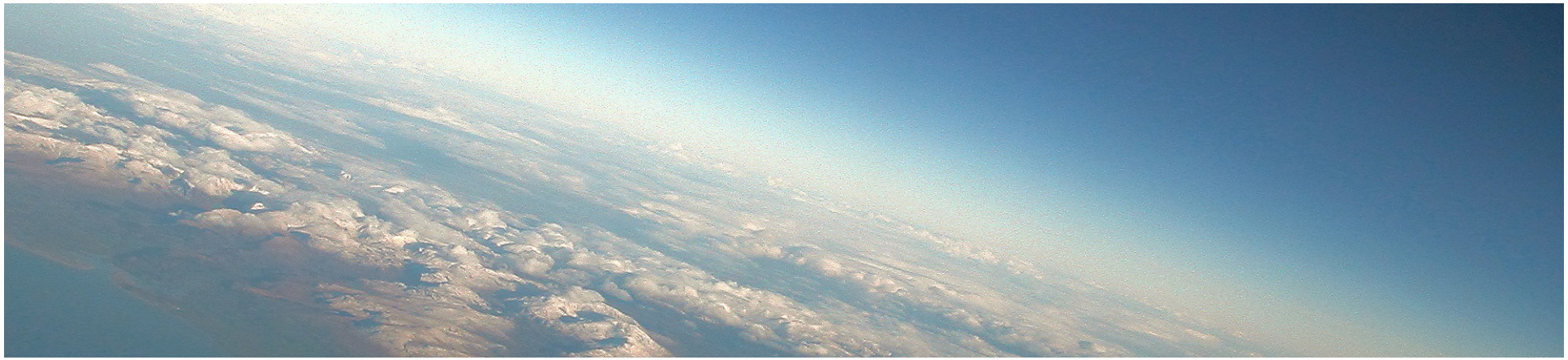

EU legislation: future reporting requirements and streamlining

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NAEI stakeholder meeting - Monday 29th September

Contents

Imminent revisions to the EU's National Emissions Ceilings Directive and GHG Monitoring Mechanism Decision (2010)

What will the Effort Sharing Decision mean for reporting?

- **revision of Monitoring Mechanism**
- **non-trading / trading split**
- **LULUCF and shipping commitments**

What does the EU have in store in terms of streamlining AP/GHG reporting requirements?

Imminent revisions: National Emissions Ceilings Directive

- proposal for amended Directive still under preparation
- will set 2020 ceilings for NOx, SO2, NMVOCs, NH3
- primary emissions of PM2.5 will be added
- needs to take on board IPPC and GHG developments

Imminent revisions: current *proposals* for revision of the EU's GHG Monitoring Mechanism

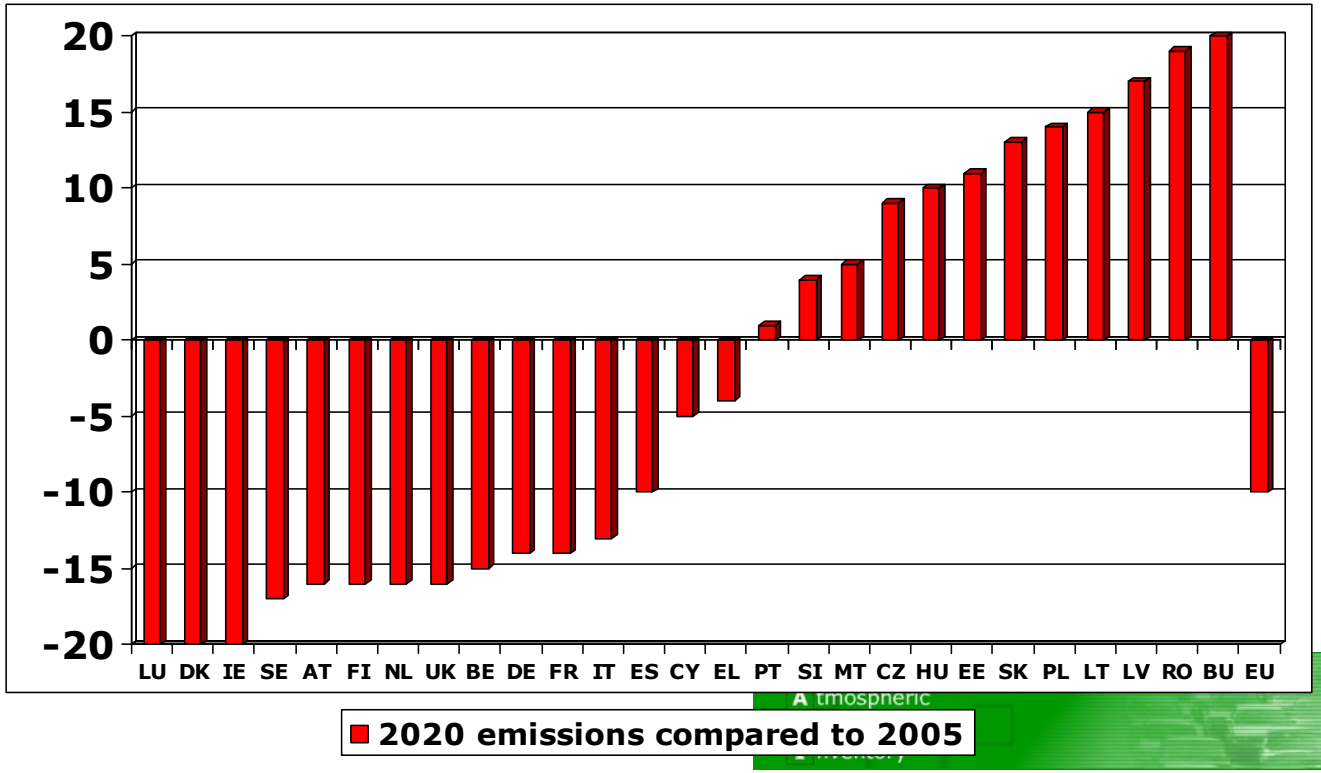
- **Add additional elements related to GHG inventory under KP**
- **Include requirement to report emissions for geographical scope of EU under MMD**
- **Change date of submission of NIR to EC (15 February)**
- Mandate use of reporting templates (projections, policies)
- Introduce reqt. for ex-post assessment of PAMs
- Specific proposals on projection parameters
- More specific provisions related to sensitivity analysis, fixed general parameters, additional sectoral sensitivity analysis

