European Union Emissions Trading System (EU ETS) Phase III
Guidance for aircraft operators administered by the UK
How to comply with the EU ETS

December 2013
About this guidance

We have produced this guidance to help aircraft operators administered by the UK participating in the EU ETS to understand the system and what they have to do to comply with it. This comprises of both new and existing:

- UK administered operators - Aircraft operators that are identified on the Commission list as being administered by the UK.
- UK aircraft operators - UK administered operators that have performed an Annex I activity (aviation activity).

This guidance applies from 1 January 2013 to UK administered operators and UK aircraft operators only and excludes installations (Separate guidance is available for installations).

It applies to:

- New Phase III UK administered operators and UK aircraft operators.
- Existing Phase III UK administered operators; and UK aircraft operators with an approved emissions plan.

**Important:** Any changes from the requirements in this document as a result of proposed/future changes to EU ETS for aviation by the European Commission will be notified on either our website, in our newsletters or directly to aircraft operators by e-mail.

Please ensure you check our website regularly and that your contact details in ETSWAP and the Registry are up to date in order to receive these communiqués.

If you are unsure if any of these requirements apply to you, please contact our helpdesk.

How will this guidance help me?

This guidance will help you meet your obligations under the Greenhouse Gas Emissions Trading System Regulations 2012 (the Regulations) and the various European Commission Regulations.

It will help you check what your obligations are under the Regulations and if you need an emissions plan, explain how to make applications (including emissions plan applications) and help you comply with the conditions in your approved emissions plan under the Regulations. To do this, we have divided the information into five easy to follow sections:

1. Am I a UK administered operator or a UK aircraft operator?
2. How do I apply for an emissions plan?
3. I have an approved emissions plan, what do I need to do now?
4. Things have changed, what do I need to do now?
5. How do I complain?

For more information

We have provided hyperlinks throughout this document for further information. If you are reading a printed copy of this guidance, you can turn to Appendix 1 for a full list of documents and websites.
If you have any other questions, please contact your Regulator’s helpdesk. See the table below to find the Regulator responsible for you.

Although there are five Regulators\(^1\) in the UK that regulate EU ETS activities for installations, currently only the three below regulate UK administered operators based on the location of their registered office or, where there is no registered office, based on their attributable emissions.

<table>
<thead>
<tr>
<th>Location of registered office</th>
<th>EU ETS aviation Regulator</th>
</tr>
</thead>
<tbody>
<tr>
<td>England</td>
<td>The Environment Agency</td>
</tr>
<tr>
<td>Scotland</td>
<td>The Scottish Environment Protection Agency (SEPA)</td>
</tr>
<tr>
<td>Wales</td>
<td>Natural Resources Wales</td>
</tr>
</tbody>
</table>

We will update this guidance document regularly. Any updates to this and other UK guidance will be notified on our website.

**EU ETS – further information**

This guidance focuses on compliance only. The European Commission (EC) has published extensive Phase III guidance documents that deal with monitoring and reporting, verification, as well as the allocation of allowances and entry into the scheme.

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\(^1\) The five Regulators that regulate EU ETS activities in the UK are [The Environment Agency](#), [Northern Ireland Environment Agency (NIEA)](#), [DECC Oil and Gas](#), [The Scottish Environment Protection Agency (SEPA)](#) and [Natural Resources Wales](#).
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1 Am I a UK administered operator or a UK aircraft operator?

This section gives an overview of the EU Emissions Trading System (EU ETS) and helps you find out if the Regulations apply to you and if you need an emissions plan.

1.1. What is the EU Emissions Trading System?

The EU ETS is the largest multi-country, multi-sector greenhouse gas emissions trading system in the world and is central to the EU meeting its 20% emissions reduction target by 2020. In the UK, it is a key part of ensuring that we comply with the legally binding 5 year carbon budgets by reducing our emissions below 1990 levels to at least 35% in 2020 and by 80% in 2050, as set out in the Climate Change Act 2008. It is a Europe-wide cap and trade scheme, which started in 2005.

