, tkm)	Endorsed
Improvement Report Template (installations)	2 <sup>nd</sup> Draft
Improvement Report Template (Aviation)	In preparation
Discussion note on combining AER and VR	Final version
Checklist for assessing MPs	Final version
Exemplars: Improvement Report	In preparation
Exemplar: Data flow, control system and RA	In preparation
Exemplar: MP Update	Not yet started
Exemplar: Uncertainty assessment Small installations	In preparation
Guidance on conservative estimates	In preparation
CEMS (EN 14181)	In preparation
Biomass topics (default values, estimations)	In preparation
Annex VII (minimum frequency of analysis)	Not yet started
FAQs (Update of existing documents)	In preparation



# MRVA 2013: Current A&V status

Document	Status
Exemplars of verification reports (one additional exemplar to be completed)	<b>Final version</b>
Exemplars of verifier's risk analysis	<b>Final version</b>
FAQs (update of existing documents)	<b>1<sup>st</sup> draft</b>
Waive of site visit template and exemplar	<b>1<sup>st</sup> draft</b>
Man day guidance for NAB and for verifiers	<b>1<sup>st</sup> draft</b>
Guidance on CA review of AER and VR	<b>In preparation</b>
Good practice examples on application EN ISO 14065	<b>In preparation</b>
Exemplars of sampling	<b>In preparation</b>
Guidance on CEMS verification	<b>In preparation</b>
Quick guide for operators and AO (what to expect from verification)	<b>Will soon be started</b>
Quick guide on the role of verifier and CA	<b>Will soon be started</b>
FAQ/ Checklist on certification	<b>Will soon be started</b>
Information exchange template exemplar	<b>Will soon be started</b>

# ETS Article 21: Legal basis

- *Directive 2003/87/EC: Article 21(1)*
  - Each year the Member States shall submit to the Commission a report on the application of the ETS Directive***
- *Particular attention to the arrangements for:*
  - **allocation of allowances**
  - **operation of registries**
  - **implementation of M&R, A&V and issues related to compliance with the Directive**
  - **fiscal treatment of allowances**

# ETS Article 21 questionnaire: Legal basis

- *Commission Decision 2006/803/EC establishing a questionnaire for reporting on the application of ETS directive*
- *Main 2006 Questionnaire topics:*

**Competent authorities**

**Coverage of activities and installations**

**The issue of permits for installations**

**Application of MRG**

**Arrangements for verification**

**Operation of registries**

**Arrangements for the allocation of allowances - NEC**

**The legal nature of allowances and fiscal treatment**

**Use of ERUs and CERs in the community**

**Surrender of allowances**

**Fees and charges**

**Issues related to compliance**

**Access to information (Art 17)**

*N.B.: Updated questionnaire for Phase II offered in 2009*

# Article 21: General Project Objectives

- *Bring Article 21 questionnaire in line with revised legislation i.e. Phase III requirements*
- *Evolve questionnaire towards a report providing "compliance" and "management" information useful to the Commission, Member States and CAs*
- *Ensure that Article 21 reporting requirements are met and overall EU ETS compliance strategy is supported*

