

Monitoring and Reporting in the framework of the EU ETS

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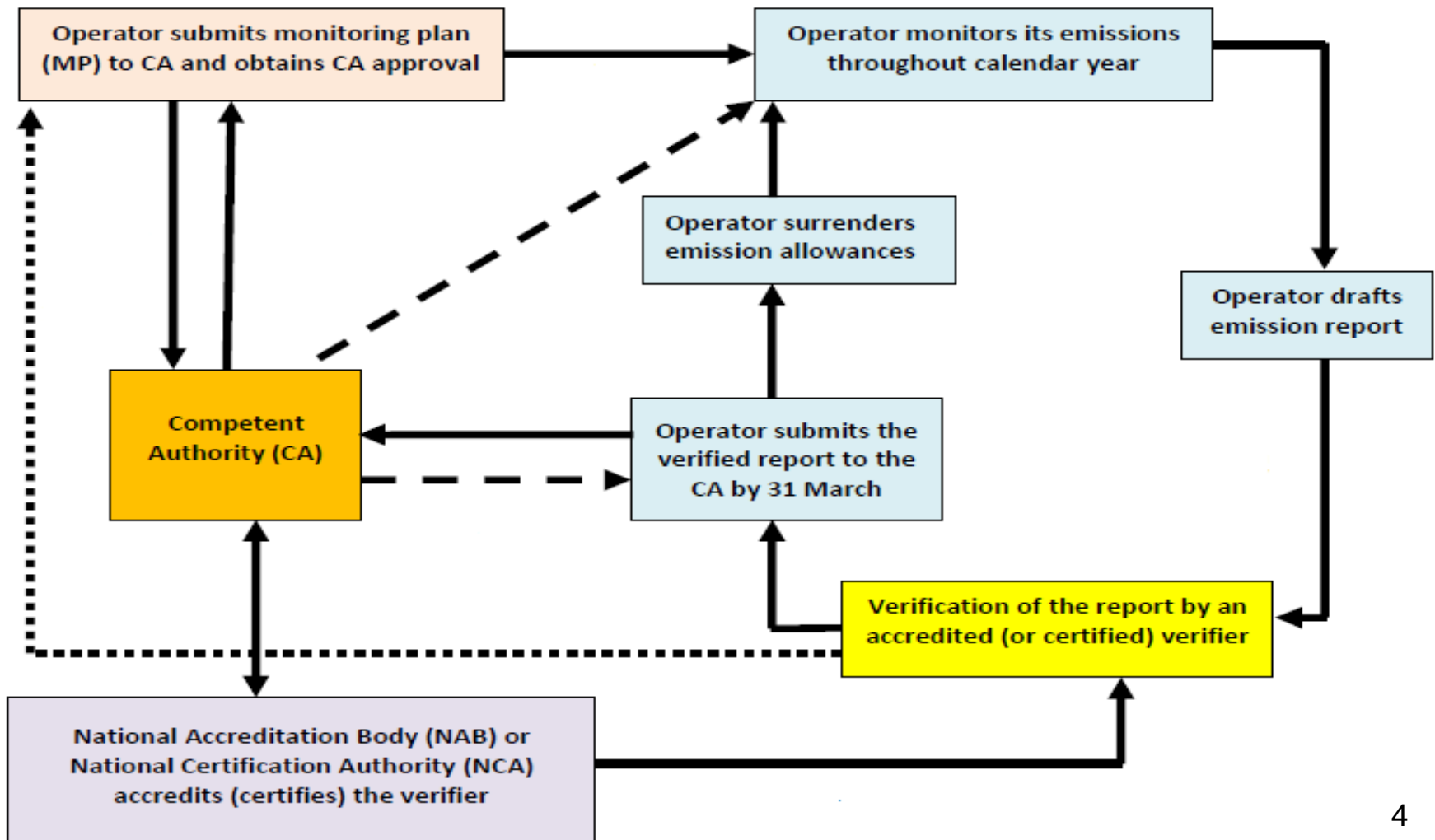
Overview

- **Importance of MRV in ETS**
- **EU ETS Compliance cycle**
- **Legal basis**
- **General principles**
- **Main changes compared to MR Guidance**
- **MRR main requirements**
- **EC guidance material**

Importance of MRV in ETS

- **MRV plays a key role in the credibility and trust of ETS**
- **Robust, complete, consistent, accurate MRV ensures:**
 - *transparency, tracking and enforcement*
 - *fairness among participants in the market*
 - *the goal set by the cap is reached*