A study carried out on behalf of the European Commission demonstrated that while the European Union's total greenhouse gas emissions fell by 5.3% from 1990 to 2003, CO₂ emissions from international aviation activities of the 25 member states increased by 73% during the same period. The study concluded that without intervention the growth in emissions would continue in the coming decades.


The Regulations require all UK aircraft operators (an operator who appears on the Commission list assigned to the United Kingdom and has performed an aviation activity) to produce and submit an emissions plan outlining how they will determine their reportable annual CO₂ emissions to their Regulator for approval. Failure to comply with this requirement of the system may result in civil penalties and even a ban on operating within the EU.

The EU ETS has three operational phases:

- Phase I (1 January 2005 to 31 December 2007) was an initial learning by doing phase and is now complete. This phase didn’t cover aviation activities.
- Phase II (1 January 2008 to 31 December 2012) included revised monitoring and reporting rules, more stringent emissions caps and additional combustion sources and is now complete. Aviation activities were covered from 2010.
- Phase III (1 January 2013 to 31 December 2020) brings harmonised EU allocation methodologies and additional greenhouse gases and emission sources.
1.2. What are the changes for Phase III?

From the start of Phase III on 1 January 2013, emissions have to be monitored in accordance with the Monitoring and Reporting Regulation (MRR), and all annual emissions reports verified in accordance with the Accreditation and Verification Regulation.

The key changes brought about by Phase III are:

- An emissions plan should now be supported by procedures regarding management, data flow activities and control activities. These written procedures should supplement the emissions plan and be kept as part of your internal document systems.

- The annual emissions threshold for ‘small emitters’ has increased from 10,000 to 25,000 tonnes of CO₂ per year. A ‘small emitter’ is defined as:
  - a UK aircraft operator performing less than 243 flights per period for three consecutive four-month periods (January-April; May-August; September-December); or
  - a UK aircraft operator performing flights with total annual emissions less than 25,000 tonnes of CO₂ per year.

Please note all European Economic Area (EEA)² and non-EEA flights³ need to be considered for the above threshold.

Additionally, small emitters are allowed to use simplified monitoring requirements and an EC approved tool (for example, Eurocontrol’s small emitter’s tool) to estimate their fuel consumption. They can additionally use generated annual emissions reports from the ETS Support Facility. However, it is always the UK aircraft operator’s responsibility to make sure the data reported is correct, as experience shows some data can be missing.

- It's no longer acceptable to measure density on the basis of temperature-density correlation tables. The actual density of the fuel uplift and/or fuel in tanks should be taken from on-board measurement systems or from that measured by the fuel supplier. Only if the above data isn't available, should the standard density of 0.8 kg/litre be used, and then only with approval from your Regulator.

- There is greater flexibility into how uncertainty values are derived. For example, the uncertainty of the on-board measurement equipment is no longer required to be derived from calibration certificates only.

- Where data relevant for determining a UK aircraft operator’s emissions for one or more flights is missing, the UK aircraft operator should use surrogate data calculated in accordance with the ‘alternative method’ defined in its emissions plan. Where surrogate data can't be derived using the alternative method identified, fuel consumption can then be estimated using the EC’s approved tool (for example, the small emitter’s tool).

- UK aircraft operators must demonstrate compliance with the applicable uncertainty for each source stream (fuel). The maximum uncertainty of the fuel consumed over the reporting year should be equal to less than +2.5% or +5.0% depending on the amount of emissions over the year resulting from the fuel. Evidence submitted could be in the form of an uncertainty assessment or documentation demonstrating compliance.

- UK aircraft operators that aren’t small emitters are required to establish an effective control system, which consists of two elements: a risk assessment and control activities for mitigating the risks identified. In the risk assessment, the data flow activities should be checked for risks of misstatements.

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² The European Economic Area (EEA) comprises the countries of the European Union (EU), plus Iceland, Liechtenstein and Norway.

³ Flights between EEA and non-EEA countries.
1.3. How do the Regulations apply to me?