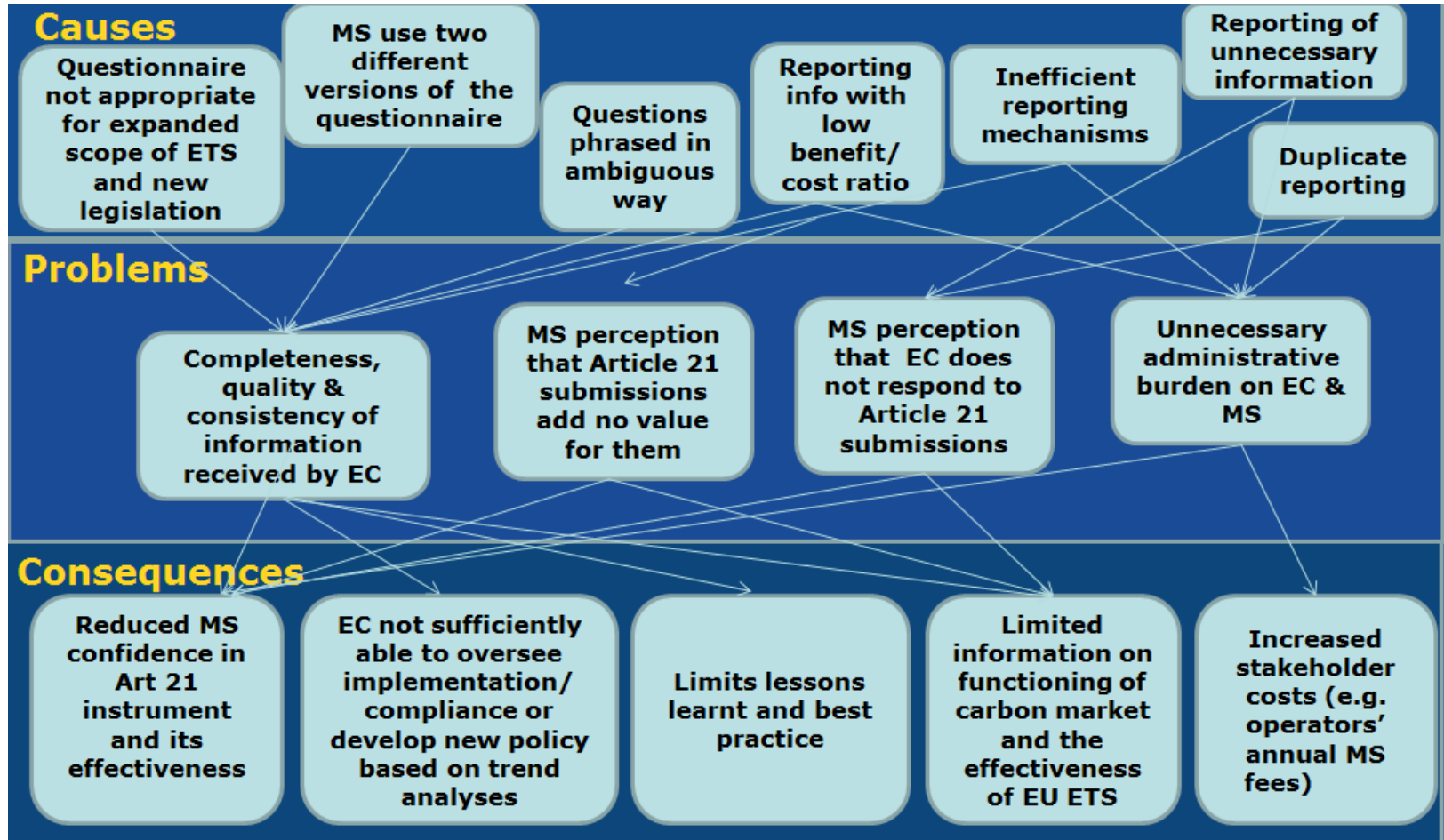
# Article 21: Specific Project Objectives

- *Increase the quality, completeness and consistency of information available to Commission and other stakeholders on ETS implementation within MS*
- *Increase Member State confidence in the Article 21 questionnaire and its effectiveness*
  - **Rationale and purpose for each questions**
  - **Focus on truly relevant information**
- *Improve the efficiency of completion of the Article 21 reporting by MS*

# Article 21: Project Approach

- *Identify problem areas*
  - **Careful evaluation of current questionnaires**
  - **Identification of new issues**
- *Develop options for revising the questionnaire*
- *Assess the options for revising the questionnaire*
  - **Include administrative burden/benefits of simplification**
- *Develop proposed revised questionnaire*
- *Develop guidance material*
- *Finalise proposals for revised questionnaire & guidance for WG3 submission & CCC vote*

