

## EU ETS: choices and lessons learned in selected EU countries



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agence wallonne de l'air & du climat

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### Overview

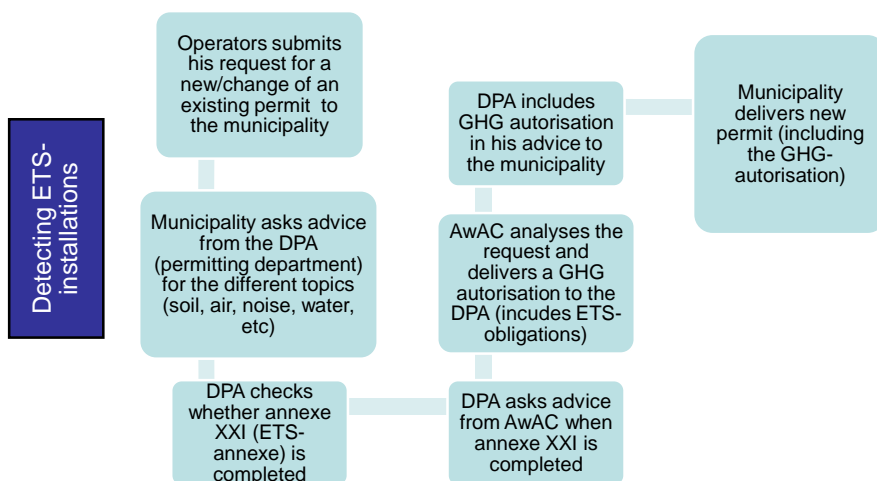
- Responsibility and organization of detection of ETS-installations, registry, allocation, auctioning, market oversight, MRVA, art 21 reporting, inspection and enforcement:
  - Choices and lessons learned in Belgium (Heidi)
  - Choices and lessons learned in Slovenia (Nives)



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## Detection of ETS-installations: organisation in Belgium (Wallonia)



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## Detecting new ETS-installations: lessons learned in Belgium

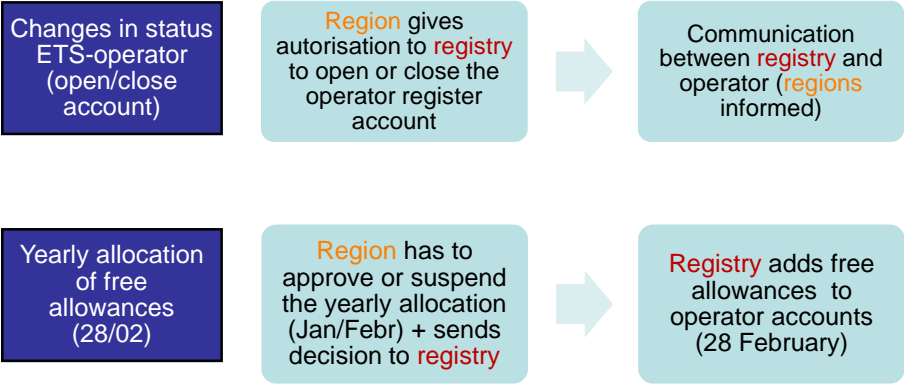
- DPA often only detects ETS-installations when annexe XXI (ETS-annexe) of the permit request is completed. Risk of non-detection when the operator hasn't correctly completed his permit request and forgot to complete the annexe XXI.
- ⇒ Trainings given by AwAC in 2014-2015 to all DPA's in Wallonia to decrease the risk of non-detection of ETS-installations, focus on combustion installations between 20 and 50 MWth (aggregation rules to calculate the limit of 20 MWth)
- ⇒ Better understanding of scope ETS by DPA + more interaction between AwAC – DPA
- Consultants often help operators with permit request + contact AwAC even before introducing a permit request for advice on ETS. ETS-page on website AwAC is very useful (scope ETS).