The Regulations apply to you if you are a UK administered operator or a UK aircraft operator. The Regulations define a UK aircraft operator as a UK administered operator that performs an aviation activity. Aviation activities are those listed in Annex 1 of the EU ETS Directive (reproduced in Appendix 3).

The diagram below shows what you need to consider in order to decide how the Regulations apply to you. Each step is explained in more detail below.

### Step 1: Am I listed on the Commission list under UK?
- **Yes**: You are a UK administered operator.
- **No**: Notify your Regulator (see section 1.4).

### Step 2: Have I performed an aviation activity?
- **Yes**: Notify your Regulator and supply the supporting evidence (see sections 1.4 and 2.1).
- **No**: You are a UK aircraft operator.

### Step 3: Is this aviation activity exempt?
- **Yes**: Apply to the Secretary of State to be designated to the UK.
- **No**: You are a UK aircraft operator.

- **Contact the Commission**
- **Apply for an emissions plan.**
Step 1: Am I listed on the Commission list\(^4\) under UK?

The first thing you need to do is check if you appear on the Commission list. The legal requirement of the Regulations is that a person should be 'identified' on the Commission list. This means that the name on the Commission list need not be exactly the same as the name of the legal entity.

The Commission list is published annually by the EC showing operators that have been issued an EU Operating Licence and are assigned to the Member State responsible for issuing that licence. All other operators are assigned to a Member State based on their greatest attributable proportion of CO\(_2\) emissions.

If you appear on the Commission list as being administered by the UK, then under the Regulations you are a UK administered operator for the remainder of Phase III and you should notify your Regulator (see section 1.4). If you aren't on this list but think you should be, you should contact the European Commission and inform them of your qualification to enter the EU ETS.

If you know that you should be administered by the UK, you can apply to the Secretary of State to designate the UK as your administering Member State. If this is the case, please contact your Regulator for information on how to proceed.

Step 2: Have I performed an aviation activity?

If you are on the Commission list, or have been designated to the UK by the Secretary of State, you now need to check if your flights arrive at or depart from an aerodrome located in an EU Member State (including a number of overseas territories\(^5\)) to which the treaty applies) or the additional EEA states of Norway, Iceland and Liechtenstein. This test applies regardless of where you are based. Aviation activities include flights performed by commercial air transport operators\(^6\) (service to the public for carrying passengers, freight or mail) and non-commercial operators (for example, business and private jet operators).

If you are on the Commission list, or have been designated to the UK by the Secretary of State, and have performed an aviation activity but suspect it may be exempt (see Appendix 3), then please proceed to Step 3.

If you have not performed an aviation activity, please see what your obligations are under the Regulations as specified in section 1.4.

Step 3: Is this aviation activity exempt?

Even if you have performed aviation activities, they may be covered by the exemptions\(^7\) in Annex I of the EU ETS Directive (reproduced in Appendix 3) and you may not have to comply with the obligations under the Regulations in relation to those flights.

If all your aviation activities are covered by exemptions, you do not need an emissions plan under the Regulations. If you consider this is the case, you should notify your Regulator with supporting

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\(^4\) List of operators set out in Commission Regulation (EC) No 748/2009 on the list of aircraft operators that performed an aviation activity listed in Annex I to Directive 2003/87/EC on or after 1 January 2006, specifying the administering Member State for each aircraft operator as amended from time to time. Please note Croatia entered EU ETS from July 2013.

\(^5\) Åland Islands (Finland); French Guiana, Guadeloupe, Martinique, Reunion (French overseas departments); The Canary Islands (Spain); Ceuta, Melilla (Spanish autonomous cities); Madeira, The Azores (Portugal); Gibraltar (UK autonomous territory), Saint Martin (Grand Case airport TFFG/SFG only), Akrotiri and Dhekelia. Also Mayotte starting from 1 January 2014.

\(^6\) ‘commercial air transport operator’ means an operator that, for remuneration, provides scheduled or non-scheduled air transport services to the public for the carriage of passengers, freight or mail.

evidence (see section 2.1). Your Regulator will review the evidence you provide alongside data provided by Eurocontrol and inform you in writing of its assessment.

