

Verification of an emissions report

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Overview

- Reporting obligations
- Planning of the verification process
- Addressing misstatements and non-conformities
- Verification opinion statements

MRR Article 67 reporting obligations

- ➡ 'The operator or aircraft operator shall submit to the competent authority by 31 March [28 February at the earliest] of each year an emission report that covers the annual emissions of the reporting period and that is verified in accordance with Regulation (EU) No 600/2012.
- ➡ The annual emission reports [] shall at least contain the information listed in Annex X'

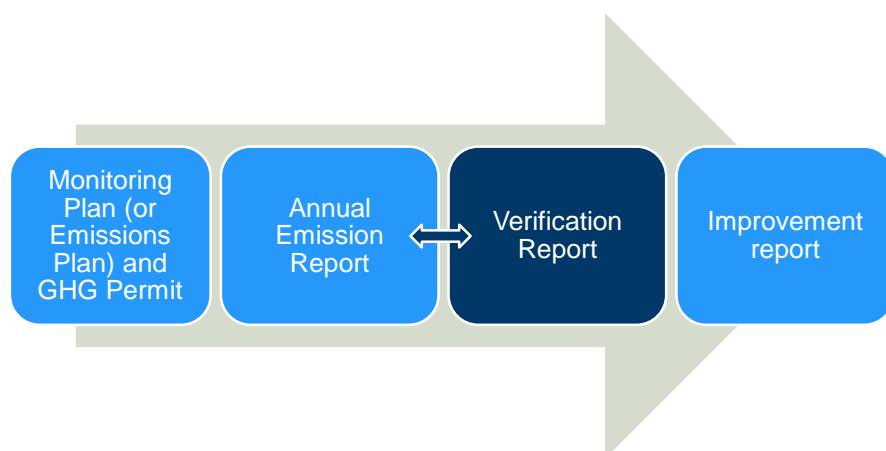


What is the annual emission report (AER) ?

- ➡ Representation of the monitoring undertaken by the operator during the monitoring period
- ➡ Contains the verified emissions figure against which allowances must be surrendered
- ➡ MRR Article 74 and the Commission's AER templates ensures that all Member States (MS) are presenting at least the same minimum information



Verification



Verification of the AER (AVR Art 6)

- 'A verified emissions report shall be reliable for users. It shall represent faithfully that which it either purports to represent or may be reasonably expected to present
- The process of verifying emission reports shall be an effective and reliable tool [...] providing information upon which an operator or aircraft operator can act to improve performance in monitoring and reporting emissions.'

Verification of the AER

- Were all relevant section of the AER completed?
- Were all source streams included?
- Was the approved monitoring methodology followed?
- If not, why not? Does the MP need to be modified?
- In the case of temporary changes, was the CA informed?
- Have any data gaps been filled?
- Is the risk assessment adequate?
- Were the procedures effective and were they followed?
- Have the emissions being calculated or measured to the 'highest achievable accuracy'?
- Can the operator make improvements?

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Planning the verification process (1)

- 'The verifier shall carry out the verification and the activities required by this Chapter with the aim of providing a verification report that concludes with reasonable assurance that the operator's or aircraft operator's report is free from material misstatements' AVR Art 7(1)
- Verification risk: the risk that the verifier expresses an inappropriate opinion
 - Not free of material misstatements
 - Consequences!

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Planning the verification process (2)

- ➡ Start early!
 - ➡ Verifier engaged 6 to 9 months before the reporting deadline
- ➡ Collate information from operator (Art 10)
- ➡ Strategic analysis
 - ➡ Size of the installation is no guide to complexity
- ➡ Site visit(s) (Art 21)
- ➡ Detailed verification
- ➡ Verification report
- ➡ Independent review



