



4th PMR Technical Workshop

***EU ETS Reporting
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Marco LOPRIENO

***EUROPEAN COMMISSION
DG CLIMATE ACTION***

Short on the EU ETS

- Some 11.000 - 12.000 stationary installations emitting +/- 2.300 ('05) -> 2.000 ('10) Mtons CO_{2(e)} in total
- +/- 45% of total EU-GHG emissions covered
- 11.000 - 12.000 greenhouse gas permits,
- 11.000 - 12.000 monitoring plans, etc.
- A lot of people (regional) Competent Authorities & companies, verification bodies involved, where capacity has been building up since 2003 (almost 10 years)
- From 2012 > 4.000 aviation operators (monitoring from 2010)

EU ETS Reporting: Policy Context

- EU ETS Directive 2003/87/EC amended by 2009/29/EC, Articles 14 & 15, provisions for the monitoring and reporting of GHG emissions; verification of reports and for accreditation and supervision of verifiers
- 2 ETS Commission Regulations on Monitoring and Reporting (MRR), on Accreditation and Verification (AVR): 2 main last implementing measures of revised ETS Directive, they apply by 1 January 2013, the 3rd trading period
- EU ETS Directive, Article 21

In the new Regulations special focus on securing accurate data

- Strict monitoring & reporting requirements
- Strict requirements on the verification of emission reports and competence of verifiers
- Accreditation and continuous supervision of verifiers to ensure good quality verification
- Mechanisms for the Competent Authorities (CA) of the Member States (MS) to oversee the whole compliance chain

Stringent requirements on reporting

- **Reported emissions must provide credible and balanced account of emissions and be free from material errors**
 - *Uniform reporting templates not only for reporting emission data but also for substantiating underlying data*
 - *Verification of reports by accredited verifier according to requirements of the AV Regulation (presentation 3)*
- **Operator is required to improve its monitoring methodology, quality control system and procedures**
 - *Regular improvement reports with plans to improve monitoring methodology and accuracy of data*
 - *Improvement reports addressing the verifier's recommendations and non-compliance issues found*