If the exemptions only cover some of your flights, then under the Regulations you are a UK aircraft operator and will need to apply for an emissions plan (see section 2.1) and monitor and report your emissions for your non-exempt aviation activities.

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If you don’t apply for an emissions plan when you are performing a non-exempt aviation activity, this is a breach of the Regulations and you may receive a civil penalty.

1.4. Notify your Regulator

If after following the steps above you consider that you are a UK administered operator or a UK aircraft operator (for example UK administered operator that has performed a non-exempt aviation activity), you need to contact your Regulator to obtain login details to our web-based greenhouse gas emissions planning, reporting and management tool ETSWAP. This tool will enable notifications to and from your Regulator.

If you are still not sure if the Regulations apply to you, please contact your Regulator’s helpdesk.

In order to obtain your login details for ETSWAP, you need to e-mail your Regulator’s helpdesk with the following information:

- UK administered operator or UK aircraft operator name
- UK administered operator or UK aircraft operator code as specified on the Commission list (this is the same as your Central Route Charges Office number)
- first name
- surname
- telephone contact number
- email address
- date/expected date of the first aviation activity in the year that you appear on the Commission list (become a UK administered operator)

Once your Regulator has this information, they will be able to set you up with an account on ETSWAP and provide you with login details.

Please refer to the ETSWAP Help Page for further help in using ETSWAP.

UK administered operator requirements under the Regulations

If you are a UK administered operator, please also note the timescales below for providing information to your Regulator via ETSWAP. This is a requirement under the Regulations.

- If you have not performed an aviation activity since the Commission list was published, you have twelve weeks from the date it is published to either submit an application for an emissions plan to your Regulator or to notify your Regulator via ETSWAP that you don't expect to be performing an aviation activity in the four-month period following these twelve weeks. You must submit an application for an emission plan if you have been placed on the Commission list as a result of performing an aviation activity.
- You must notify your Regulator at least four months before you perform an aviation activity and apply for an emissions plan (see section 2.1).

ETSWAP will send regular automated e-mails from the system to remind you to apply for an emissions plan if you have completed a non-exempt aviation activity.

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8 Emissions Trading System Workflow Automation Program (ETSWAP).
2. How do I apply for an emissions plan?

This section is only relevant to you if you are applying for an emissions plan via ETSWAP or making notifications to your Regulator as per section 1.4.

We manage all emissions plan applications, variations, notifications and submissions of reports through ETSWAP. Once you have established that the Regulations apply to you, there are three steps that you need to go through to apply for an emissions plan:

1. submit an application for an emissions plan via ETSWAP
2. open a Union Registry account (to receive, trade and surrender allowances)
3. apply for free allowances (if applicable)

How much will my approved emissions plan cost?

You need to pay an application charge when you apply for an emissions plan. There are also ongoing subsistence charges to cover Regulator costs. ETSWAP will let you know what the fees are during the application process. You can find out more under ‘fees and charges’ in Appendix 1 for your respective Regulator.

General information about applications

The following applies to any application, report or notice you submit to the Regulator under the Regulations or emissions plan conditions.

• All applications must be in writing and, unless otherwise agreed with the Regulator, submitted on a form available from us. The forms will set out the information required to determine an application or set out the matters required to be included in a report.
• If we provide an email address, you must send the form electronically. If we ask you to submit the form through ETSWAP, you must do this.
• All applications must include the name, postal address and telephone number of the applicant, together with an address where documents may be served. This can be an e-mail or postal address in the UK.
• All applications must include the relevant fee, if required.
• An application isn’t ‘duly made’ unless it contains all the information required by the Regulations, and we have received our completed forms and relevant fee.
• We have to determine all applications made under the Regulations within two months from the date that the application is duly made (or longer, if agreed in writing).

2.1. Step 1: Submit an application for an emissions plan via ETSWAP

Once you have your login details, log onto ETSWAP. You will first be prompted to specify if all your aviation activities are exempt. If you answer ‘yes’ to this question you will be required to submit the supporting evidence to your Regulator.

If you answer ‘no’ to this question, you will be prompted to complete an application for an emissions plan and provide supporting evidence. You must submit your completed application to your Regulator via ETSWAP.

