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CLIMA.A.3 - Monitoring, Reporting, Verification

Guidance Document

The Accreditation and Verification Regulation - Quick guide to verification of small emitters (EU ETS Aviation)

**Quick Guide to verification of small emitters (EU ETS aviation),
Version of 15 November 2012**

This document is part of a series of documents and templates provided by the Commission services for supporting the implementation of Commission Regulation (EU) No. 600/2012 of 21 June 2012 on the verification of greenhouse gas emission reports and tonne-kilometre reports and the accreditation of verifiers pursuant to Directive 2003/87/EC of the European Parliament and of the Council (the AVR).

The guidance represents the views of the Commission services at the time of publication. It is not legally binding.

This quick guide is intended as an addendum to Guidance Document III, the main Verification guidance for EU ETS aviation, and specifically to bring the most salient requirements more immediately to the attention of small emitters.

This guidance document was unanimously endorsed by the representatives of the Member States at the meeting of the Climate Change Committee on 15 November 2012.

All guidance documents and templates can be downloaded from the documentation section of the Commission's website at the following address:
http://ec.europa.eu/clima/policies/ets/monitoring/index_en.htm.

Applicability of this Quick guide

This Quick guide outlines the requirements that apply to the verification of annual emission and tonne-kilometre reports of small emitters. Small emitters are aircraft operators (AOs) operating fewer than 243 flights per period for three consecutive 4-month periods or with total emissions less than 25,000 tonnes CO₂ per year.

Art. 54(1)
MRR

Options available to small emitters for monitoring and reporting emissions

Small emitters must monitor and report their emissions by one of the following options:

- **Option I:** the emission report is automatically generated from the ETS Support Facility (ETS SF)¹ without any input from the small emitter. This means that the fuel consumption is estimated by the small emitter's tool (SET) and the emission report is sent to the verifier without any input or alterations by the small emitter;
- **Option II:** the emission report is automatically generated from the ETS SF using the SET, but the small emitter does make some modifications before submission to the verifier;
- **Option III:** the small emitter estimates the fuel consumption using the SET as published as an Excel tool on EUROCONTROL's website. The small emitter itself completes the emission report and submits it to the verifier;
- **Option IV:** the small emitter does not use the SET but chooses to apply the standard monitoring methodology.

Section 5.8
MRR GD 2
and
Section 6.3,
6.4 AVR
GD III

Section
5.6 MRR
GD2

Section
5.4 MRR
GD2

Verification of a small emitter's AER related to the options listed above

A verifier for small emitters must follow the same steps in the verification process as a verifier for large AOs. This means that the verifier will have to:

- carry out a pre-contract stage assessment and require the small emitter to provide information as outlined in Article 10 of the AVR;
- perform a strategic and a risk analysis and draft a verification plan;
- carry out activities in the process analysis;
- establish internal verification documentation and carry out an independent review;
- issue a verification report.

However the detail of the verification activities to be carried out depends on the option the small emitter uses to monitor and report its emissions. The table below describes the necessary verification activities for the various options.

Options	Detail of verification activities to be carried out
Option I	<p>The verifier carries out a completeness check and compares the report submitted by the small emitter with a report direct from EUROCONTROL (from the ETS SF). As the monitoring and reporting process is completed independently from AO's input, using an approved methodology, the verifier does not need to carry out:</p> <ul style="list-style-type: none"> ▪ checks on the data flow activities, control activities and procedures listed in the approved monitoring plan (MP); ▪ data verification and checks on the application of the monitoring methodology; ▪ verification of data gaps; ▪ checks on how the SET distance is determined.

Art. 32(2)
AVR

¹ The small emitter can arrange with EUROCONTROL that the emission report will be automatically generated by the ETS Support Facility and sent directly to the verifier.

Options	Detail of verification activities to be carried out
	<p>This paves the way for extremely straightforward verification (the strategic analysis, risk analysis verification plan, internal verification documentation and independent review all lend themselves to being standard and straightforward).</p> <p>The verifier only needs to pursue matters further if it finds a discrepancy between the report submitted by the small emitter and the report directly from the ETS SF.</p> <p>Please note that Option I can only be applied if:</p> <ul style="list-style-type: none"> ▪ EUROCONTROL has not been requested to change the data in the emission report; ▪ the AO has not identified any errors in the report generated by EUROCONTROL from the ETS SF. If the report generated by ETS SF is not complete or correct, the AO must correct these errors in the emission report (see Option 2); ▪ the AO has implemented sufficiently robust procedures and data management system to ensure that it will find discrepancies in the data and correct these discrepancies.
Option II	<p>The verifier checks which changes the small emitter has made to the report generated by the ETS SF and whether these changes have been properly substantiated and justified by the AO. Depending on this, the verifier must carry out:</p> <ul style="list-style-type: none"> ▪ checks on the data flow activities, control activities and procedures listed in the approved MP; ▪ data verification and analytical procedures. <p>The detail of the verification activities depends on the type of changes made by the small emitter and justifications provided, but will still often be very straightforward.</p>
Option III	<p>The verifier carries out:</p> <ul style="list-style-type: none"> ▪ completeness checks and compares the emission report with EUROCONTROL data from the ETS-SF; ▪ checks on the data flow activities, control activities and procedures listed in the approved MP; ▪ data verification and analytical procedures; ▪ checks on: whether the SET has been applied correctly by the small emitter; the flight distance that has been used (actual flown distance or the Great Circle Distance and how it is determined), including that it is based on the best available data and a correct conversion to nautical miles where necessary; and any inconsistencies that could arise when calculating distance. <p>The verification effort in this option is more complicated and extensive.</p>
Option IV	<p>The verifier carries out the same activities as prescribed for the verification of emission reports of large AOs (see Chapters 3, 4 and 5 of the Verification Aviation Guidance GD III).</p>