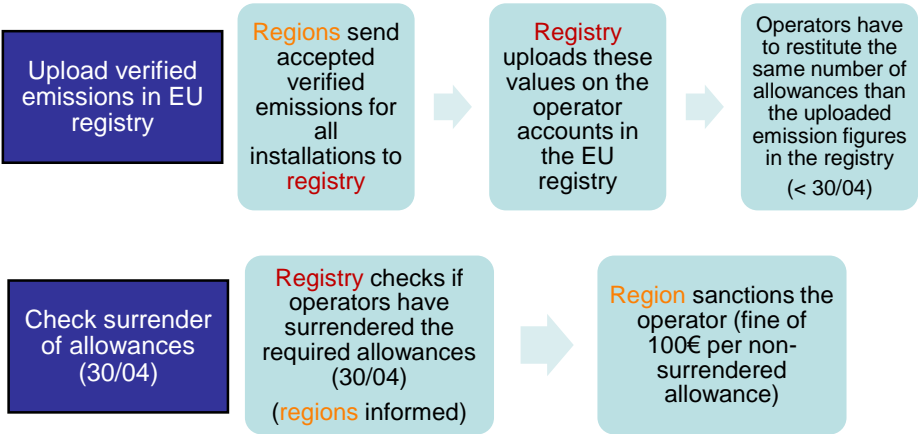
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Registry: organisation Belgium



Registry: organisation Belgium



### Registry: lessons learned in Belgium

- Almost all EU ETS competences are managed on regional level, except the registry => sometimes confusing for operators
- AwAC = very pro-active agency + helps operators to be compliant, but limited help possible from AwAC for register-matters as AwAC is not competent for the registry
- Registry requirements very strict => opening a new register account = experienced as very administrative + time consuming by operators
- Clear website with register-requirements helps a lot:  
<http://www.climateregistry.be/en/home/home.htm>

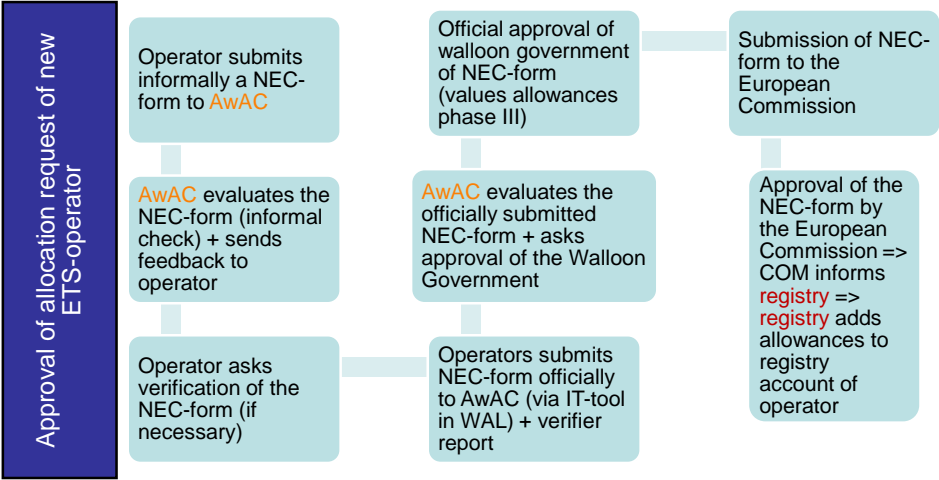


### Registry: lessons learned in Belgium

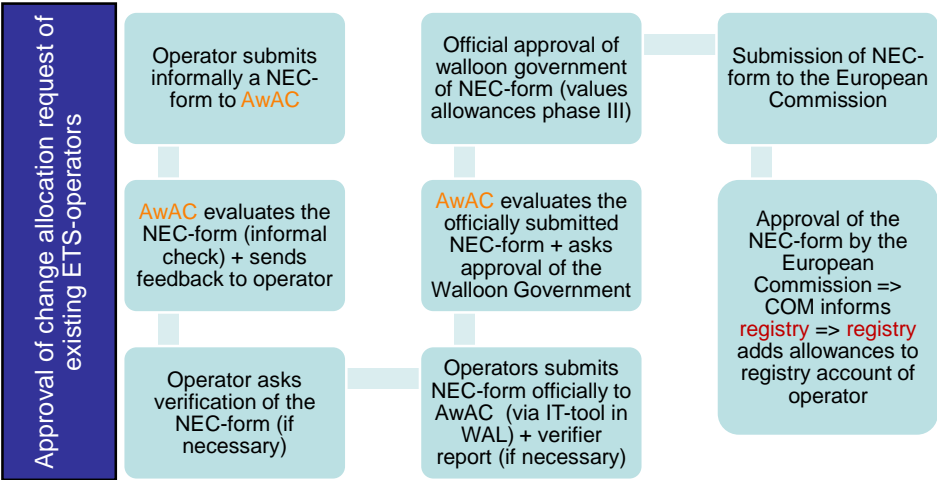
- Set up of helpdesk registry = no legal obligation, but indispensable to help registry users
- A lot of effort from helpdesk registry in period March-April to help operators with the restitution of allowances, to avoid important fines (100€ per non-surrendered allowance)
- Registry EU: not very user friendly => additional software developed by BE to facilitate management of data (input + output reports), also licensed (for free) to other MS + interest from Commission. Additional software includes anti-fraude measures, risk based analyses on customer checks, transaction analyses, etc.