You must submit your emissions plan application four months before you perform an aviation activity. If this is not possible, you should submit an application as soon as possible, but
no later than six weeks after performing the aviation activity. You must also explain why you could not submit your application four months in advance.

We advise you to carefully read the Monitoring and Reporting Regulation and the relevant guidance documents to make sure that you provide all the necessary information with your application.

The forms within ETSWAP have been designed to help operators provide the information that is required under the Regulations and include guidance on how to complete specific fields within the forms. Where relevant, the forms also provide references to additional guidance documents or legislation for further information.

Once you have submitted your application for an emissions plan, your Regulator will assess it and contact you if it has any further questions or require additional information.

Once approved under the Regulations, the emissions plan will satisfy the requirements of the Monitoring and Reporting Regulation to describe the measures planned to monitor and report specified emissions.

You can find more detailed information and guidance on submitting an emissions plan application in the following documents:

- Monitoring and Reporting Regulation
- Monitoring and Reporting Regulation - General Guidance for Aircraft Operators
- Other relevant Commission Guidance

2.2. Step 2: Open a Union Registry account

The Union Registry is an online database hosted and managed by the European Commission. It operates in a similar way to an internet bank account, and records allowance allocations for aircraft operators, annual verified emissions, transaction history of allowance transfers and surrenders of allowances.

You and your verifier can find more information on the relevant types of accounts and units as well as transactions that can be performed in the Union Registry in Appendix 2.

You must apply for a Union Registry account within 20 working days of being issued with an approved emissions plan.

To open a Union Registry account, you must:

- Make sure that at least two people have registered with the European Commission Authentication Service (ECAS) and entered their personal details in the Union Registry.
- Apply online on the Union Registry website (please select UK registry).
- Nominate your Authorised Representatives (and optionally Additional Authorised Representatives).
- Submit the required documents to the UK National Administrator to be validated.
- Wait for the UK National Administrator to confirm your account has been opened and send your Authorised Representative(s) their enrolment key (subject to their details and documents being successfully validated).

Opening a Union Registry account can take up to two months. If you need any help with this, please contact our Registry helpdesk.

You can find further links to information about the Union Registry in the registry section of Appendix 1.
2.3. Step 3: Apply for free allowances (if applicable)

In accordance with Article 3(f) of the EU ETS Directive, for the period beginning 1 January 2013, 3% of the total quantity of allowances will be set aside in a special reserve for aircraft operators. If you are a UK aircraft operator eligible to apply for a free allocation of allowances from the reserve, you must make an application to your Regulator. To be eligible to make an application for allowances from the special reserve you must be:

(a) A person who becomes a UK aircraft operator after the benchmarking year\(^9\) for a trading period and has not previously received an allocation of aviation allowances for that trading period; or

(b) A UK aircraft operator whose tonne-km data in the second calendar year of the trading period exceeds by more than 93.9% its tonne-kilometre data in the benchmarking year for that trading period.

A person or UK aircraft operator is not eligible if the aviation activity which forms the basis of the application to the special reserve is wholly or partly a continuation of an activity previously performed by another person who is or has been an 'aircraft operator' as defined in Article 3(o) of the Directive, unless the criteria in (b) above has been met.

You must make any application to the special reserve for Phase III by 30 June 2015 by submitting a benchmarking plan in accordance with Article 51(2) of the Monitoring and Reporting Regulation. This application must contain a plan to monitor tonne-kilometre data from your aviation activity (together with supporting documents) submitted under Article 12(1) of the Monitoring and Reporting Regulation.

**Note:** If you are not eligible or are unsuccessful in your application for free allowances from the special reserve, the only other available options for securing allowances are by purchasing them on the carbon market or through an auction. You can find more information about auctioning at the Department of Energy and Climate Change (DECC) [website](https://www.gov.uk/).  

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\(^9\) 'benchmarking year', in relation to a trading period, means the calendar year ending 24 months before the beginning of the period.
3. I have an approved emissions plan, what do I need to do now?