EU ETS Compliance cycle



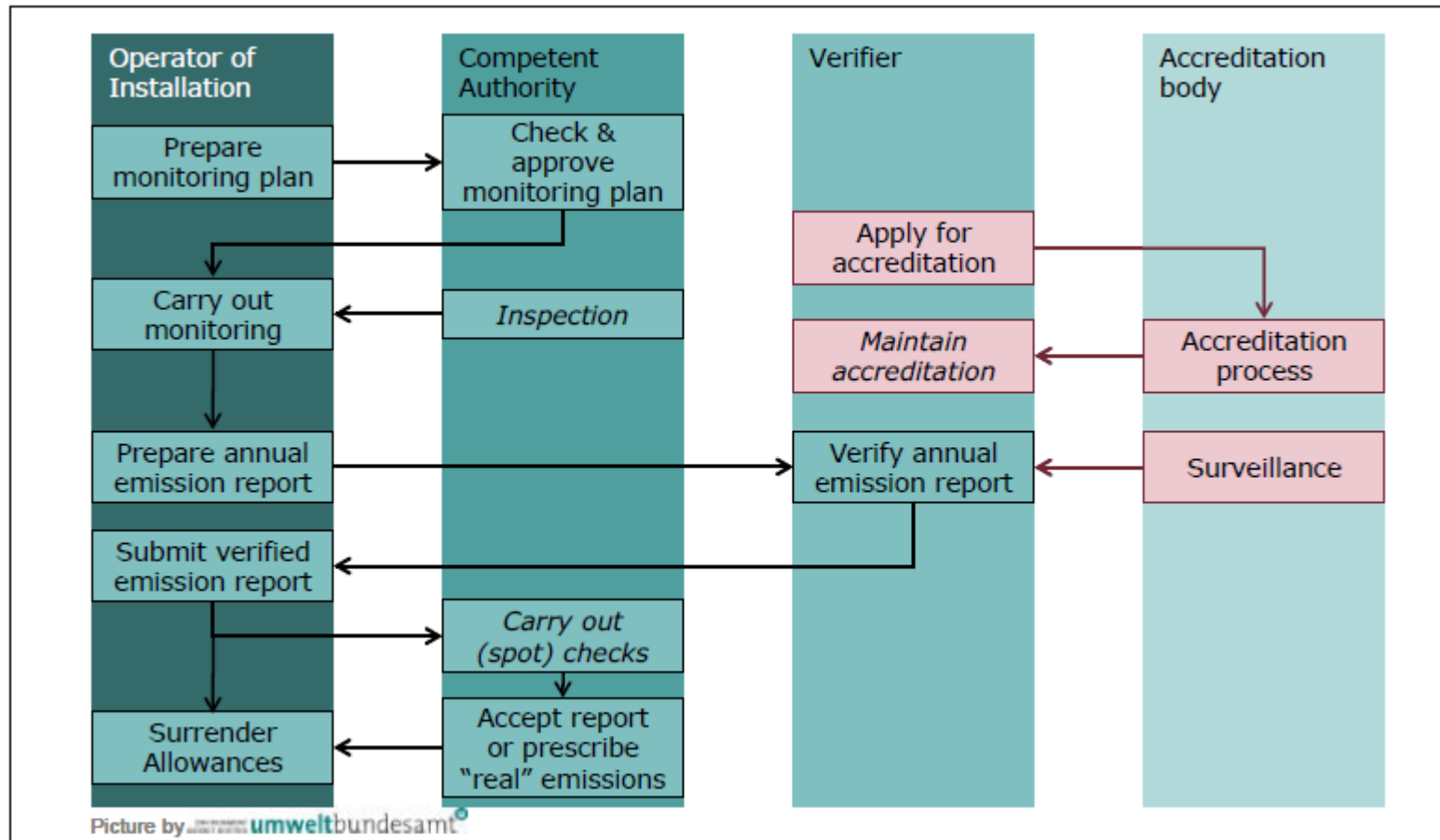
Important dates

When?	Who?	What?
1 January N		Start of monitoring period
By 28 February N	CA	Allocation of allowances for free (if applicable) on the operator's account in the Registry
31 December N		End of monitoring period
by 31 March N+1	Verifier	Finish verification and issue verification report to operator
By 31 March N+1	Operator	Submit <i>verified</i> annual emissions report
By 31 March N+1	Operator / Verifier	Enter verified emissions figure in the verified emissions table of the Registry

Important dates

When?	Who?	What?
March – April N+1	CA	Subject to national legislation, possible spot checks of submitted annual emissions reports. Require corrections by operator, if applicable. N.B. Subject to national legislation, there is no obligation for CAs to provide assistance or acceptance of operator reports either before or after 30 April).
By 30 April N+1	Operator	Surrender allowances (amount corresponding to verified annual emissions) in Registry system
By 30 June N+1	Operator	Submit report on possible improvements of the MP, if applicable
(No specified deadline)	CA	Carry out further checks on submitted annual emissions reports, where considered necessary or as may be required by national legislation; require changes of the emissions data and surrender of additional allowances, if applicable (in accordance with Member State legislation).