# Article 21: Problem definition



# ETS E-reporting: Advantages of IT systems

- *Efficiency of EU ETS compliance cycle*
  - **Less administrative burden**
  - **Better and faster access to information**
  - **Better ability to track and trace workflows**
  - **Automation of key requirements**
- *Enhanced capacity for reliable data storage*



# ETS E-reporting: Advantages of IT systems

- *Improved quality of data*
  - **consistency (setting of minimum requirements, ensuring consistent/appropriate returns)**
  - **completeness (automatic diagnostic checking)**
  - **transparency (easier access to data)**
  - **trueness (avoid errors due to manual intervention)**
- *Enhancement of EU ETS credibility and confidence*

# ETS E-reporting: Legal basis

- *DIRECTIVE 2003/87/EC*

## **Art 14 "Monitoring and reporting of emissions"**

4. The regulation referred to in paragraph 1 may include requirements on the use of automated systems and data exchange formats to harmonise communication on the monitoring plan, the annual emission report and the verification activities between the operator, the verifier and competent authorities

- *COMMISSION REGULATION (EU) No 601/2012*

## **Article 74 "Electronic data exchange formats"**

Member States may require the operator and aircraft operator to use electronic templates or specific file formats for submission of monitoring plans and changes to the monitoring plan, as well as for submission of annual emissions reports, tonne-kilometre data reports, verification reports and improvement reports.

## **Article 75 "Use of automated systems"**

- integrity, confidentiality, authenticity, non-repudiation of data
- Access control, availability

# ETS E-reporting: Background

*XETL (eXtensible EU ETS reporting language)*

- **E-reporting language supporting the EU ETS activities**
- **Developed in line with MRG 2007**
- **Based on two xml schema (EUETSRequest, EUETSReport)**
- **Consisting of seven messages**
  - Permit request
  - Permit update
  - Permit cancellation
  - Monitoring plan update
  - Annual emissions report
  - Emissions report update
  - Verified emissions report

# ETS E-reporting: Project Objectives

- *Develop, evaluate and prioritise options for establishing longer term governance system*
- *Update and improve XETL and file format specifications and guidance*
- *Develop and evaluate options to facilitate Member State IT development involving uptake of XETL and associated tools*

# ETS E-reporting: Approach for Governance options

- *Define scope of governance and change management*
- *Develop options taking account of international experience (e.g. XBRL)*
- *Identify role of stakeholders per option (e.g. EC, E-reporting Task Force, software providers)*
- *Options evaluation*
  - **pros and cons**
  - **short and longer term barriers and risks**
  - **Costs estimate**

# ETS E-reporting: Approach for XETL Update

- *Identify required changes*
  - **Phase III mandatory updates**
  - **Gaps, anomalies, duplications – prioritised**
  - **Quality checks – prioritised for compliance**
  - **Mindful of interfaces with other data systems**
- *Update schema*
- *Test schema*
- *Update guidance*

# ETS E-reporting: Approach to facilitate MS IT uptake

- *Propose full range of options to promote added uptake of XETL-web based systems by MS, incl.:*
  - **No intervention**
  - **Unilateral development**
  - **Joint development (shared purchase)**
  - **Licensing of MS existing system**
  - **Development of central/default system by EC**
- *Evaluate mechanisms, complications (technical, political, legal), benefits, costs*

# Questions ?



# Thank you for your attention!

*Contact:*

**[Robert.Gemmill@ec.europa.eu](mailto:Robert.Gemmill@ec.europa.eu)**

**[Edoardo.Turano@ec.europa.eu](mailto:Edoardo.Turano@ec.europa.eu)**

*Further Information:*

**[http://ec.europa.eu/clima/policies/ets/monitoring/index\\_en.htm](http://ec.europa.eu/clima/policies/ets/monitoring/index_en.htm)**