

Formulating a roadmap to implement ETS

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WELCOME!

(all sheets will be published at www.ecranetwork.org)



This Project is funded by the European Union



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Formulating a roadmap to implement ETS

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This training

Main aim: Support formulation of a **national roadmap for the implementation of an emissions trading system (ETS)**.

- Improved understanding of the needs for implementation of ETS and the steps to be taken towards implementation
- Improved understanding on which stakeholders to involve in various steps of implementation of ETS, their roles and responsibilities
- Better understanding of required resources for the implementation of specific elements of an ETS system in conformity with the EU ETS requirements
- Tips and tools to support efficient implementation and support priority setting in implementation.

The larger part of this training will consist of working exercises, guided by highly experienced EU ETS experts



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Agenda and setting



- Presentations on the requirements and the lessons learned from Slovenia, Croatia and Serbia
- Addressing the value of peer-to-peer support and knowledge sharing – with example NL-Croatia.
- 3 Working sessions to (further) prepare for ETS implementation in your country
- Guidance by very experienced EU ETS experts
- Focus on practical information: who will need to do what and when. Choices to be made; matters to be organised and staff/time requirements.
- Active knowledge sharing – active participation will be much appreciated



The trainers/experts



- Ms. Melita Zdilar – expert EU ETS from the Ministry of Environment and Nature Protection of Croatia
- Ms. Dragana Radulovic – expert ETS from the Serbian Ministry of Agriculture and Environmental Protection
- Ms. Nives Nared – expert EU ETS from the Slovenian Ministry of Agriculture and the Environment
- Mr. Damien Laurent - expert EU ETS from the Walloon Air & Climate Agency
- Mr. Alex Pijnenburg – expert EU ETS from the Dutch Emissions Authority
- ECRAN experts Imre Csikós and Monique Voogt



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The role and ambitions of the roadmaps



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ECRAN Climate

- ECRAN: The **E**nvironment and **C**limate **R**egional **A**ccession **N**etwork
- 8 beneficiaries: Candidates and potential candidates for accession to the EU
- Designed to assist countries to converge with the EU Climate acquis and with EU climate policies
- 4 workgroups – WG3 focuses on emissions trading



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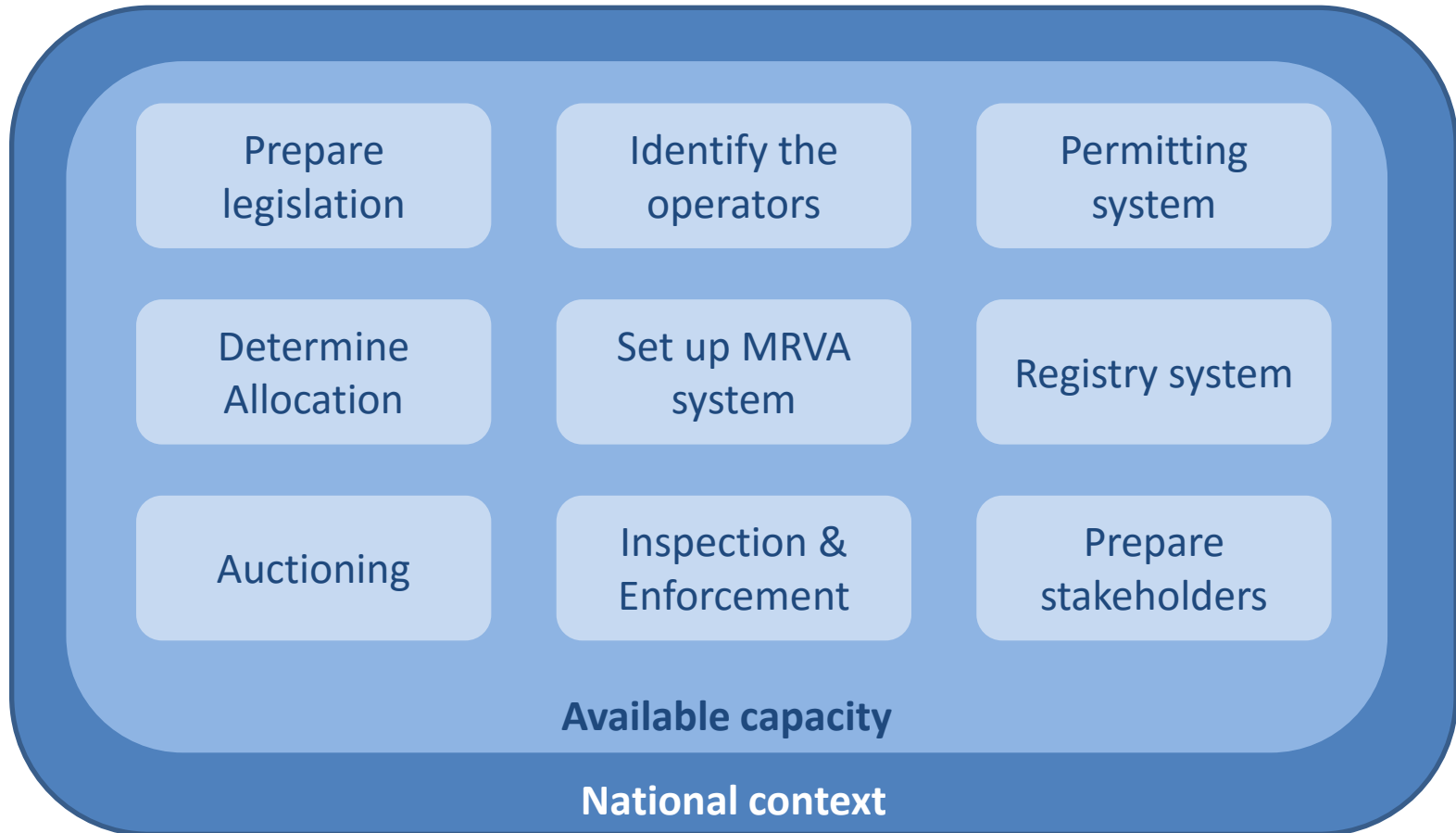
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Focus on ETS

