



ClimaEast

Support to Climate Change Mitigation and
Adaptation in Russia and ENP East countries

The role of Competent Authority in EU Emission Trading System

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Ministry of Ecology and Natural Resources of Ukraine

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What is the CA?

Generic term used in Emissions Trading Directive:
the Authority designated by the Member State to do certain implementation actions.

There can be more than one CA in a Member State → Germany: over 300 CAs

Different regional CAs / CAs in charge of different CA functions:

Most important functions:

- Permits and permit updates (including approval of monitoring plans)
- Issuance of allowances
- Supervising the monitoring and reporting of emissions
- Overseeing verification
- Providing access to information to the public

Important: Not all ETS implementation tasks are designated as CA tasks by the ETS Directive (e.g. drafting of allocation plans, inspection and enforcement). These are assigned to the MS in general. *These tasks are also part of the implementation!*

Tasks: Permits and permit updates

- **Permitting:**

- grant a right to emit an unlimited amount of GHG, but obligation to monitor and report emissions + a monitoring plan as the basis of the MRV
- Must be reviewed every 5 yrs
- High-workload task – monitoring plans need to be checked for conformity with Monitoring Regulation

- **Permit updating:**

- Different from reviewing » it happens when there is a technological change at the installation
- Clear need to keep permits and monitoring up to date
- About 40% of installations are updated in the EU annually



Monitoring, Reporting and Verification

- Key part of the CAs work
- Monitoring reports to be delivered to the CA
- Correctness is ensured by verifiers
- MRR: Regulation no. 601/2012 on MRV contains detailed MRV tasks for CAs
- Managing and supervising verifiers
- Verification Regulation:
 - Allowing simplified verification
 - Waiving of verifier site visits for smaller installations
 - Evaluation of verifiers' processes
 - Liaison with the body responsible for accreditation



Trading-related tasks

Not yet relevant for Ukraine

- Issuing annual allocations
- Updating allocations for new entrants, and capacity changes
- Developing the National Action Plan – optional task
- Auctioning



Inspection and enforcement

- Entirely Member State competence: can be done by the CA, or by other body
- Regular inspection is important to ensure compliance and good quality monitoring
somebody must be able to go and visit the site, and levy a fine if needed
- Penalties: part of the regular administrative penalty system of the state (can also be done by CA, if



Other tasks

- Mandatory:
 - Access to information
 - Coordination of CAs
- Optional:
 - Registries
 - Reporting to EC
 - Accreditation
 - Awareness raising and capacity building



IT systems

- Choices:
 - High-tech vs. low-tech (Excel template of automated workflow)
 - Homemade vs. commercial systems
 - Cheap vs. expensive
- IT cuts down on workload and simplifies operations, especially if there are many installations.
- But can also be difficult to manage



Diversity of CAs in MS

	Monitoring plan approval	Issuance of permits	Assessing verified emissions/ verification	Inspection and enforcement	Issuance of allowances	Free allocation to stationary installations	Auctioning	Providing information to the public
DE	Emissions Trading Auth.	Local/regional authorities	Emissions Trading Auth.	Emissions Trading	Emissions Trading Auth.	Emissions Trading Auth.	Emissions Trading Auth.	Emissions Trading Auth.
HR	Min. of Env.; Env. Agency	Min. of Env.	Env. Agency	Min. of Env.	Min. of Env.; Env. Agency	Min. of Env.	Env. Fund	Min. of Env.; Env. Agency
LT	Env. Agency	Env. Agency	Env. Agency	Regional Env. Dept; Env. Agency	Env. Fund	Min. of Env.; Min. of Economy	Min. of Finance	Regional Env. Dept; Env. Agency; Min. of Env.
LV	State Env. Service	State Env. Service	State Env. Service	State Env. Service	Env. Center	Regional Env. Dept	Regional Env. Dept	Regional Env. Dept; State Env. Service
PL	Regional+ district authorities	Regional+ district authorities	Natl Center for Emission Mgmt	Provincial Env. Inspector	Natl Center for Emission Mgmt	Council of Ministers	Natl Center for Emission Mgmt	Natl Center for Emission Mgmt; Min. of Env.;
RO	Min. of Env.	Min. of Env.	Min. of Env.	Natl Env. Guard	Min. of Env.	Min. of Env.	Natl Env. Guard	Min. of Env.
SK	District Offices	District Offices	District Offices	District Offices	Min. of Env.	Min. of Env.	Govt. Exim Bank	District Offices

Distribution of key tasks among CAs in MS (Dark blue: Ministry level, Blue: Natl Agency level, Light Blue: Local/regional level, White: ...)