Allocation: organisation in Belgium (Wallonia)



Allocation: organisation in Belgium (Wallonia)



### Allocation: lessons learned in Belgium

- Confusion between used terms for allocation (subinstallations, benchmarks, etc) and used terms for MRR (MP: source streams, emission sources, etc).
- Allocation rules are very complex + difficult to understand for operators + cases that need changes are difficult for CA to detect
- Verification allocation data required by accredited verifiers in Wallonia

=> Regular workshops + guidances with concrete examples are very helpful for operators!



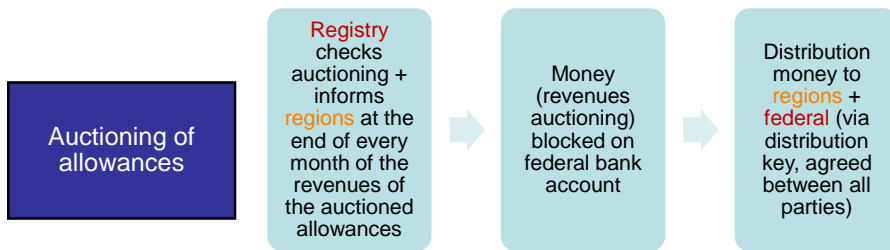
### Allocation: lessons learned in Belgium

- Cases which leads to more allowances, are easily detected (gain of money for operators), but cases which would lead to less allowances, are difficult to detect by the CA.
- As detecting of partial cessations is difficult for AwAC => very helpful to ask yearly the activity data for the subinstallations which are at risk for partial cessations (new walloon requirement since 2014)

=> Simplification of allocation rules in the future would be good, as not only complex for operators, but also for CA



## Auctioning: organisation in Belgium



## Auctioning: lessons learned in Belgium

- Finding a distribution key for sharing revenues of auctioning between different parties takes a lot of time (as include also agreement on distribution non-ETS + BE-objectives)



**Market oversight: organisation in Belgium**

Market oversight

Follow-up market oversight  
(by **federal** level: finance  
department)



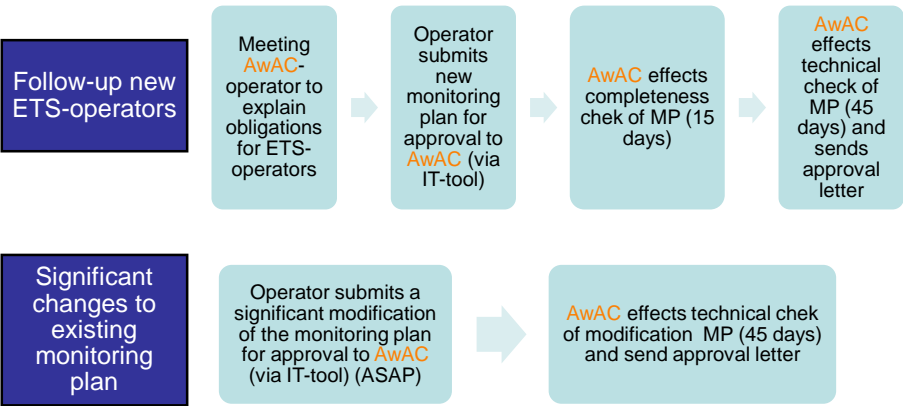
**Market oversight: lessons learned in Belgium**

