

# **A STEP-WISE IMPLEMENTATION experiences from Slovenia**



**Nives Nared**  
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ECRAN workshop

# OUR WAY

- **Directive 2003/87/EC adopted in October 2003**
- **SLOVENIA became EU Member on May 1, 2004**
- **ETS to start January 1, 2005**
  
- **NO experiences in other “old” Member States, nor European Commission**
- **New to “polluters”**
- **Nobody knew in advance “how it will look like”**
- **Nobody could come to us to teach us**

# **HOW TO MAKE IT WORK in 6 months**

## **DECIDE WHO IS WHO:**

- **Organisational/Legislative framework**

## **ISSUE GHG permits**

## **REGISTRY**

## **VERIFIERS identification/accreditation (via exam)**

## **TRAIN, RAISE AWARENESS Numerous “step by step” workshops with industry**

# DECIDE WHO IS WHO ?

## COMPETENT AUTHORITY

### **MINISTRY:**

Draft legislation

Organise meetings,  
attend meetings in BXL

Train industry, Agency, other ministries



### **ENVIRONMENTAL PROTECTION AGENCY**

GHG permits issuance

Registry

# OUR TEAM



## **2004-2012:**

- **Ministry: 2 x 1/2**
- **AGENCY: 1 (issue 100 ghg permits, registry administrator)**

## **After 2013:**

- **Ministry 2, (but „non ETS“ as well)**
- **AGENCY 2, (ghg permits, registry administrator)**
- **Auctioneer: development bank**
- **Accreditation: SA**

# **The beauty of a small team**

- **No huge coordination needed – ETS is complex enough**
- **One stop shop for all operators**
- **CA has good “industry” overview**
- **Overview on implementation helpfull for “future action” (negotiations for post 2020)**

# CA KEY MILESTONES

- **ADOPT LEGISLATION**

- EU legislation transposition
- Not all EU regulation is directly applicable
- **Do not copy/paste but adapt to local circumstances**

## RECOMMENDATIONS:

- **Decide on organisational framework**
- **Start with legislation on GHG monitoring**
- **National legislation needed ex ante for data collection (monitoring of CO<sub>2</sub> emissions)**

# CA KEY MILESTONES

- **IDENTIFICATION OF INSTALLATIONS**

OUR APPROACH:

- national CO<sub>2</sub> tax (since 1996) = identification of installations and data on quantity of fuels used
- Monthly meetings with industry (first year of implementation), continuous training

**RECOMMENDATIONS:**

- Communicate asap – engage them in preparatory phase of legislation drafting
- Capacity building & training (use experts & experiences from other MS)



# CA KEY MILESTONES

- **REGISTRY**

- Decision on organisational framework (one stop shop)
- Develop or buy IT to connect to EU registry
- Adopt national legislation
- Coordination with other national authorities (responsible for anti money laundering, crime)

## RECOMMENDATIONS:

- Public body (obligation lies within Government)
- One stop shop in the country

# CA KEY MILESTONES

- **ALLOCATION**

- NIMs (gather data, data verification crucial – use verifiers – adapt legislative requirements)
- equivalent measures

## RECOMMENDATIONS:

- use experts & experiences from other MS)

- **AUCTIONING**

- Nominate institution acting as auctioneer

## OUR APPROACH:

Development bank (changes under consideration)

- Cash flow determination

## **Decision for earmarking use of auctioning**

OUR APPROACH: 100% earmarked funds

# CA KEY MILESTONES

- **ACREDITATION OF VERIFIERS**

- Train the verifiers
- Train the accreditation body/ technical assistance needed
- Communication between competent authority, national accreditation body and verifiers needed

- **INSPECTION**

- Control of actual situation on site
  - How /what/define installation/which parts is subject to permitt
  - Control during operating (any technical changes made without being reported upfront)

# CA KEY MILESTONES

- **SANCTIONS**

- Control of actual situation on site
- How to implement to apply sanctions
- Enforcement - what if the operator does not pay?
- What if the operator does not prepare MR on time?

- **REPORTING TO EC**

- Art 21 /template/ by June each year
- Use of auctioning revenues by June each year

# INSTITUTIONS INVOLVED

- **Ministry of Environment**
- **Environmental Agency**

- **auctioneer**



- **verifiers**



- **Accreditation**



- **Environmental Fund**



# HOW, WHERE TO START

- **Set up organisational structure**
- **Prepare and adopt legislation – devision of responsibilities , data on emissions from industry**
- **Let the industry start with monitoring in advance- why?**
- **They need experiences and you need data for allocation**

# „NOT BY THE BOOK“ situations

- **Control of actual situation on site:**
  - **CA is responsible**, so do not trust anybody else
- **Operators' bankruptcy**
- **Changes of operators, changes of installations**
- **Changes not notified – political problems/jobs ?**
- **„what if “ situations**

# NATIONAL LEGISLATION REQUIRMENTS

- **Organisational framework**
- **Equivalent measures for opt out instalations**
- **REGISTRY** - Coordination with other national authorities (responsible for anti money laundering, crime)
- Exam for **verifiers** (now included in accreditation proces)
- **Auctioning revenues** (share earmarked, management of revenues)



# **EU ALLOWANCE**

- **= right to emit a tonne of CO<sub>2</sub> equivalent**
- **issued by MS (competent authority)**
- **dematerialised asset (RegReg)**
- **tradeable across EU**
- **held in electronic form in the registry system**

# INDUSTRY obligations

- Prepare monitoring plan in order to get GHG permit approved
- Monitor, prepare report with verified data on emissions
- Surrender allowances EUA
- Inform CA of any changes to the installation that would influence GHG emissions

# LESSONS LEARNED

- Invite industry asap, **time needed for implementation**
- Time needed for approval by CA
  - Do not underestimate it
  - Communication with other MS CA
- Learning by doing: **to improve implementation**
  - Communication between CA-NAB-Operators
  - Communication between verifiers-inspectorate
  - **But remember that ETS is not the only part of CC legislative framework**

# HUMAN RESOURCES

- **No need for big team**
- **But cooperation crucial**



- **Mechanical & chemical engineers welcome** (coordination with industry, on site visits, technical knowledge on instalations, verification)
- **Lawyers** (legal framework, permitting)

# **STEP by STEP reminder**

- **identify required tasks**
- **staffing,**
- **administrative structure**
- **costs**
- **list of activities**
- **capacity building requirements**
- **training needs**

# **WHY AND HOW ETS fits into big CLIMATE CHANGE picture**

- **Time is running out to prevent climate change impacts – everybody on board**
  - Decarbonising economy
- **Avoid locking-in fossil investments**
- **ETS implementation helps restructuring economies**
- **Business opportunities**
- **Cost efficiency, reduce costs, new jobs opportunities , raise competitiveness**

# RECOMMENDATIONS

- **Non legal guidance is essential for implementation**
  - Workshops, guidance notes, templates, helpdesk
- **Start with MRV – „if you cannot measure it you cannot manage it“**
- **Develop of guidance/FAQ tools**
- Keep repeating „untill done“
- Predictability, Stability needed for operators
- **Share experiences and learn from other MS**



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