



Nives Nared
ZAGREB, March 24-25 2015,
TAIEX workshop

ROADMAP FOR EUETS IMPLEMENTATION

- **WHY WE DO IT?**
- **KEY ELEMENTS OF
INSTITUTIONAL/ORGANIZATIONAL STRUCTURE**
- **ACTIONS NEEDED FOR TRANSPOSITION AND
IMPLEMENTATION**
- **Lessons learned on practical implications**
- **RECOMMENDATIONS**



HOW TO MAKE IT WORK in 6 months

- **WHO IS WHO:** Key elements of institutional/organisational structure
- **WHO DOES WHAT:** Key responsibilities – identification and division



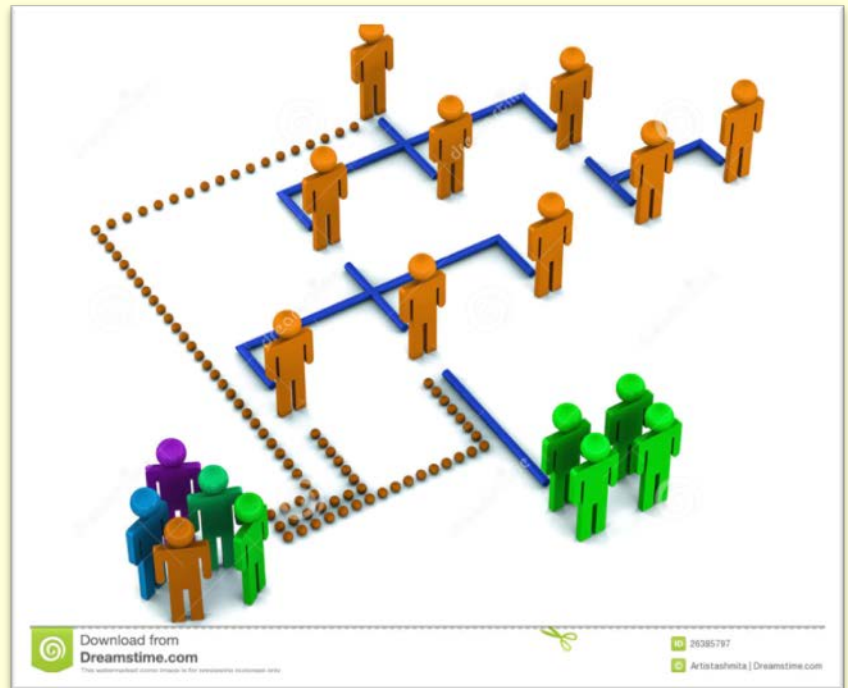
WHY WE DO IT?

- Raise competitiveness
- Put in bigger picture of climate and energy policy
- Improve environment
- Better health conditions (implications to air quality)



DECIDE WHO IS WHO ?

- COMPETENT AUTHORITY
- OPERATORS
- VERIFIERS
- ACCREDITATION
- INSPECTORATE



ACTIONS NEEDED FOR TRANSPOSITION and IMPLEMENTATION

- **Prepare and adopt legislation**
- **Set up organisational structure**
- **Training of all stakeholders (CA, industry, inspection/enforcement)**
- **Awareness raising – why, when, what**

CA KEY MILESTONES

- **ADOPT LEGISLATION**
 - EU legislation transposition
 - Not all EU regulation is directly applicable
 - **Do not copy/paste but adapt to local circumstances**
 - National legislation needed ex ante for data collection (monitoring)
- **IDENTIFICATION OF INSTALLATIONS**
 - Communicate asap – engage them in preparatory phase of legislation drafting
 - Capacity building training

CA KEY MILESTONES

- **PERMITTING**

- Design IT
- Align with IER permitting
- Monitoring plan approval
- On site visits to installations upfront
- Validation of monitoring plans



CA KEY MILESTONES

- **REGISTRY**

- Develop or buy IT to connect to EU registry
- Adopt national legislation
- Coordination with other national authorities (responsible for anti money laundering, crime)

- **ALLOCATION**

- NIMs (gather data, data verification crucial)

- **AUCTIONING**

- Nominate institution acting as auctioneer
- Cash flow determination
- Decision for earmarking use of auctioning