Verification opinion statement template

Independent Reasonable Assurance Verification Report Opinion Statement - Emissions Trading System		GUIDANCE FOR VERIFIERS Please complete all the yellow cells in the opinion template deleting or amending as appropriate any text that is already in the cell. If further space is required, please insert an additional line below and merge the cells. Further instructions or comments are below against individual lines, as relevant. Further detail concerning background to the verification etc. should be given in Annex 2.
EU ETS Annual Reporting		
OPERATOR DETAILS		
Name of Operator:		<insert name of Operator>
Name of Installation:		
Address of Installation:		
Unique ID:		
GHG Permit Number:		
Date(s) of relevant approved MP and period of validity for each plan:		
Approving Competent Authority:		Insert Competent Authority that is responsible for approval of monitoring plan and significant changes thereof
Category:		
Is the installation a 'low emitter'?		A low emitter is an installation that emits less than 25 ktons of CO2e per year.
Annex 1 Activity:		
EMISSIONS DETAILS		
Reporting Year:		
Reference document:		<insert the name of the file containing the emissions report, including date and version number> This should be the name of the electronic file which should contain a date and version number in the file naming convention
Date of Emissions Report:		<insert the date of the report subject to verification (this should match the date of the report into which this verification opinion is inserted)the final version of the report if it has been revised or updated prior to final verification>
Process Emissions in tCO2e:		< insert figures only>
Combustion Emissions in tCO2e:		< insert figures only>
Total Emissions in tCO2e:	0.00	< This cell automatically adds up the two above as a cross check for the entry of disaggregated emissions
Combustion Source Streams:		Gas/Diesel/Coal/HFO/etc..... <please state which fuel type(s) apply to the Operator>< Please note that this line requires entry of a list of FUEL types (e.g. refinery fuel gas, coal etc) ONLY. It is not required to list all individual EMISSIONS sources
Process Source Streams:		< please state which process source stream(s) apply to the installation>Please note this



Verification report (AVR Art 27(3))

- Name of the operator
- Objectives and scope of the verification
- Emissions
- Reporting period subject to verification (i.e. the year)
- Responsibilities of the operator, competent authority and the verifier
- Verification opinion statement
- Uncorrected misstatements and non-conformities; non-compliances and recommendations for improvements
- Details of site visits
- Details of data gap methodologies used, where relevant
- Capacity/activity/operational changes, where relevant
- Details of the auditing team

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Addressing misstatements and non-conformities (1)

- Misstatement: error, omission or misrepresentation in the operator or aircraft operator's reported data
- Non-conformity: any act or omission of an act that is not in line with the [GHG permit] or the requirements in the MP approved by the CA [Aircraft operators don't have GHG permits]
- A non-conformity may cause a misstatement if this non-conformity leads to errors, omissions or misrepresentations in the reported data.

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Addressing misstatements and non-conformities (2)

- The verifier must tell the operator that they have found a misstatement or non-conformity
 - Timeliness is important
- The operator must correct the misstatement or non-conformity before the verification report is issued
- Corrected misstatements or non-conformities are marked as resolved in the internal documentation

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Addressing misstatements and non-conformities (1)

- If the operator does not, or cannot correct then he must explain the main cause.
- The verifier must assess the impact of the uncorrected misstatement or non-conformity on the data.
- The verifier will assess the whole circumstances around the misstatement or non-conformity to determine if there is a material impact or not.
- Material impact → NOT VERIFIED

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Verification opinion statements

➤ Verified as satisfactory

- No misstatements, no non-conformities, no non-compliances reported

➤ Verified with comments

- No material misstatements, no material non-conformities, no non-compliances reported

➤ Not verified

- Material misstatements; and/or
- Insufficient evidence: limitation of scope; and/or
- Insufficient clarity to be able to conclude with reasonable assurance that the report is free from material misstatements.

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Consequences of verification opinion

- Verified without comments but recommendations for improvement → improvement report
- Verified with comments → improvement report
- Not verified, uncorrected non-material misstatements or late opinion → determination of emissions by competent authority
- Wrong opinion → question competence of verifier (risk to accreditation status)

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Useful documents

- Lots of useful guidance on the Commission website, including:
 - Verification report template
 - KGNII.6 Verification report
 - Classification of outstanding issues in the verification report
 - Training documents: A&V event 8/9/2015

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

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➤ Questions?

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