

EU ETS Aviation Newsletter

Issue 18

July 2013

This special edition of the aviation newsletter contains important information for aircraft operators on the Special Reserve.

What is the Special Reserve?

The Special Reserve is the mechanism through which 'new' or 'fast growing' aircraft operators can obtain free allowances for Phase III of EU ETS.

Am I eligible to apply?

To be eligible to apply for an allocation of allowances from the Special Reserve, the aircraft operator must either:

(a) have become a 'UK aircraft operator' after 2010; **or**

(b) have had a growth in tonne-kilometre (tkm) activity in excess of 18% on average annually between 2010 and 2014. This equates to the tkm data in 2014 exceeding the tkm data reported in 2010 by more than 93.9%.

NOTE: 'activity under point (a), or additional activity under point (b), can't be wholly or partially a continuation of an aviation activity previously performed by another aircraft operator'

How do I apply for the Special Reserve?

(1) Submit a benchmarking plan application (otherwise known as a tkm plan) to us via ETSWAP by **31 August 2013**. (Tkm plans relating to the 2010 benchmarking period are not applicable for the Special Reserve).

(2) Monitor your tkm data for 2014 and submit a verified benchmarking report to us (via ETSWAP) by **31 March 2015**.

(3) Provide us with your 'evidence of eligibility' and any other requested information by **30 June 2015**.

The UK Secretary of State will forward approved applications to the Commission by **30 December 2015**.

The Commission will determine the benchmark used to calculate the allocation of free

allowances by **30 June 2016**. From the date the benchmark decision is adopted, Member States have three months to calculate and publish allocations for applications received for the Special Reserve.

The initial allocation of aviation allowances from the Special Reserve will be issued to operators by **28 February 2017**.

What is the cost of an application?

The cost of a Special Reserve application is £1120, which must be submitted at the time of the tkm plan.

How will allowances be calculated?

Three percent of the total quantity of aviation allowances for Phase III of EU ETS has been set aside in the Special Reserve. The amount of allowances that an operator will receive is based on their 2014 tkm data and the benchmark published by the EU Commission.

The benchmark is calculated by dividing the number of allowances set aside for the Special Reserve by the sum of all tkm data received by the Commission (for a 'new' operator application, the total tkm figure is submitted; for 'expanded operations' the absolute tkm exceeding the 93.9% growth criteria is submitted).

The allocation of free allowances an operator would receive is calculated by multiplying the benchmark by:

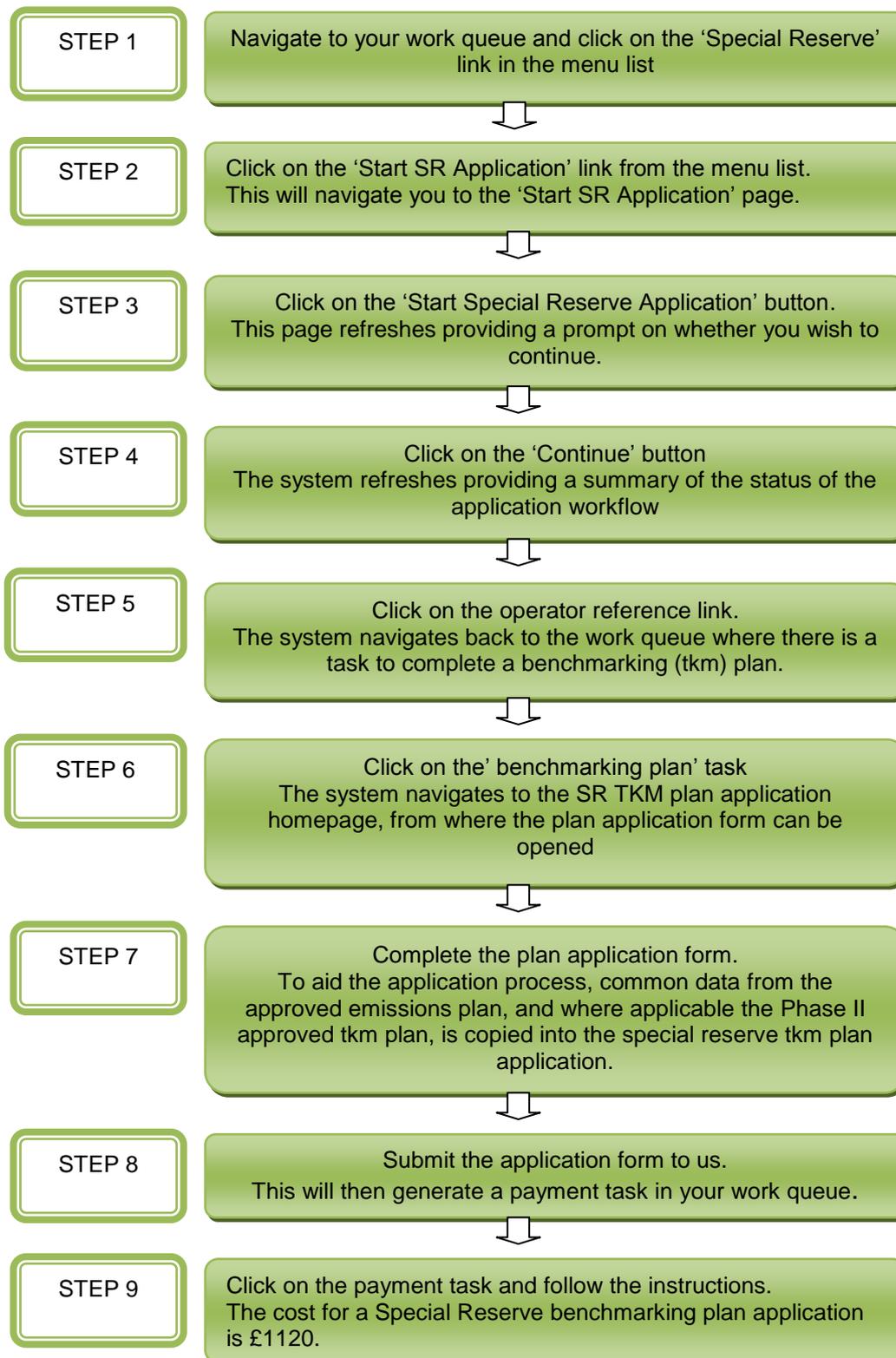
(a) their total tkm reported (in the case of 'new operators'); **or**

(b) their absolute tkm exceeding the 93.9% growth criteria (in the case of an 'expanded operation').

Further information

If you have a query regarding EU ETS Aviation please contact the ET Aviation [helpdesk](#).

Quick guide to start a Special Reserve application via ETSWAP.



Note – when the tkm plan application has been APPROVED by the Competent Authority, tasks to submit a tkm report and eligibility criteria form are automatically generated in your work queue.

[Tonne kilometres (tkm) = distance (km) x payload (t)]