Imminent revisions: current *proposals* for revision of the EU's GHG Monitoring Mechanism (cont.)

- Additional elements regarding data consistency with ETS
  - Allocation of ETS emissions to CRF emission categories.
  - Report additional disaggregation under 1A2 consistent with ETS activities (e.g. combustion emissions from cement, lime etc.)
  - Member States should report the share of ETS emissions at sectoral level.
  - Requirement to report on the integration of ETS data in inventory system at sectoral level.

The Effort Sharing Decision (406/2009/EC)

- ESD covers about 60% of the EU's GHG emissions
- Very diverse *non-trading* sectors: transport, heating in buildings, services, agriculture, waste and possibly forestry
- Binding annual targets and annual compliance check for period 2013-2020



ESD implications

- Mostly “small emitters” as a result of our daily activities
- Major differences in cost-effective emission reduction potential (high for some non-CO2 emissions and buildings, low in transport)
- National measures, regional and local action important
- Decision may be amended following COP-15
- LULUCF and shipping commitments will be added
- Monitoring Mechanism Decision will be amended
- Determination of Member States’ emission limits in 2020 in tonnes
- Amendment of Registry Regulation
- Annual compliance check and evaluation of MS progress in meeting their commitments

EU streamlining initiative - rationale

1. **Improve efficiency & reduce burden and avoid or reduce duplicative reporting.**

2. **Ensure sufficient data of adequate quality (i.e. TCCCA) and enable cost effective future policies and to monitor performance against targets.**

3. **Lead to better data, with clear and simple data flows for all types of emissions data, allowing for multiple user applications while taking into consideration the resulting costs.**

EU streamlining initiative - Instruments examined

Reporting at National level

Annual reporting of national total emissions of greenhouse gases (GHGs) and several air pollutants

- **MM: Monitoring Mechanism, Decision No 280/2004/EC and the Implementing Decision**
- **NECD: National Emissions Ceilings Directive 2001/81/EC** *(and reporting to LRTAP protocols)*

Reporting at facility or other level

Regular emission reporting by individual industrial facilities and installations

- **E-PRTR: Regulation (EC) No 166/2006**
- **LCPD**
- **EU ETS**
- **Decision No 1753/2000/EC CO2 from New Cars**
- **F-Gas Regulation 842/2006**
- **RECAST IPPC: Integrated Pollution Prevention and Control Directive 96/61/EC**

Problems to solve

- There are two types of emission inventories - these are based on different principles and perspectives (bottom-up and top-down approach) and therefore are not always easy to reconcile or compare
- The various reporting obligations ask for different data at different times and to different specifications and formats, responses are not equally well co-ordinated at country level.
- The key problems and barriers to making the data reported usable and reporting efficient identified were
    - Duplication in current reporting;
    - Lack of clarity and interoperability between datasets reported;
    - Missing and inaccurate data.

Steps, Options and Instruments

Option	EUMM	NECD	EUETS	E-PRTR	RECAST	SEIS	F-Gases	Fuel Quality & Content	CO2 Cars
Step 1: Streamlining options for National Inventories									
Option 1: EUMM only	A	R	R	R	R	R	R	R	R
Option 2: Streamlining EUMM and NECD	A	A	R	R	R	R	R	R	R
Step 2: Streamlining options for Industrial Installation reporting									
Option 3a: EUETS Data Flows for National GHG Inventories	A	--	A	--	--	--	--	--	--
Option 3b: Streamlining Industrial Installation reporting	R	R	A	A	A	R	R	--	--
Step 3: Further long-term streamlining is presented in the alternative options below. Options for consolidating...									
Option 4: Consolidated national inventory and facility/installation reporting	A	A	A	A	A	A	R	R	R

Key:

A = Actions require changes to the Instrument Specific proposals.

