

03.09.2014 08:09

## EU Emissions Trading System (ETS) - Calculation of allowances to aircraft operators

Ever since aviation activities have been included in the EU ETS emission trading system, aircraft operators have been obliged to acquire allowances equaling to their annual CO<sub>2</sub> emissions.

According to Act no. 70/2012 on the emission of greenhouse gases, with later amendments, the Environment Agency of Iceland allocates emission allowances free of charge to operators covered by the ETS and under the supervision of the Icelandic government, based on benchmarks set out in a regulation by the Minister for the Environment. The regulation is in accordance with the decision of the EEA Joint Committee on benchmarks for aviation activities in the European Economic Area. According to Regulation no. 1131/2011 on the allocation of allowances free of charge to aircraft operators, 0.6422 allowances is allocated for every 1,000 ton-kilometers each year.

Reference is made to the decision of the EEA Joint Committee no. 62/2014 amending annex XX. (Environment) to the EEA Agreement, and that Regulation amending Directive 2003/87/EC will be incorporated into the EEA Agreement. The decision was adopted by a resolution of the Icelandic Parliament on April 29, 2014. The decision focuses on the reduction of the scope of the EU-ETS emission trading scheme, especially in respect to flights to and from airports which are located in countries outside the European Economic Area (EEA), as well as air transport between airports located on the outermost region, and airports located in another section of the EEA, in each calendar year from January 1, 2013 to December 31, 2016. Please note that an aircraft operator that receives free allowances will receive fewer allowances since they are allocated in proportion to the reduction of obligations in surrendering of allowances in the period 2013-2016.

Following aircraft operators will receive free allowances for the period 2013-2016:

CRCO	Aircraft Operator	Annual allocation 2013-2016	Total allocation 2013-2016
3176	FLUGFELAG ISLANDS	8.011	32.044
1479	ICELANDAIR ;	186.364	754.456

Allocations are in tons of CO<sub>2</sub>

Those aircraft operators that are exempted under aforementioned Regulation, which are small operators with total emissions under 1,000 tons of CO<sub>2</sub> per year, or operators operating business with fewer than 243 flights in each period for three consecutive four-month periods, will only be allocated allowances but they will not be transferred to their account in the Union Registry. If these aircraft operators will increase their emissions during the period, however, they will receive the allowances they have been allocated.

This includes the following aircraft operators:

CRCO	Flugrekandi	Árleg úthlutun 2013-2016	Heildarúthlutun 2013-2016
28475	Silk Way Airlines	4	16
30279	Papier Mettler	61	244
36291	RAFAN HOLDING BV	1	4
35130	Switchback Argentina, LLC	0	0
35682	Investair 300, LLC	1	4
f10895	Cooper Industries	2	8
f12111	Supervalu Inc.	4	16

Allocations are in tons of CO<sub>2</sub>

For further information, please visit the [EAI website](#) and the website of the [EU Commission](#).