- Very technical issue, related to finance instruments, security and avoiding market abuse and other market misconduct
- Follow-up by federal level (finance), no follow-up by regions

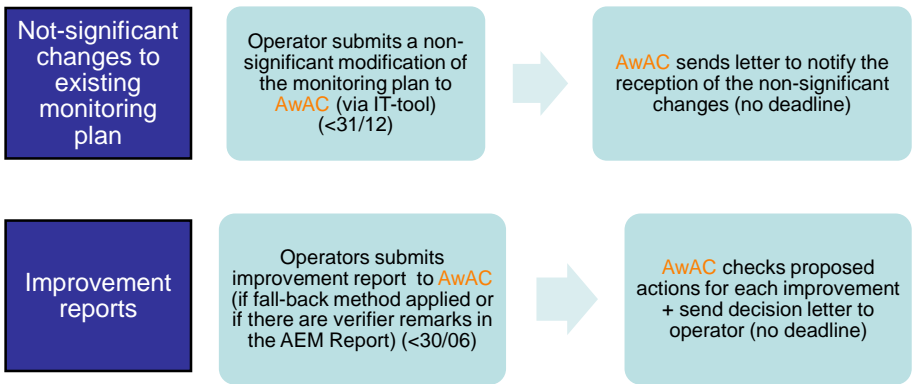




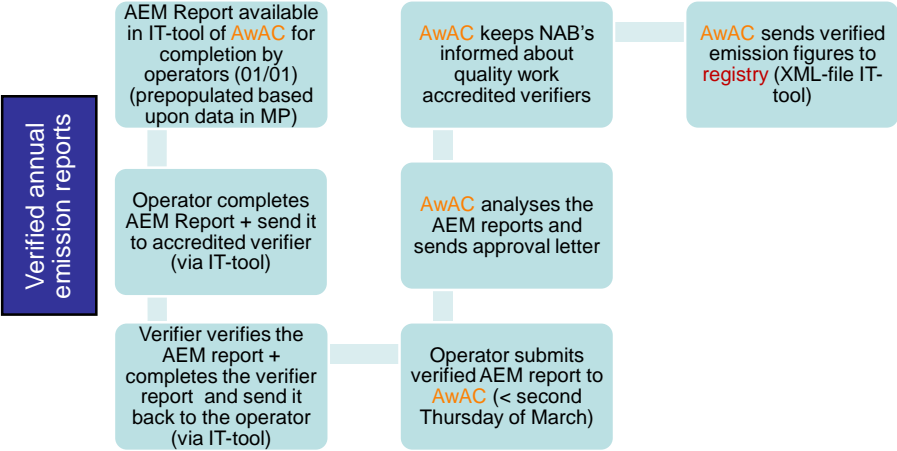
MRVA: organisation in Belgium (Wallonia)



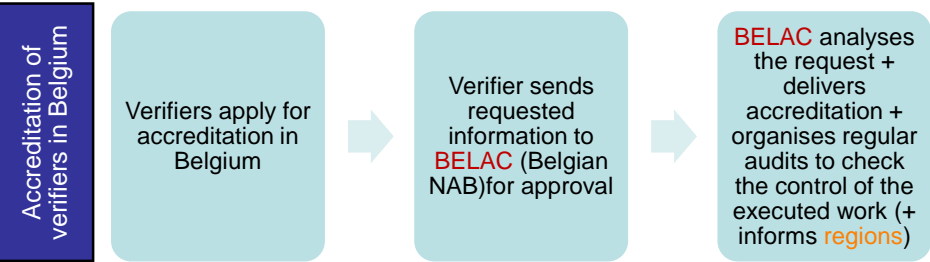
MRVA: organisation in Belgium (Wallonia)



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MRVA: organisation in Belgium



## MRVA (monitoring reporting verification accreditation): lessons learned in Belgium (Wallonia)

### • MONITORING PLANS:

- Workshops for operators to explain the MRR-requirements = very useful and helps to reduce the time needed by CA for assessment of these monitoring plans.
- CA-Assessment MP's for phase III took a lot of time
- Use of IT-tool = very useful, time-saving for operators + for CA (collection of all ETS-data in 1 tool, easy to see history), reduced assessment time for CA thanks to automatic checks by the system (for ex. for completeness check)



