

# Aviation in Emissions Trading System

**What needs to be done?**

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International Carbon Market Aviation and Maritime

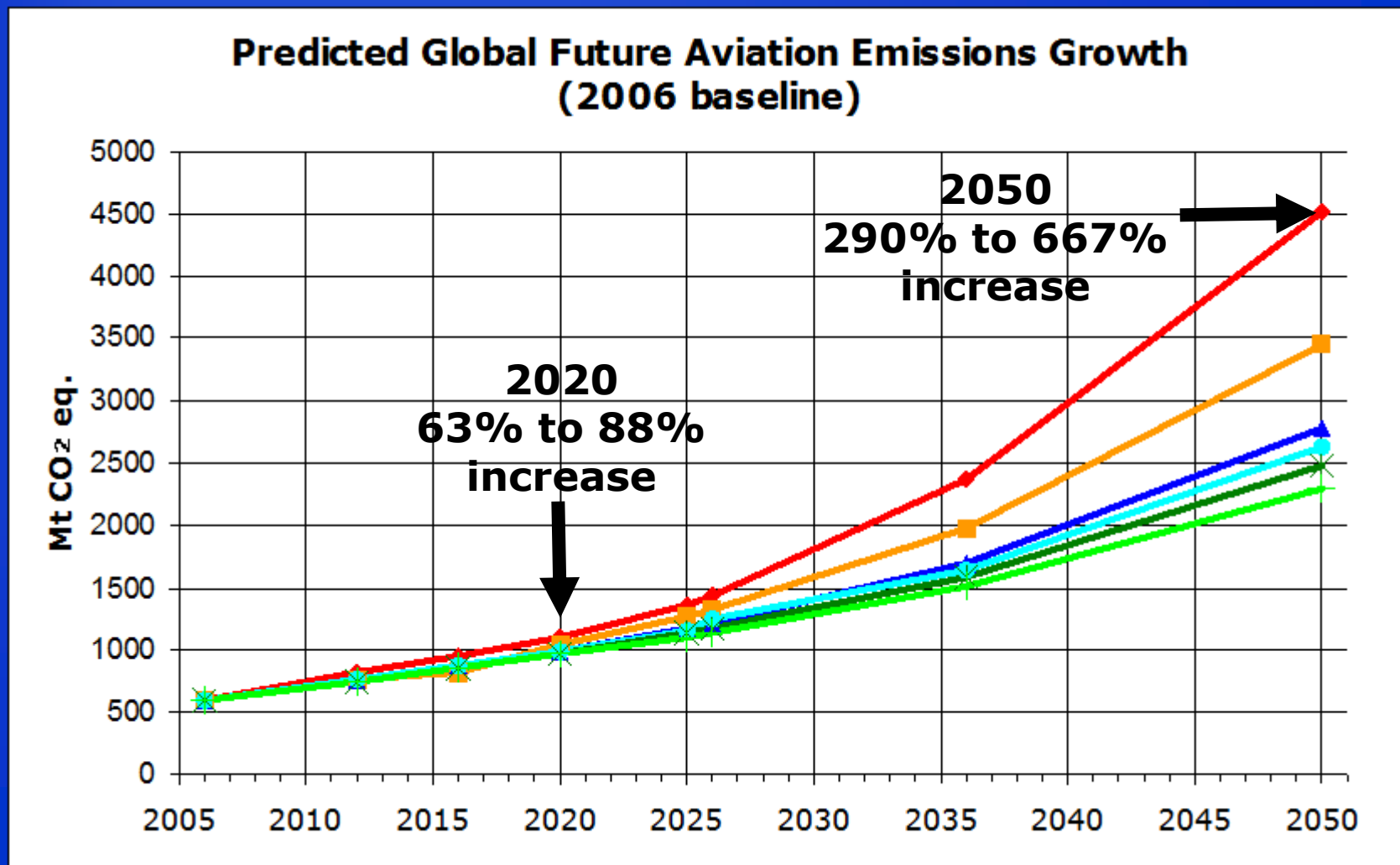
European Commission

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# Emissions growth in aviation sector



# Why was aviation included in the EU ETS?



- ★ Fast growth in emissions
- ★ Little action internationally (e.g. in ICAO)
- ★ ETS has well known benefits:
  - Least cost emissions reductions
  - Guaranteed environmental outcome
- ★ Trading is preferred option of the aviation business

# Main elements



- ★ Flights arriving and departing to an airdrome in a EEA area to be covered
- ★ Pre-compliance monitoring started in 2010
- ★ Full coverage by EU ETS as of 1 January 2012

# Scope of the system

- ★ EU territory
- ★ Overseas territories
- ★ EEA-EFTA countries



# Exemptions

- ★ Aircraft with a certified maximum take-off weight (MTOW) of less than 5 700 kg
- ★ State, military, rescue, emergency, VFR, circular, training flights
- ★ Commercial air transport operators performing:
  - less than 2 flights per day, or
  - Emitting less than 10 000 tonnes of CO<sub>2</sub> per year

# Main requirements for aircraft operators



- ★ Annual monitoring of CO<sub>2</sub> emissions
- ★ Annual verification and reporting of emissions by 31 March
- ★ Annual surrendering of allowances by 30 April, starting from 2013
- ★ Monitoring of tonne-km in 2014 if intend to apply for free allowances



# Small emitters provisions

What is a small emitter?