Links with Industrial Emissions Directive

- Ukraine also needs to implement IED and a range of environmental policy instruments (F-Gases, ODS, REACH, water quality, EIA, SEA, etc.
- Synergies are possible – especially with IED, which covers a similar group of installations
- Many MS have Environmental Agencies which are CAs for all environmental policies.

	ETS permit part of the IED permit?	Integrated permitting procedures for IED and ETS?	IED, ETS permit issued by same CA?	Inspection for ETS and IED done by same CA?	IED CA obliged to inform ETS CA of ETS activities?	Informal cooperation between IED and ETS CAs?	CO2 limits excluded from IED permit?
DE	Yes	Yes	No	No			
LT	Yes	Yes	Yes	Yes			
LV	No	Yes	Yes	Yes			
PL	No	Yes	Yes	No	Yes	Yes	Yes
SK	No	No	No	Yes	No	Yes	Yes
RO	No	No	No	No	Yes	No	Yes
HU	No	No	No	No	No	Yes	?
HR	No	No	No	No	No	Yes	No

Inspections

- Great diversity among MS
 - Some have regular inspection schedules (DE)
 - Some only inspect occasionally (RO)
- Inspection can be done by the permitting organisation (DE) or by a separate entity (LV, LT)
- Some inspections are only about ETS, some are jointly for ETS and IED

Staff and workload in CAs

Numbers not very comparable as there is a lot of part-time staff (ETS work is very cyclical)

Different CAs also carry out optional tasks

Most CAs have typically up to 4 people working on MRV

- Varies by number of installations
- By the depth of oversight

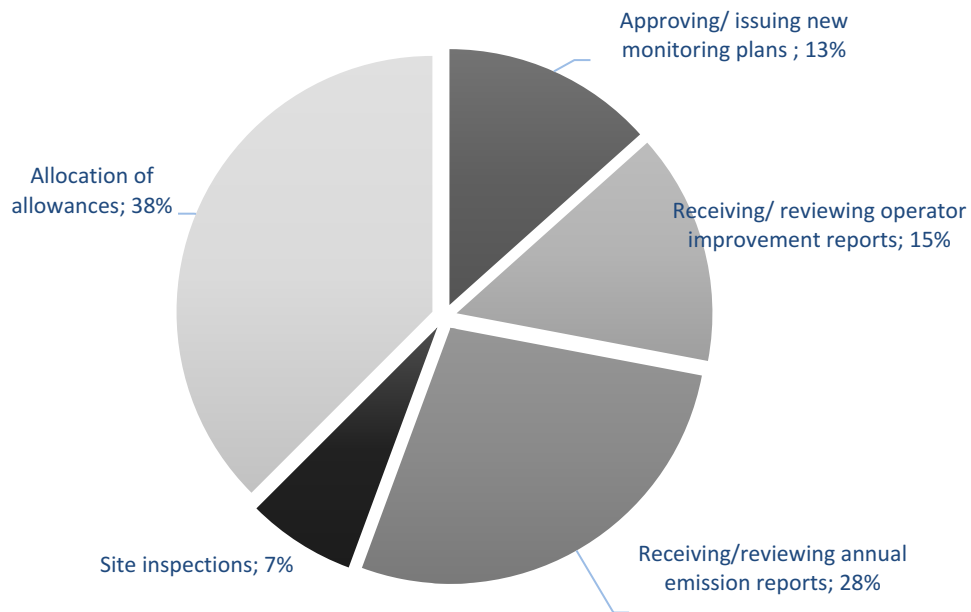
Additional staff is needed for

- Allocation
- Site visits

Further ETS staff in:

- Ministry (policy work)
- Env. Inspectorate or similar (enforcement)
- Accreditation Body

Estimated distribution of CA workload



Budget of CAs

- Budgets vary strongly by MS income level and by administrative structure
- The average cost of a the MRV system for a Member State is about EUR 50,000/yr
- Some CAs charge fees to cover some of their costs

(prices are in EUR)	Fees for operators?	Permit issuance	Permit update	Permit transfer	Permit surrender	New entrant application	Annual registry account fees	One-off registry account fees
HR	Yes	10	10	10	10	10	100	100
PL	Yes	19	10	10			116	465
RO	Yes	180	180			140	100	200
DE	No							400
LT	No						145	87
SK	No						350	50
LV	No						175	32





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