## MRVA (monitoring reporting verification accreditation): lessons learned in Belgium (Wallonia)

### • MONITORING PLANS

- Part 'management' = experienced as 'burden' by operators
- Part 'uncertainty assessment' = complex (help operators by AwAC!)
- Derogations for technical reasons or unreasonable costs: often difficult to assess for CA
- Training for some specific issues (N<sub>2</sub>O monitoring, uncertainty assessment) could be interesting



**MRVA (monitoring reporting verification accreditation):  
lessons learned in Belgium (Wallonia)**

• **ACCREDITATION/VERIFICATION**

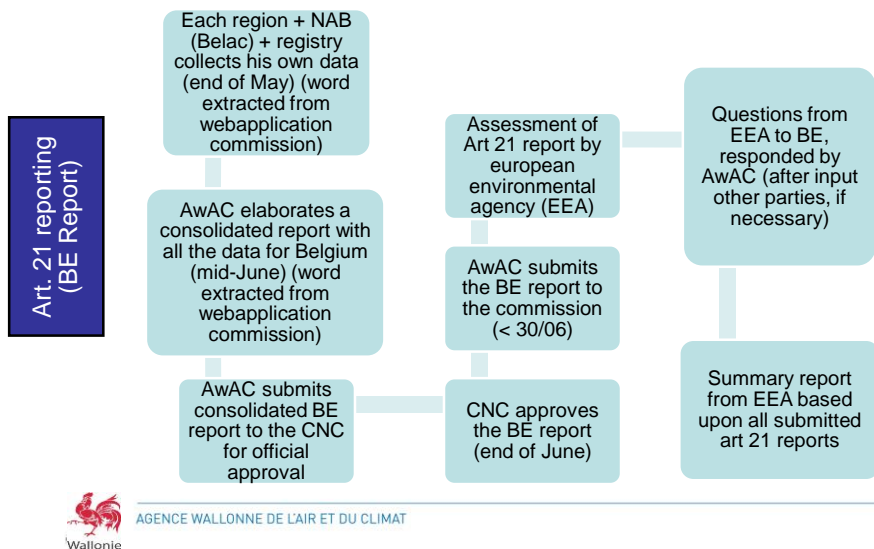
- Although only 2 accredited verifiers in Belgium, enough verifiers available for verification wallonian operators (verifiers accredited abroad, understanding French)
- Difficult for operators to have an overview of accredited verifiers in whole EU (EU list missing)
- Workshops for operators and verifiers to explain the AVR-requirements = very useful
- Use of IT-tool = very useful, for operators, verifiers + for CA (collection of all ETS-data in 1 tool, easy to see history), full automatic process, very appreciated by users

**MRVA (monitoring reporting verification accreditation):  
lessons learned in Belgium (Wallonia)**

• **ACCREDITATION/VERIFICATION**

- Continuous improvements to increase quality (example: category remarks verifiers, preliminary emission factors, waste codes, etc)
- Participation of AwAC as observer during verification audits by Belac (Belgian NAB) very instructive

## Art. 21 Reporting : organisation in Belgium



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## Art. 21 Reporting : lessons learned in Belgium

- A lot of data requested for this report => collecting all these data manually is time-consuming + low added value  
=> IT-tool can help a lot to extract automatically all the required information (ETSWAP/Declare)
- Sometimes difficult to collect some requested data (ex.CRF-codes) => search in other databases might be needed
- Guidance available on how complete correctly the art 21 report, but nevertheless differences in interpretation noticed  
=> harmonisation between regions is needed!

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## Inspections and enforcements: organisation in Belgium (Wallonia)



## Inspections and enforcements: lessons learned in Belgium (Wallonia)

- Inspection strategy for ETS in Wallonia still to develop. Will be in collaboration with inspection department in Wallonia and based on risk analysis+ for specific cases.
- Attention point: avoid overlap role verifier and CA
- Enforcement: try to avoid as much as possible, rather try to help operators + pro-active approach



Thank you for your attention!



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