- ★ aircraft operator operating fewer than 243 flights per period for three consecutive four-month periods
- ★ aircraft operators emitting less than 10 000 tonnes CO<sub>2</sub> per year
  - ➡ Small emitters may use Eurocontrol's fuel use estimation tool

# Opening registry accounts

- ★ Each operator will need to have aircraft operator holding account and appoint two authorised representatives
- ★ Accounts to be opened in early 2012
  - ➡ contact your Competent Authority
- ★ Allowances will be surrendered from the aircraft operator holding account
- ★ Aircraft operators may open person holding accounts to store allowances until 2012

# New entrants to EU ETS

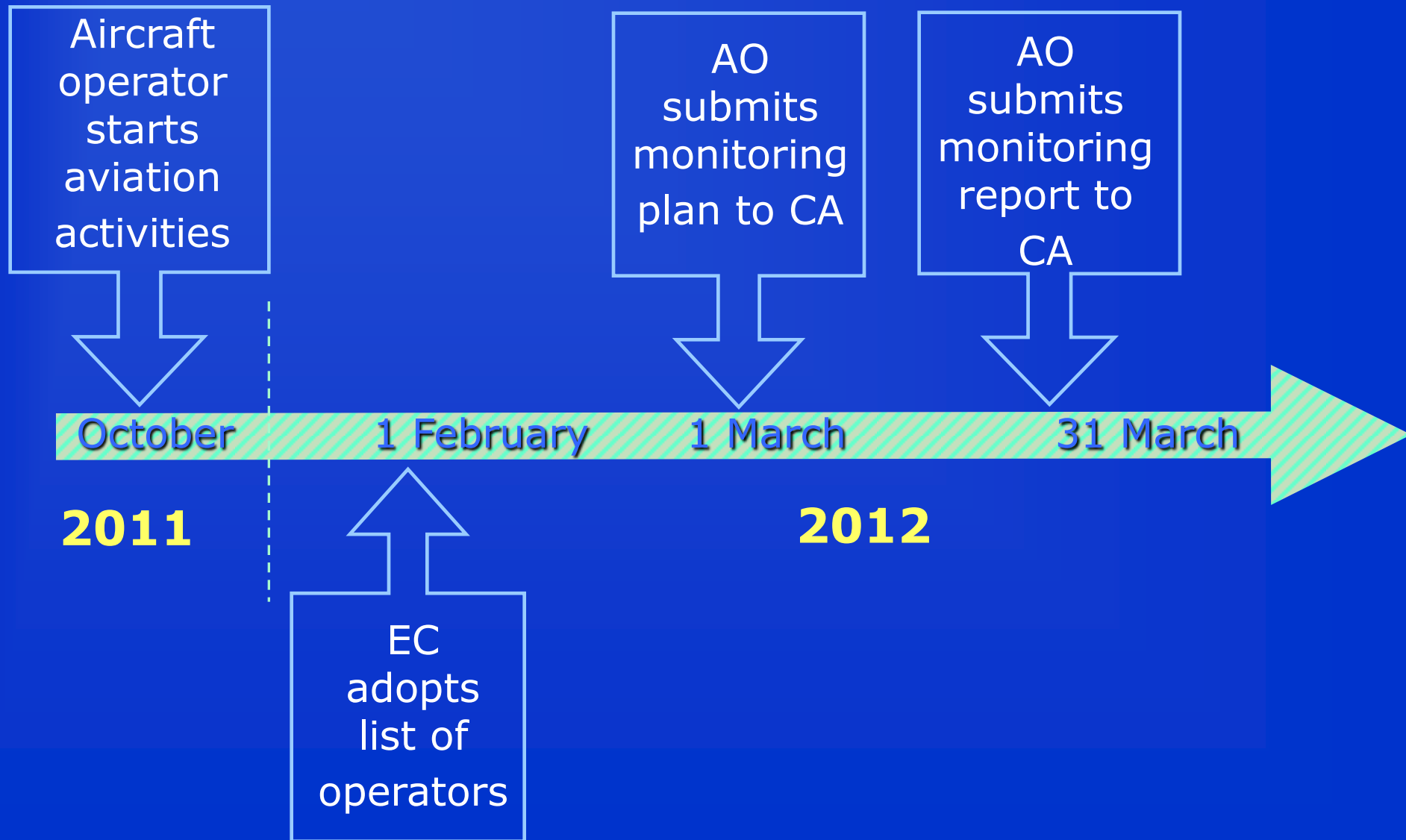


Aircraft operators starting aviation activities after 2010 - new entrants

## Obligations:

- ★ Start monitoring CO<sub>2</sub> emissions from the first flight
- ★ If small emitter, may chose to use simplified approach
- ★ Report emissions by 31 March the next year

# New entrants: main steps



# New entrants: data gaps



M&R legislation allows to use the small emitters tool to cover data gaps, where:

*...part of the data necessary for determining the emissions are missing as a result of circumstances beyond the control of the aircraft operator and cannot be determined by an alternative method defined in the monitoring plan...*

# Where to get information?

EC web page on aviation in EU ETS:

[http://ec.europa.eu/clima/policies/transport/aviation/index\\_en.htm](http://ec.europa.eu/clima/policies/transport/aviation/index_en.htm)

- ★ The Directive and implementing legislation
- ★ Guidance documents on monitoring, reporting and verification
- ★ Frequently Asked Questions
- ★ Monitoring and reporting templates

# What needs to be done by the Commission?



Adopt a decision by 30 September on:

- ★ the cap (total amount of allowances available to aviation sector)
- ★ amount of aviation allowances allocated for free
- ★ amount of allowances auctioned
- ★ amount of allowances allocated to a special reserve
- ★ benchmark for distribution of free allowances

# What needs to be done by the Commission?



- ★ Adoption of the regulation on monitoring and reporting of emissions
- ★ Adoption of regulation on verification
- ★ Development of guidance on administration of operators
- ★ Development of the rules for special reserve



# Questions?