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

„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

EU ALLOWANCE

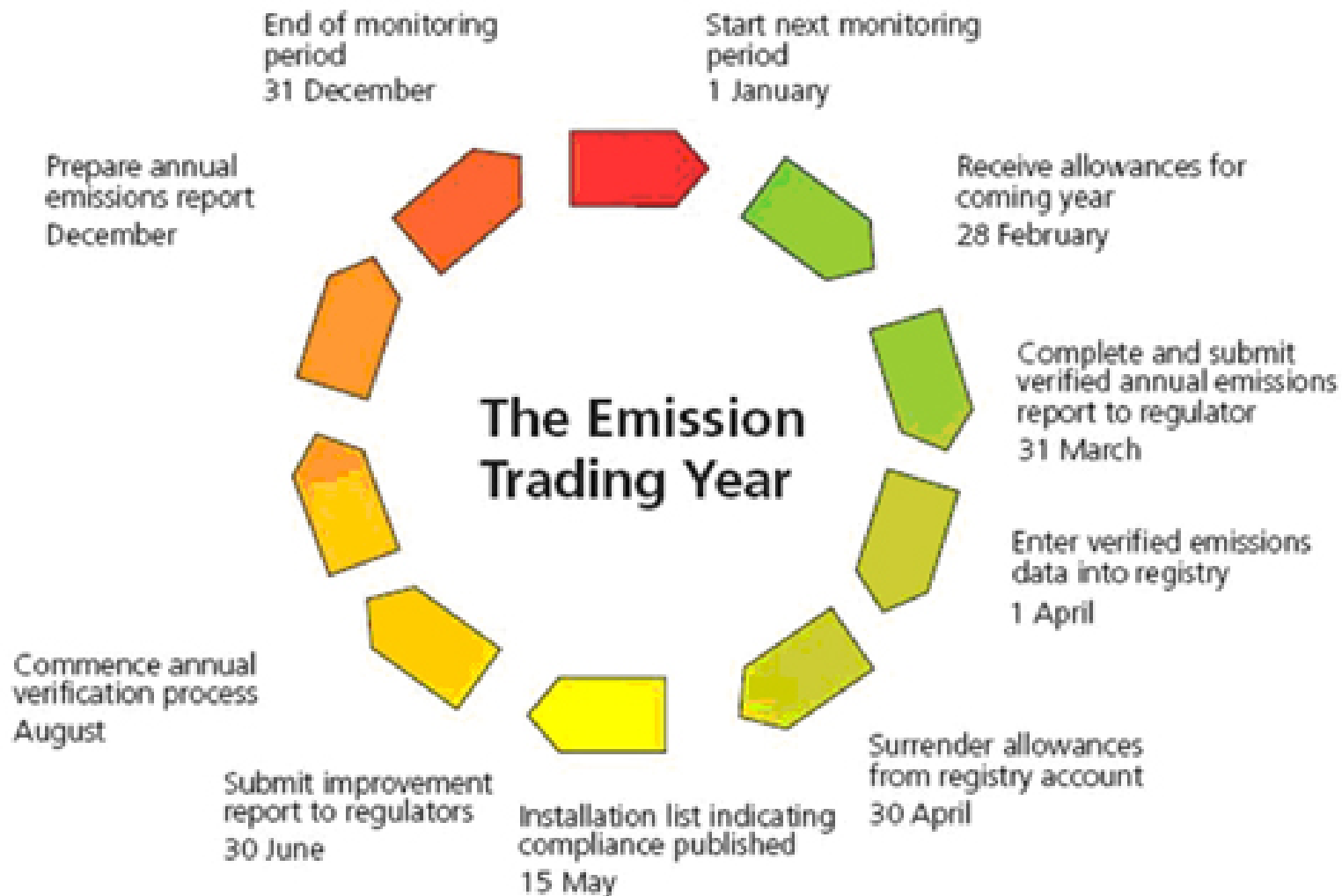
- = right to emit a tonne of CO₂ equivalent
- issued by MS (competent authority)
- dematerialised asset (RegReg)
- tradeable across EU
- held in electronic form in the registry system

COMPLIANCE CYCLE

- **Before start of the trading period**
 - **Allocation of EUA**
 - **Monitoring plan approval**
 - **GHG permit obtained**
- **monitoring of ghg emissions**
- **Verified Monitoring report submitted**
 - Accredited verifier contracted by operator
 - Principle: indipendente, competent
 - Checks if reported emissions are in compliance with monitoring plan
- **Surrender EUA:** through registry, approved by verifier



COMPLIANCE CYCLE



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

- **ETS is complex, prepare in time**
- 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

STEP by STEP reminder

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

RECOMMENDATIONS

- **Non legal guidance is essential for implementation**
 - Workshops, guidance notes, templates, helpdesk
- **Develop of guidance/FAQ tools**
- **Keep repeating „untill done“**
- **Predictability, Stability needed for operators**
- **Share experiences and learn from other MS**



Questions welcome