Roles and responsibilities



Legal Basis

- **Articles 14 and 15 of Directive 2003/87/EC establishing a scheme for GHG emission allowance trading within the Community (EU ETS)**
- **Commission Regulation 601/2012 on the monitoring and reporting of GHG emissions (MRR)**
- **Commission Regulation 600/2012 on the verification of greenhouse GHG emission reports and the accreditation of verifiers (AVR)**

What new is brought by MRR?

- Clarification of requirements
- Greater consistency, efficiency, effectiveness and fairness
- Simplification where possible (to improve cost-effectiveness)
- Retaining existing practice that has worked well (evolution, not revolution)
- Statement of mandatory requirements (not guidance)
- Reduction of duplications
- Clearer identification of responsibilities

General principles

- **Completeness (MRR Art. 5)**
 - *All process and combustion emissions from all emission sources and source streams*
 - *Including emissions from **abnormal events, start-up, shut-down and emergency situations***
- **Consistency and comparability (MRR Art. 6)**
 - *Consistency of time series of data **throughout** the years*
 - ***No arbitrary** changes of monitoring methodologies*
- **Transparency (MRR Art.6)**
 - ***Documentation** on data and methodologies*

General principles

- **Accuracy (MRR Art. 7)**
 - *Data neither systematically nor knowingly inaccurate*
- **Integrity of methodology (MRR Art. 8)**
 - *Data as a credible and balanced account of an installation's emissions*
 - *Highest achievable accuracy, unless this is technically not feasible or would lead to unreasonable costs*
- **Continuous improvement (MRR Art. 9)**

Main changes compared to the MRG 2007

- Emphasised central role of **MP**
- Amended requirements for **tier hierarchy** and definitions for the **source stream categories**
- Clarifications for the role of **written procedures** supplementary and separate from the MP
- New rules for **updating** the monitoring plan
- Strengthened principle of **continuous improvement** of the MP
- Requirement to **react to recommendations** of the verifier
- MP requirements for **tier evidence, uncertainty assessment, and risk assessment** towards appropriate control system of data flows
- Changed **terminology** (calculation factors, preliminary emission factor)

Main changes compared to the MRG 2007

- Improved possibilities to **combine** the various allowed monitoring approaches
- Clarification of **unreasonable costs**
- **Flexibility** to allow several new approaches for uncertainty of the measurement, including reliance on national legal metrological control
- **Strengthened measures** for securing regular maintenance, calibration and adjustment of metering equipment
- Same definition for biomass, biofuels and bioliquids as RES-D
>> **sustainability criteria** for zero emission factor to biomass

Main changes compared to the MRG 2007

- New elements for calculation factors are to be determined using **laboratory analyses**: dedicated sampling plan approved by CA, and clarifications for equivalency criteria for laboratories
- Updated rules for **transferred and inherent CO2**
- Elaborated rules for **data flow and control activities** of operators
- **Improvement principle** establishes a feedback loop from the verifier's findings to the operator's monitoring plan
- Basis for **electronic templates** for MP, emission reports and other communication between operators, verifiers and competent authorities

MRR main requirements

- Competent Authority approved monitoring plans
- Emissions determination - calculation or measurement (CEMS)
- Calculation based on:
$$\text{CO}_2 \text{ emissions} = \text{activity data} * \text{emission factor}$$
- CEMS operated according to EN 14181 (QA of AMS)
- Tier-based approach (more accuracy for large emitters)
- Data management and control procedures
- Information technology
- Simplification for installation with low emissions

Importance of Guidance for MRV

- **The European Commission is developing guidance, templates and tools, in order to:**
 - *Support operators, competent authorities, verifiers, national accreditation bodies*
 - *Support consistent interpretation and application of MRR and AVR*
 - *Facilitate implementation*
- **Guidance does not create supplementary requirements**
- **Guidance applies user-friendly language and points in particular to new requirements**

European Commission effort towards harmonization

- **Guidance documents, templates and tools**
- **Compliance Forum**
 - *Task Force Monitoring and Reporting*
 - *Task Force Accreditation and Verification*
 - *Task Force Aviation*
 - *Task Force Electronic Reporting*
 - *Task Force CCS*
- **XETL as an harmonised e-reporting language**
- **Peer Reviews**

Guidance material in support of the MRR

Guidance Documents

- GD1 & GD2: General Guidance (Installations & Aviation)
- GD3: Biomass Issues
- GD4: Uncertainty
- GD5: Sampling & Analyses
- GD6: Data Flow, Control Activities and Risk Assessment
- GD7: Continuous Emissions Monitoring Systems (CEMS)

Frequently Asked Questions (FAQs)

Templates

- Monitoring Plans (Installation, Aviation incl. t-km)
- Annual Emissions Report (Installations, Aviation incl. t-km)
- Improvement Report (Installations, Aviation incl. t-km)

Tools

- Tool for calculating Unreasonable Costs
- Tool for determining the Frequency of Analyses ("1/3"-rule)
- Tool for the Operator's Risk Assessment

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

Thank you for your attention!

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