- The EU Emissions Trading System (EU ETS) is the main policy instrument of the European Commission to address climate change
 - The EU ETS covers around 45% of the EU's GHG emissions
 - The EU ETS operates in 31 countries (EU-28 plus Iceland, Liechtenstein and Norway)
 - The EU ETS involves over 11,000 installations in power generation and manufacturing industry
 - And includes many aircraft operators performing aviation activities in EU-28 and EFTA
 - EU Accession States must adopt the EU ETS on the day of Accession
 - The system is very data intensive and relatively complex, thus requires extensive preparation
 - Obligations and trade opportunities >> actual economic flows and potential high liability
- Implementation of ETS needs to start well in advance of EU Accession
- Operating a national system prior to Accession is recommended to provide all stakeholders with sufficient learning opportunities



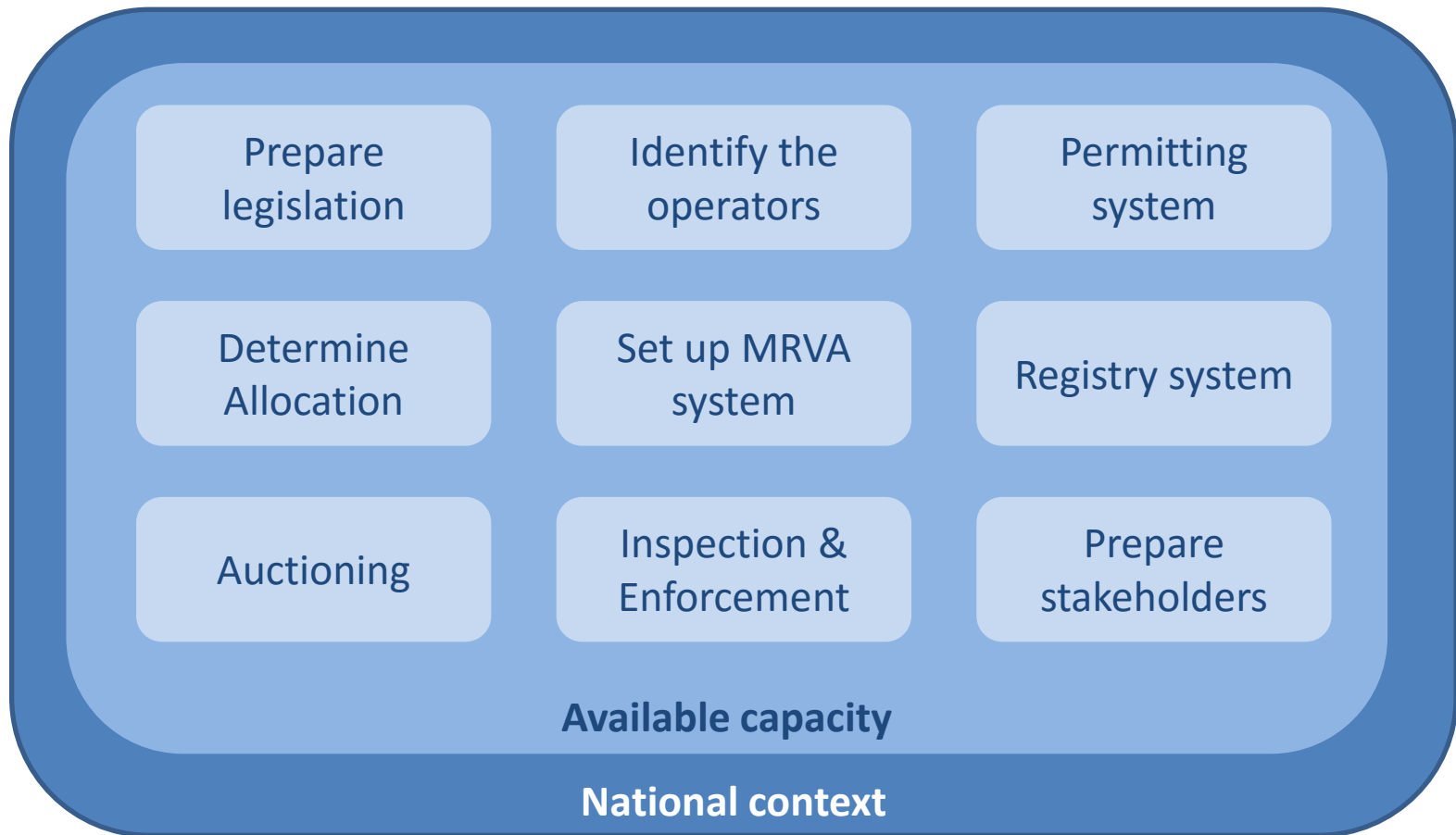
The need for a roadmap



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The need for a roadmap



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A roadmap format

Chapters of a possible roadmap towards ETS implementation

1. Political and economic context	7. Allocation
2. Emissions trading and key institutional requirements	8. Monitoring and reporting
3. Action plan for transposition and implementation	9. Registry
4. The legislative framework	10. Auctioning
5. Identification of installations	11. Accreditation and verification
6. Permitting	12. Inspection and enforcement



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The EU ETS regulatory architecture



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The Regulatory Framework of the EU ETS

EU ETS Directive 2003/87/EC (and various additions since)

**Union Registry Regulation
(EU) 389/2013**

**Monitoring and Reporting
Regulation (EU) 601/2012**

**Accreditation and Verification
Regulation (EU) 600/2012**

**Auctioning Regulation
(EU) 1031/2010**

**EC Guidance/Templates/
exemplars**

**EC Guidance/Templates/
exemplars**

**Union wide quantity of
allowances 2010/634/EU**

Private market standards and guidance

**ISO 17011
(not specific for GhG)**

**ISO 14065
ISO 14066**

**Decision harmonised
allocation 2011/278/EU**

**EU ETS specific
accreditation guidance**

EA6/03

**Carbon Leakage List,
Decision 2014/746/EU**



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Website address

- Commission website on EU ETS:

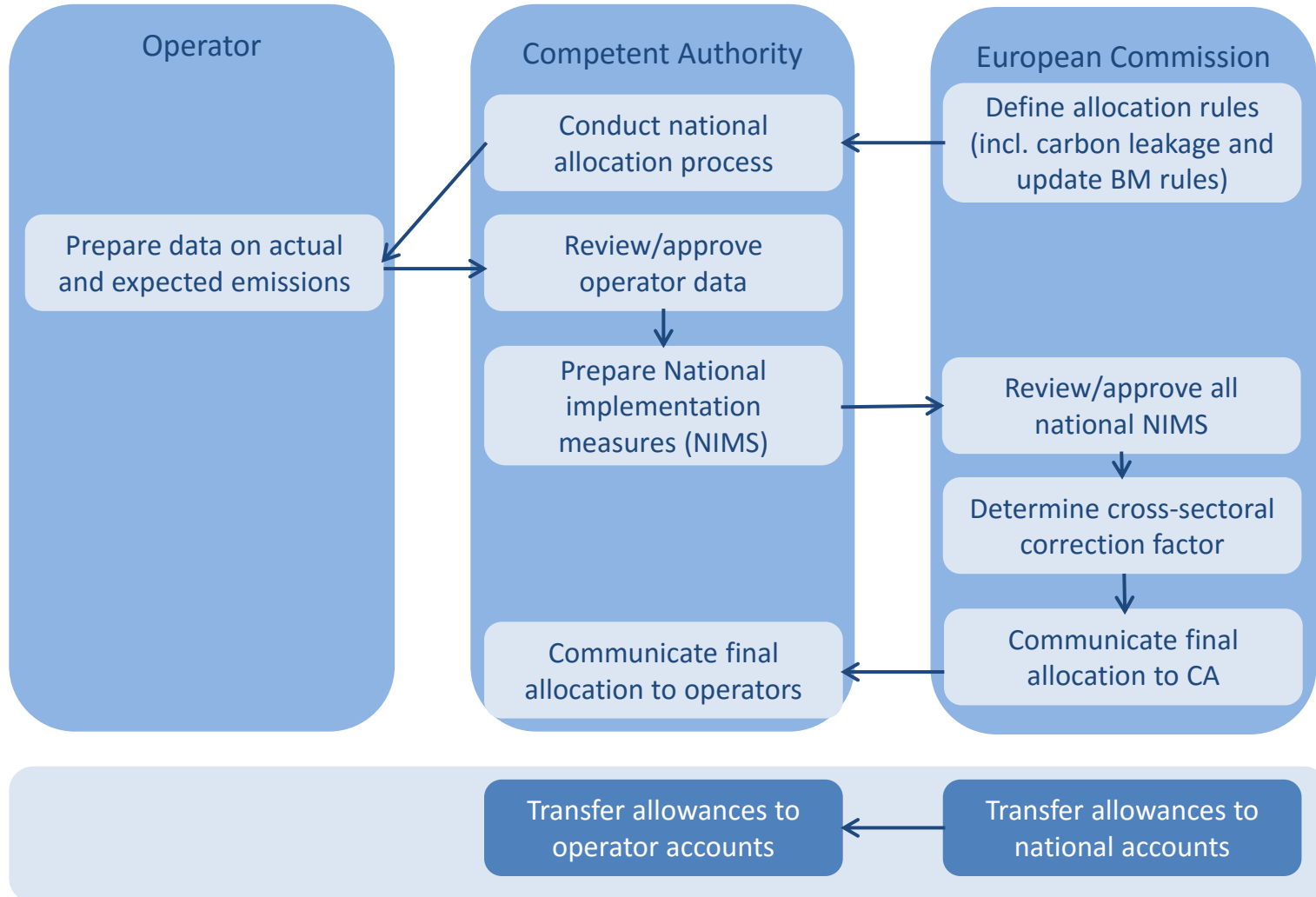
http://ec.europa.eu/clima/policies/ets/index_en.htm

- Detailed guidance on monitoring and reporting:

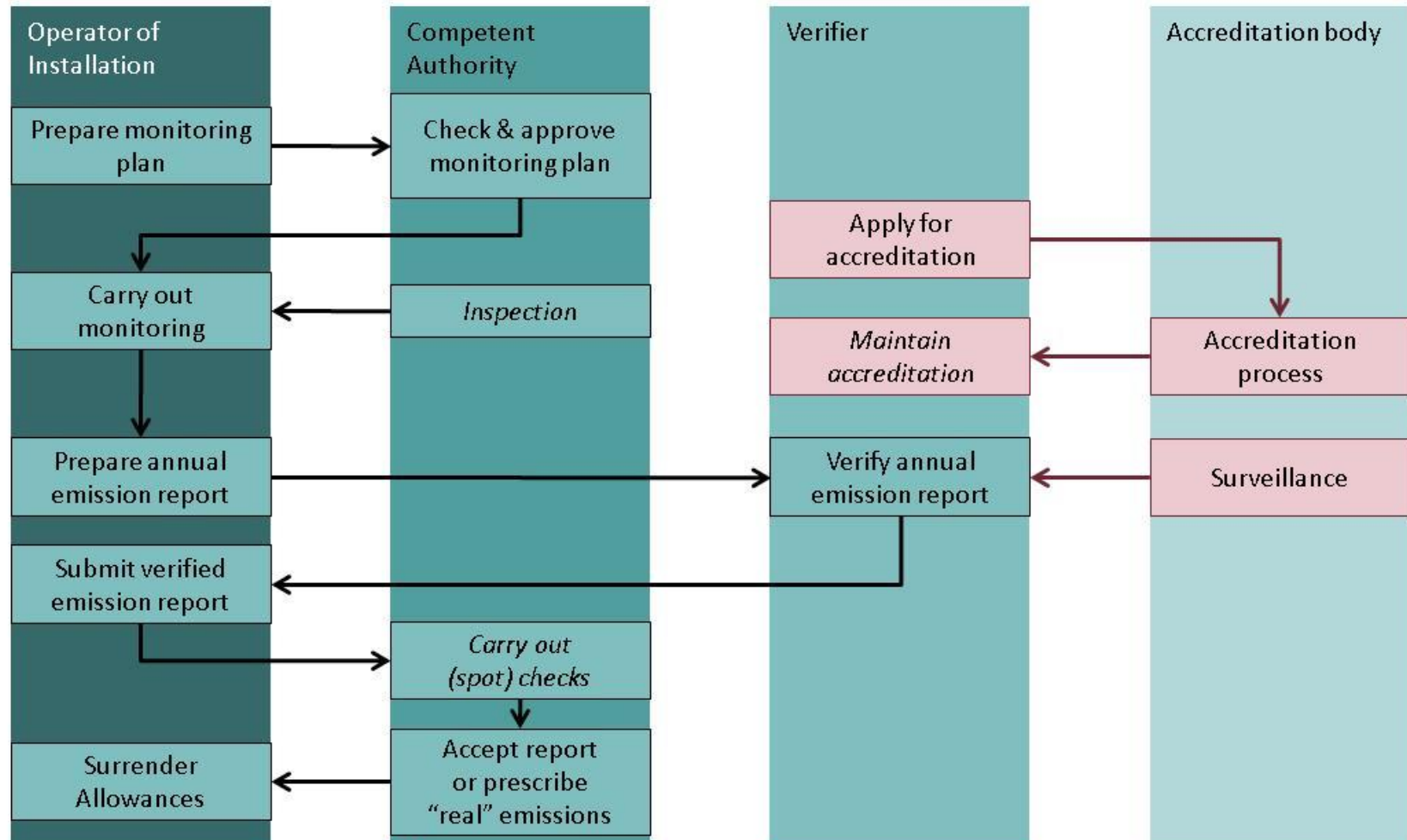
http://ec.europa.eu/clima/policies/ets/monitoring/documentation_en.htm



Roles and responsibilities in Allocation



Roles and responsibilities in MRAV



Picture by ENVIRONMENT AGENCY AUSTRIA **umweltbundesamt**



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Key choices to be made



- **Time schedule** – planned timeframe of start ETS (prior to EU Accession?) and back casting on what needs to be prepared/organised.
- **Scope of system** – same sector/capacity coverage as EU ETS from the start? Regional or pure national system? Join forces with others? For some activities?
- **Legal responsibilities** – what body is formally responsible, who is involved in formulation of and decision making for legislative framework?
- **Organisational structure** – what bodies will be involved (or set up) for implementation, what capacity needs to be built?
- **Capacity building** – which stakeholders need to be informed and prepared?



WORKING SESSIONS



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The working sessions

- 3 working sessions over the course of today/tomorrow
 1. Identifying required implementation steps (roles and responsibilities, identification of installations and permitting)
 2. Priority setting of identified steps (Where to start and how to implement one selected priority)
 3. Addressing the challenges of limited staffing capacity
- Each working session will have a 15-min introduction from one of the experts, providing an overall frame and the key questions
- Each working session will be with the national teams, taking maximum 45 minutes
- Then each team is asked to present (5 min) its main conclusions on flipcharts, followed by plenary discussion and conclusions



The expert guidance

Participant team from:	Expert guidance by:
Albania and Kosovo	Imre Csikós
Bosnia and Herzegovina	Damien Laurent
Former Yugoslav Republic of Macedonia	Melita Zdilar
Montenegro	Nives Nared
Serbia (somewhat different programme)	Alex Pijnenburg
Turkey (somewhat different programme)	Monique Voogt

Serbia and Turkey have already advanced much in implementing a national ETS system. Consequently their working sessions will slightly differ from that of the other countries.