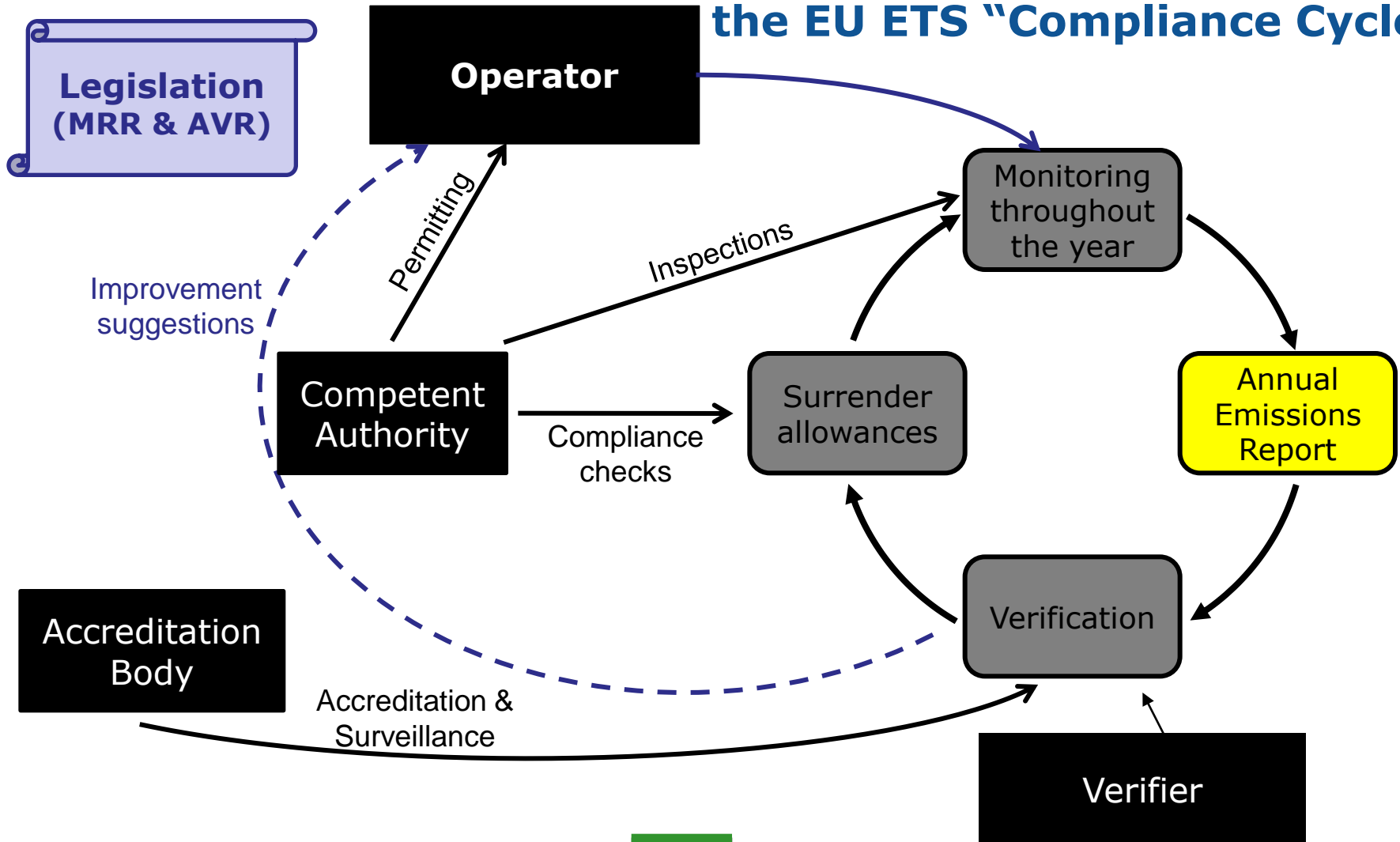
The EU ETS Reporting

Bottom-up: Installation Level + Aviation Operators

- Operator: Annual Emission Report
- Verifier: Verification Report
- Competent Authority (CA) & National Accreditation Body (NAB): Information Exchange

Top- down: Country Level " Article 21 reporting"
on the implementation of ETS Directive

Reporting & the EU ETS "Compliance Cycle"



Operator Reporting Obligations

- Submission of a verified annual emission report to the CA by 31 March each year
- Using a standard template: Identifying information; activity data, emission/oxidation/conversion factors; emission totals for all source streams/emission sources, etc.
- Use of an accredited verifier; adherence to Member State guidance
- Verifier access to all required information
- Retention of relevant records for at least 10 years (to allow traceable recalculation where necessary)

Annual Emissions Report: MRR Annex X

Stationary installations

- General data on the installation, the verifier, reporting year, monitoring plan
- Relevant changes in the operation of the installation
- Information for all emission sources and source streams (total emissions in CO_{2(e)}, other GHG, measurement or calculation methodology, tiers applied, activity data, emission factors, net calorific values, mass balance methodology)
- Information on biomass, bioliquids, biofuels, CO₂ transferred or received, possible data gaps

Aircraft operators

- Aircraft registration numbers, total number of flights
- Tonne-kilometre data reports for allocation free allowances

Verifier Reporting Requirements

- Verifier reports to NAB work programme/site visits by 15 November Confirmation that the operator's annual emission report is free from material misstatement and material non-conformity
- Completion of a standard verification report template
- Complete internal record of the verification carried out; the decisions and justifications (traceable record)
- Misstatements and non-conformities should be resolved as much as possible before final reporting
- Recommend improvements to the operator

Competent Authority (CA) Role

- Confirm requirements
- Provide succinct guidance, reporting templates/systems
- Administrative/technical check of the verified annual emission reports
- Advise the Registry of acceptability or not
- Consider necessary improvements
- Proportionate inspection regime and enforcement
- Information exchange with NAB: accreditation and on-going audits

Reporting between NABs and CAs 1

- Accreditation work programme and management report (AVR, Article 70)
- The NAB have to make an accreditation programme available to the CA of all MS where the verifiers accredited by that NAB are working by 31 December of each year. A management report has to be made available by 30 June each year to the same CA giving feedback on the accreditation work programme and providing the relevant information.

Reporting between NABs and CAs 2

- Information exchange by the competent authority (AVR, Article 72)
- The CA communicates to the NAB on 30th September on issues resulting from the checking of operator's or aircraft operator's reports and verification reports; and, where relevant, issues resulting from inspection, the evaluation of internal verification documentation and complaints.

EU ETS Reporting: Lessons Learnt

- Reporting fundamental element for level playing field/common currency, important for credibility and for potential linking
- Important to have different levels of reporting: bottom-up; among different players; top-down
- Aided by clear common requirements and standard reporting formats
- Need balance between robust reporting and costs
- Proportionate costs/approaches for 'small' operators
- Risk based approaches
- Flexibility regarding confidentiality concerns - not everybody needs to see everything!
- Retain records (traceability)
- Electronic reporting systems can deliver even greater assurance, security/confidentiality, and automatic checks



For further info please visit:

http://ec.europa.eu/clima/policies/ets/monitoring/index_en.htm