

MRV and associated acts

64th PHLG meeting

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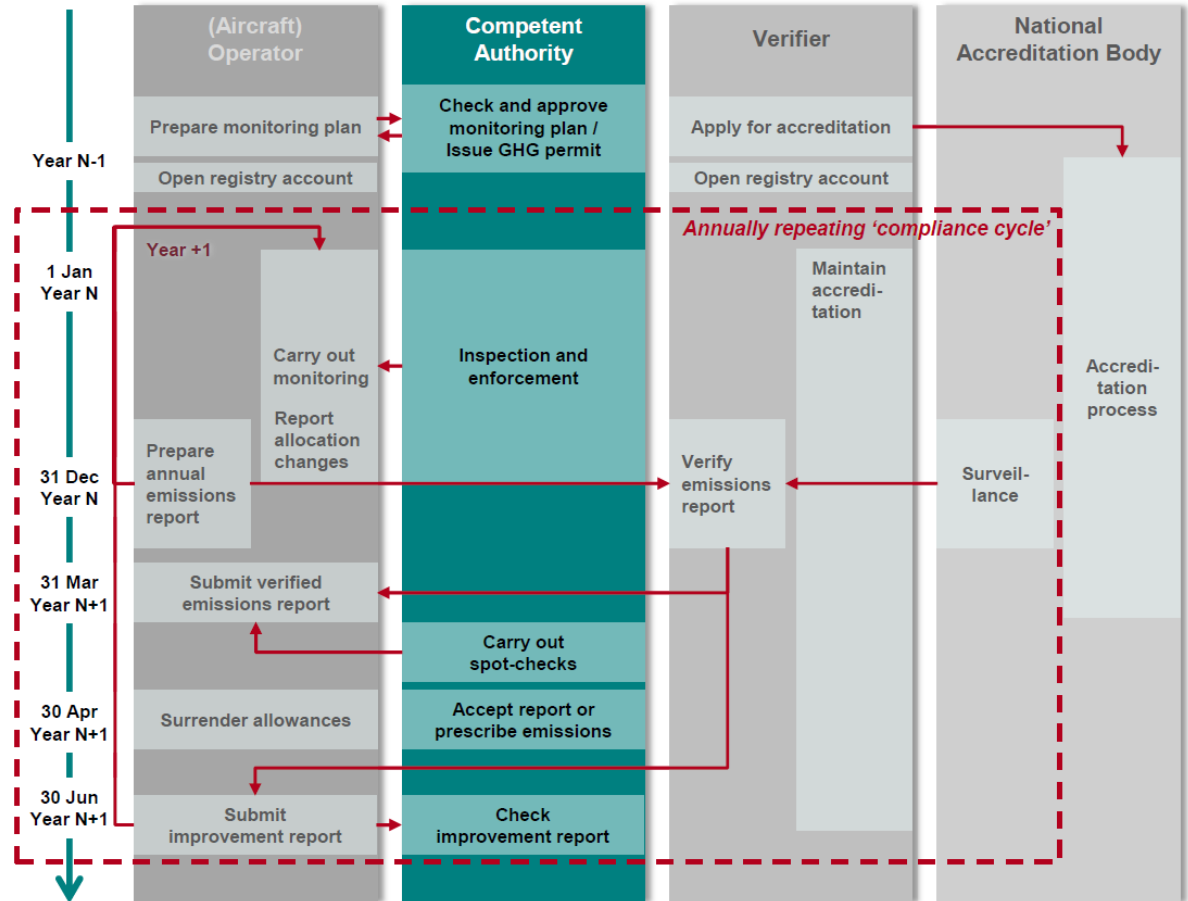
Energy Community Secretariat

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Background

- **MRV** stands for **M**onitoring, **R**eporting and **V**erification of GHG emissions;
- **The objective of MRV:** to have an accurate and verified overview of the total emissions (combustion and process-related) of a ground installation or an aircraft operator;
- MRV is a building block of the **EU ETS**. Its function is to establish the nr. of allowances that must be surrendered by operators (but also used in other areas like shipping);
- “Compliance cycle”