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April – May 2016 ECRAN Climate Events



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Roadmap working session #1: Identifying required implementation steps (roles and responsibilities, identification of installations and permitting)



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The working exercise

1. Formulate the **main elements** of the future ETS system for your country (i.e. main elements of future ETS legislation)
 - Where to find information?
 - What are the main elements?

2. Formulate the overall **main implementation steps** to implement ETS (not necessary to put in sequence)
 - Legal work
 - Installations scope in your country
 - Institutional work
 - etc.



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► **B** **DIRECTIVE 2003/87/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**
of 13 October 2003

establishing a scheme for greenhouse gas emission allowance trading within the Community and
amending Council Directive 96/61/EC

(Text with EEA relevance)

(OJ L 275, 25.10.2003, p. 32)

Amended by:

		Official Journal		
		No	page	date
► <u>M1</u>	Directive 2004/101/EC of the European Parliament and of the Council of 27 October 2004	L 338	18	13.11.2004
► <u>M2</u>	Directive 2008/101/EC of the European Parliament and of the Council of 19 November 2008	L 8	3	13.01.2009

Roadmap working session #2: Priority setting of identified steps



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The working exercise

1. Select one implementation aspect of your future ETS system. For example:
 - The legislative framework
 - Identification of installations
 - Monitoring and reporting
 - Permitting
 - Verification
 - Accreditation
 - Registry system
 - Etc. etc.
2. Formulate the objective, milestones and main points of action
3. Define who needs to be involved, roles and responsibilities
4. Sketch the timeframe of implementation
5. Identify the main challenges and opportunities
6. Identify the potential support needed and what support could be sought internationally



Make it specific and clear

What	Who	When
<i>Try to be specific</i>	<i>Who is the final responsible body?</i>	<i>Sketch indicated timeframe</i>
<i>Think of needs and requirements</i>	<i>What others should be involved in decision making?</i>	<i>Identify dependencies</i>
	<i>What others should be informed?</i>	



Example: decision on ETS implementation

Implementing the EU ETS is required upon EU accession. Until then own choices can be made on how to support emission reductions.

1. Formulate the objective, milestones and main points of action
 - Is it beneficial to start implementation of an ETS system prior to EU accession?
 - What would be the main objectives to ETS implementation? Key milestones and points of action?
 - What key messages should be sent to the hierarchy for decision making on implementation?
2. Define who needs to be involved, roles and responsibilities
 - Which bodies need to be in the decision making process, which need to be actively involved and which need to be informed?
 - Sketch the role of the main parties involved and their main responsibilities
 - Which implementing bodies would need to be established and what capacity needs to be built?
3. Sketch the timeframe of implementation
 - What would be a good timeframe, within your own economic and political context?
 - For each key milestone: indicate a deadline and the interdependencies
4. Identify the main challenges and opportunities
 - Which objectives and milestones would be most challenging? How can these be addressed?
5. Identify the potential support needed and what support could be sought internationally
 - Which challenges would require external support? Where could this be obtained?
 - Would it be useful to seek international support with peers? Formulate proposals to DG CLIMA or EuropeAid?



Example: identifying installations (& emissions)

Implementing the EU ETS is required upon EU accession. Until then own choices can be made on how to support emission reductions.

1. Formulate the scope of the ETS, so what types of installations are included?
 - Choose a similar scope to the EU ETS or start with a smaller scope?
2. Define who needs to be involved, roles and responsibilities
 - Which bodies need to be involved in identifying the installations? Do they have the legal competence to obtain the data from the installations?
 - What are the best data sources to define the list and who need to be involved in approving the list?
 - Should contact already be sought with installations (for verification or for early warning)?
3. Sketch the timeframe of implementation
 - What is a good time path for gathering the information and for the approval process?
 - For each key milestone: indicate a deadline and the interdependencies
4. Identify the main challenges and opportunities
 - What challenges are expected defining the list? E.g. for specific sectors or for smaller installations? How can these be addressed?
5. Identify the potential support needed and what support could be sought internationally
 - Is external support needed to define the list of installations? If so, where could this be obtained?

