

Aviation in Emissions Trading System

What needs to be done?

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International Carbon Market Aviation and Maritime

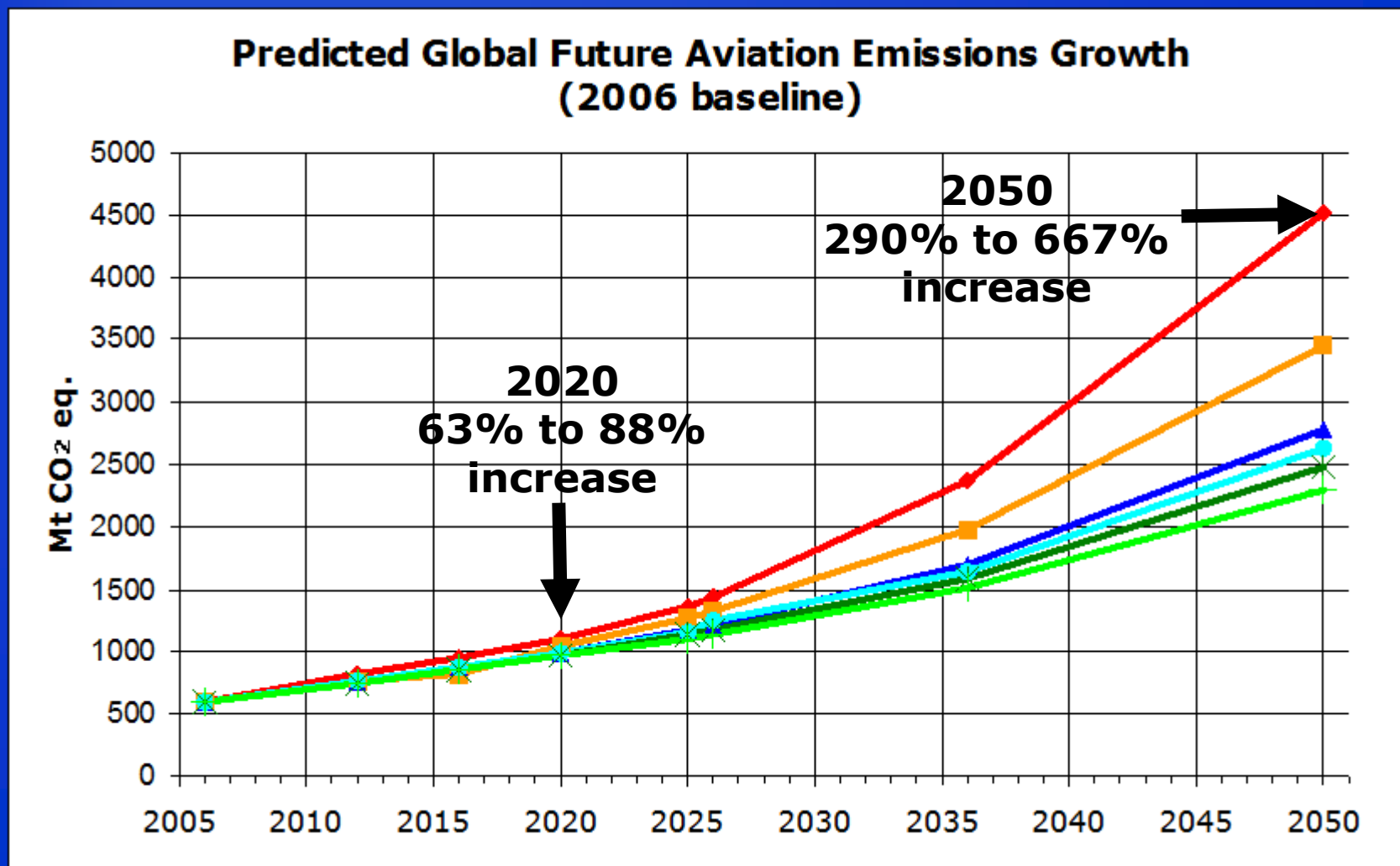
European Commission

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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 CO₂ per year