R = Proposals have relevance to the instrument but no changes are required.

National Atmospheric Emissions Inventory

Options 1 & 2

1. MM only
   - Improve the quality of GHG emissions data reported by MS
   - Require the consistent use of national statistics and reported installation emissions data,
   - Improve the transparency of reporting of emissions from different sectors and how they relate to national data and regulated activity emissions
2. Streamlining EUMM and NECD
   - Creation of an implementing provision for laying down rules for reporting to the NECD.
   - Move/create specific methodology and reporting (procedural) instructions to implementing provision when revising the NECD
   - Align the requirements for emissions methodologies and reporting between the NECD and the EUMM.

Options 3

A) Using EUETS Data Flows for National GHG Inventories

- Extend/Strengthen methodology instructions in the EUMM Implementing Provisions so that EU ETS data is used as the basis for estimating national emissions and presented transparently in the EUMM NIR.
- Extend/Strengthen reporting instructions in the EUETS Monitoring & Reporting Guidance to ensure the appropriate flow of data to the EUMM.

B) Use the EUETS, E-PRTR and RECAST to enable all reported facility/installation emissions and activity data to be compared across instruments at an operator, facility, site or installation level.

- Enable all reported facility/installation emissions and activity data to be compared accurately across instruments at an operator, facility, site or installation level.
- Establish an efficient, accurate and usable core of installation/facility level data for national inventory compilation that can be clearly matched to other national statistics (e.g. production, consumption, energy use etc) and shows the relative importance of emissions by regulating instrument, by facility, installation and at a national level

Options 4 - Full integrated reporting - *Utopia*

- Harmonising and raising the quality of emission dataflows.
- Delivering national and facility/installation level data into a single transparent up-to-date information system.
- Working with the SEIS principals in ensuring that the data is kept as close as possible to the source of origin in order to improve efficiency and data integrity
- The specific actions under option 4 include many of the instrument specific proposals (see annexes A1 – A5) presented for options1, 2 and 3. These proposals are designed to be applicable for stepwise/partial streamlining in Options 1, 2 and 3 or as part of full streamlining

Costs and Benefits

Option 1: EUMM only	D: 1.2m M: 2m	Will deliver national estimates and projections that are more accurate and consistent with other data to support policy making. Will improve transparency for GHGs with EUETS, E-PRTR, F-Gases and CO2 from Cars.
Option 2: Streamlining EUMM and NECD	D: 2.5m M: 3.3m (includes annual 0.3 m savings for national reporting)	Will deliver national estimates and projections that are more accurate and use the same underlying data and assumptions for AP and GHG emissions. Providing better evidence for cross AP and CC policy making. Will improved transparency for GHGs and APs with EUETS, E-PRTR, F-Gases and CO2 from Cars.
Option 3a: EUETS Data Flows for National GHG Inventories	D: 3.5m M: 0.03m (includes annual 0.3 m savings for improved management of EUETS data)	Will deliver national estimates that integrate EUETS and GHG emissions to provide more accurate data, show the contributins of non EUETS sources and provide better support Climate Change policy making.
Option 3b: Streamlining Industrial Installation reporting	D: 6.2m M: 2.1m	Improves data quality for national inventories. Provides more accurate AP and CC national inventories and therefore better more efficient policy making and messaging to the public. Improved transparency for GHGs and APs between EUETS, E-PRTR, and IPPC to assist better regulation and policy making.
Option 4: Consolidating National and Facllity/Installation Reporting.	D: 11.3m M: 2.4m (Includes annual 0.9m saving for improved national reporting and facility/installation level data management.)	Integrated dataflows minimise errors and offers maximum quality data, speed and accessibility. Improves data quality for national inventories, and transparency of facility/installation data. Provides more accurate AP and CC national inventories and therefore better more efficient policy making and messaging to the public.

UK Environment Agency Recent Consultation on the Pollution Inventory:

...that total benefits to industry which will directly result from the READ initiative (collection of activity data with emissions data) are in the range of £3 million to £16 million per annum. This is an estimate of the money businesses could save from resource efficiency savings...

Based on an industry survey the EA also estimate that every operator will need to spend on average an additional 0.75 hours to annually report the data. The estimated cost to industry of this additional reporting is £35k per annum. This takes into account the time spent on reporting existing data through individual permits.

Streamlining: Getting the best out of the data we need, for the least possible cost.... For efficient Policy making...

Benefits

- higher quality EUMM **& NECD** inventory (TCCCA)
- facility/Installation level data incorporation & better statistics/projections
- Comparing EUETS/E-PRTR & non EUETS/E-PRTR performance.
- Improved future GHG & AP policies & tracking co-benefits and trade-offs
- Emission data for both GHG and AP which meet the TCCCA-criteria are essential for future integrated control policies - strong link exist between NOx, VOC and CH4 reduction with respect to hemispheric concentrations of ozone and CH4
- Clear messages (policy makers & public)
- Efficient policies
- Clear tracking of success

Any Questions ?