**Section
6.2 GD III**

For all options the following applies:

- If the AO or verifier identifies misstatements and non-conformities, these must be corrected by the AO². If these are not corrected before issuing the verification report, the verifier assesses their material impact on the reported data. All non-corrected misstatements and non-conformities must be listed in the verification report.
- Verifiers have to complete all sections of the verification report regardless of which option the small emitters have used to monitor and report their emissions.
- If the risk analysis shows that the risks to misstatements and non-conformities are high, more detailed verification activities are necessary.

² Errors in reports and data generated from the ETS SF must be corrected by the AO in the emission report.

Interpretation of site visit for small emitters

The option used by the small emitter to monitor and report emissions also has relevance on site visit requirement.

Options	Interpretation of site visit	
Option I	The ETS SF is the location where the monitoring and reporting process is defined and relevant data are stored. There is no need to physically visit the AO.	Art. 3(13) AVR
Option II	See option I, but the need for a site visit may be influenced by the changes made.	
Option III	Need for a site visit(s) depends on the verifier's risk analysis, but may be waived bearing in mind Article 3(13) and Article 32(1) of the AVR. A prerequisite may be that the verifier has access to the small emitter's own data in the ETS SF to corroborate the completeness of flights and the appropriateness of the aerodrome pairs, distances and aircraft types	Art. 3(13) and 32(1) AVR
Option IV	Need for a site visit(s) depends on the verifier's risk analysis, but may be waived provided that all relevant data can be remotely accessed by the verifier.	Art. 32(1) AVR

Verification of tonne-kilometre reports for small emitters

Where required, tonne-kilometre data must be determined according to Article 56 and Annex III of the ETS Monitoring and Reporting Regulation (MRR). Verification of the tonne-kilometre reports of small emitters involves the same activities as verification for other AOs. The detail of these activities can vary depending on the results of the risk analysis.

Section
5.5 MRR
GD 2

Based on the risk analysis, the verifier may plan to waive a site visit to a small emitter provided that there is sufficient confidence in the AO's control system, including in the accurate monitoring of the mass of passengers, freight and mail. The AO has to provide the verifier with the information needed to assess their control system. A verifier may decide not to carry out a physical visit where it has concluded based on its risk analysis that the data can be remotely accessed.

Art. 32(1)
AVR

Small emitters exceeding the thresholds

An AO making use of the simplified procedure and exceeding the thresholds for small emitters during a reporting year, must notify this fact to the competent authority (CA) of the administering Member State. If the AO can demonstrate to the satisfaction of the CA that the thresholds were not already exceeded in the past five reporting periods and will not be exceeded again from the following reporting period onwards, the AO does not need to update the MP to meet the regular monitoring requirements for AOs. The ETS SF can help the CA to assess the information provided by the AO since it enables trend analyses. Where a revised MP is required it must be submitted without undue delay to the CA for approval. In this case the AO will apply the standard monitoring methodology, requiring the verification to be carried out according to the approach prescribed under Option IV.

Art. 54(4)
MRR

Annex I Relevant Guidance for small emitters

The table below indicates sections of the Aviation verification guidance (GD III) that may be useful to verifiers for verifying emission reports of small emitters.

Options	GD III	Clarification
Option I	Section 3.2.1 - 3.2.5 Section 3.2.8 and 3.2.9 Section 3.2.10 - 3.2.13 Section 3.3 Chapter 6 - 8 Annex I and II	The steps described in section 3.2.1 – 3.2.5 and 3.2.10 to 3.2.12 are very straightforward under this option and do not require extensive verification work: e.g. the content of the internal verification documentation and the independent review is less detailed if the verification only consists of a comparison between the AO's report and EUROCONTROL data from the ETS Support Facility. Chapter 6 is on the verification of small emitter's emission reports.
Option II	Section 3.2.1 - 3.2.5 Section 3.2.8 and 3.2.9 Section 3.2.10 - 3.2.13 Section 3.3 Chapter 4 and section 5.1 - 5.4, where relevant Chapter 6 - 8 Annex I and II	The verification effort required depends on the type of changes made by the AO. Chapter 4 is useful if the verifier checks the data flow, control activities and procedures listed in the approved MP. Chapter 6 provides further details on the verification of small emitter's emission reports.
Option III	Section 3.2.1 - 3.2.5 Section 3.2.8 and 3.2.9 Section 3.2.10 - 3.2.13 Section 3.3 Chapter 4 Section 5.1 - 5.4 Section 5.14 - 5.16 Chapter 6 - 8 Annex I and II	
Option IV	All Chapters	