Main requirements for aircraft operators



- ★ Annual monitoring of CO₂ 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 CO₂ 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

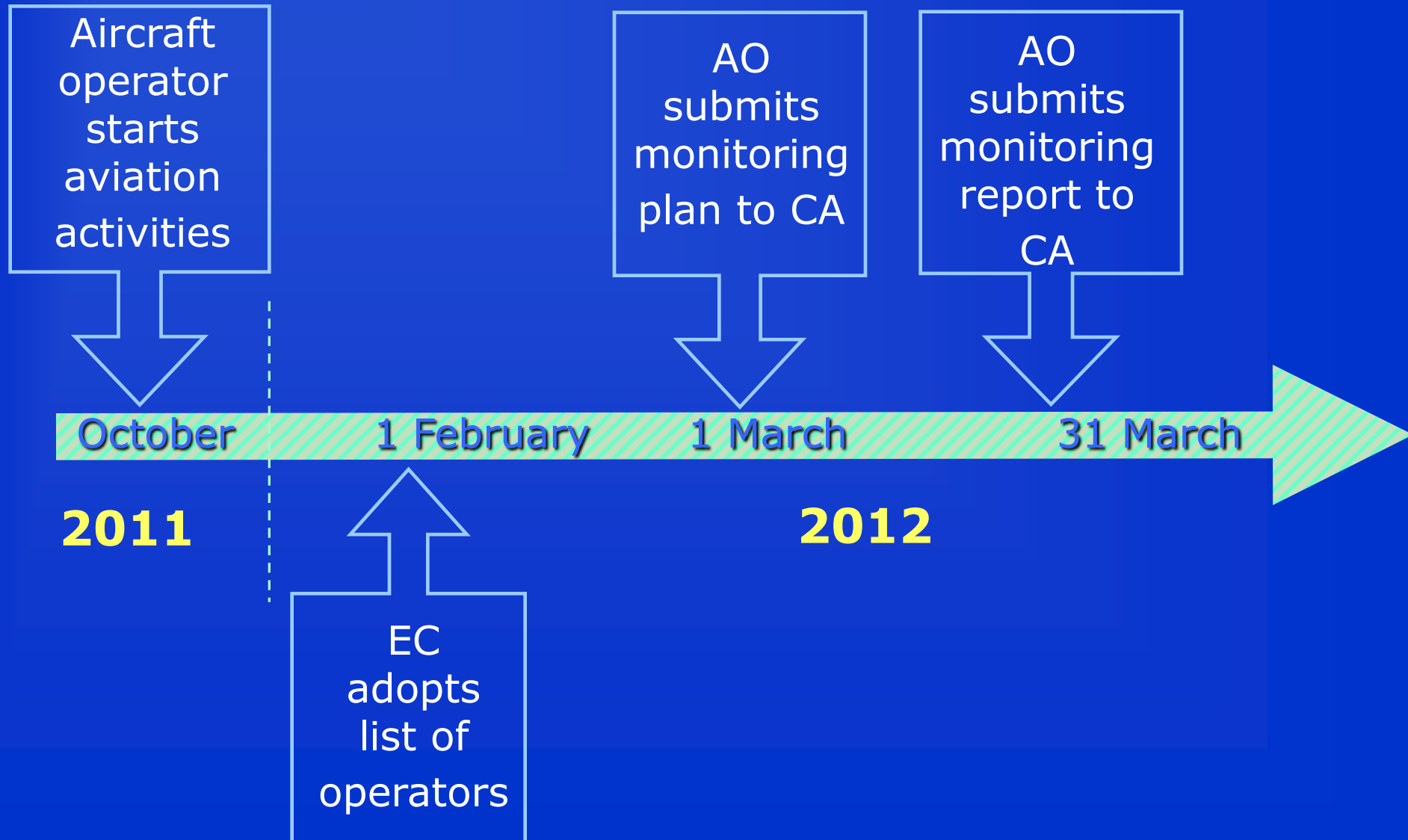


Aircraft operators starting aviation activities after 2010 - new entrants

Obligations:

- ★ Start monitoring CO₂ 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

- ★ 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?