Background

- Energy Community Decarbonization Roadmap 2021 – 3 MRV acts originally foreseen for adoption in 2022:
 - **MRR** regulation (Commission Implementing Regulation (EU) 2018/2066 on the monitoring and reporting of greenhouse gas emissions amended by Commission Implementing Regulation (EU) 2020/2085);
 - **AVR** regulation (Regulation (EU) 2018/2067 on the verification of data and on the accreditation of verifiers amended by Commission Implementing Regulation (EU) 2020/2084);
 - **Accreditation Regulation** (Regulation (EC) No 765/2008 of the European Parliament and of the Council of 9 July 2008 setting out the requirements for accreditation and market surveillance relating to the marketing of products);
- Reasons:
 - The MRV framework is a useful tool for any carbon pricing instrument, and it is essential if the ETS is the target instrument;
 - The establishment of a fully functioning MRV system takes years – it is better to start asap;

Background

- The current proposal includes:
 - **MRR** regulation (Commission Implementing Regulation (EU) 2018/2066 on the monitoring and reporting of greenhouse gas emissions amended by Commission Implementing Regulation (EU) 2020/2085);
 - **AVR** regulation (Regulation (EU) 2018/2067 on the verification of data and on the accreditation of verifiers amended by Commission Implementing Regulation (EU) 2020/2084);
 - **Limited parts of the ETS Directive** (Directive 2003/87/EC of the European Parliament and of the Council);
- Reasons:
 - The provisions of the MRR and AVR are rooted in the ETS Directive (*e.g. definition of the reporting obligation, the scope of installations and gases falling under the reporting obligation*) → the proposed parts of the ETS Directive are necessary for the implementation of the MRR and AVR;
 - The adoption of the proposed parts of the ETS Directive does not constitute any decision on carbon pricing in the Energy Community;
 - The “Accreditation Regulation” is expected to be proposed for adoption in the EnC in 2023.

Main elements

The regulations include very detailed and technical rules. Adaptations are largely technical.

- MRR:
 - Reporting requirements (e.g. Monitoring Plan – development and improvement, role of Competent Authority, information requirements, data formats);
 - Monitoring methodology (calculation-based, measurement-based);
 - Categories of installations and aircraft operators subject to monitoring, small-emitters (defining their reporting obligations);
 - Data management and control (e.g. collection quality assurance, validation);
 - Detailed default values and methodologies in the annexes.

- AVR:
 - Verification (e.g. principles, obligations, analysis of verification tasks, risk analysis, verification plan and report);
 - Requirements for verifiers (e.g. competence, procedures, independence);
 - Accreditation – provisions relevant for accrediting verifiers.

Main elements

- AVR (*continued*):
 - Chapter V (Requirements concerning accreditation bodies for the accreditation of ETS verifiers) and Chapter VI (Information exchange) of the AVR is proposed for incorporation in the EnC together with the “Accreditation Regulation”.

- ETS Directive:
 - Relevant definitions;
 - GHG emission permits (application for and conditions for granting – direct link with obligation to monitor & report);
 - Verification and accreditation – setting out the general obligation to submit reports for verification;
 - Establishment of the Competent Authority;
 - Activities subject to reporting (Annex I);
 - GHGs subject to reporting (Annex II);
 - Principles for monitoring and reporting (Annex IV);
 - Criteria for verification (Annex V).

Follow-up

- Discussion at today's PHLG;
- Planned webinar on the main elements of the acts including Q&A (mid July);
- Feedback from Contracting Parties (mid July – mid August);
- Endorsement at the PHLG in autumn 2022;
- Adoption at the Ministerial Council 2022.



THANK YOU
FOR YOUR ATTENTION

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