Once we have approved your emissions plan, there are a number of requirements you need to comply with. Firstly, it's important that you take the time to read and understand your approved emissions plan, as the introductory note and conditions have been developed to help you comply with the requirements of the Regulations.

This section provides further detail on the routine annual monitoring and reporting requirements of your emissions plan.

This table gives an overview of a typical emissions plan monitoring and reporting period and associated tasks and deadlines for the various submissions. It also specifies the section of this guidance where you can find more details on what you need to do.

<table>
<thead>
<tr>
<th>Date/Deadline</th>
<th>Action</th>
<th>Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 January</td>
<td>Start monitoring</td>
<td>3.1</td>
</tr>
<tr>
<td>28 February</td>
<td>Receive free allowances (if eligible)</td>
<td>3.2</td>
</tr>
<tr>
<td>31 March</td>
<td>Submit verified emissions report for previous reporting year via ETSWAP</td>
<td>3.3</td>
</tr>
<tr>
<td>31 March</td>
<td>Enter your emissions into your Union Registry account</td>
<td>3.4</td>
</tr>
<tr>
<td>31 March</td>
<td>Your verifier approves your emissions in the Union Registry</td>
<td>3.4</td>
</tr>
<tr>
<td>30 April</td>
<td>Surrender allowances</td>
<td>3.5</td>
</tr>
<tr>
<td>30 June</td>
<td>Submit improvement report (if applicable)</td>
<td>3.6</td>
</tr>
<tr>
<td>July&lt;sup&gt;10&lt;/sup&gt;</td>
<td>Appoint your verifier</td>
<td>3.7</td>
</tr>
<tr>
<td></td>
<td>Site visits&lt;sup&gt;11&lt;/sup&gt;</td>
<td>3.8</td>
</tr>
<tr>
<td>December</td>
<td>Start preparing your emissions report</td>
<td>3.9</td>
</tr>
<tr>
<td>31 December</td>
<td>Notify your Regulator of non-significant changes to your approved emissions plan</td>
<td>3.10</td>
</tr>
<tr>
<td>31 December</td>
<td>Complete monitoring current year</td>
<td>3.11</td>
</tr>
</tbody>
</table>

Note: If you fail to comply with a condition of your approved emissions plan (or other requirements in the Regulations), you may be liable to a civil penalty.

Approved emissions plan holders can also receive a penalty of €100 per tonne of CO₂ if they fail to surrender sufficient allowances by 30 April each year to cover emissions during the previous year.

You can find further information on civil penalties in Appendix 1.

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<sup>10</sup> We recommend that you engage with a verifier early in the compliance year (ideally by July). This is because many verification activities can take place throughout the year and, therefore, this will ensure a verifier is available in time for submitting your verified annual emission report. Please also see section 3.7.

<sup>11</sup> Subject to the conditions set out in the Accreditation and Verification Regulation and associated Explanatory Guidance III (EGD III).
Complying with your approved emissions plan

To make sure you comply with your approved emissions plan, you need to complete the tasks below according to the following deadlines:

3.1. 1 January: Start monitoring

This is the date from which you must start monitoring your emissions for the current reporting year in accordance with your emissions plan (including the written procedures supplementing that plan) and the Monitoring and Reporting Regulation.

3.2. 28 February: Receive free allowances (if eligible)

You should receive the free allowances (subject to eligibility) allocated to you for the current reporting year by 28 February each year. The UK National Administrator will issue your allowances to your Union Registry account.

You can find more details about eligibility and the free allocation methodology on the [EC’s website](#) and in Commission Decision of 26 September 2011 on benchmarks to allocate greenhouse gas emission allowances free of charge to aircraft operators pursuant to Article 3e of Directive 2003/87/EC (2011/638/EU).

3.3. 31 March: Submit your verified emissions report

This is the deadline by which you must submit your verified annual emissions report for the previous reporting year to your Regulator via ETSWAP. Your verifier will also need to submit their ‘verification opinion statement’ via ETSWAP. This report must be in accordance with the Monitoring and Reporting Regulation and the Accreditation and Verification Regulation.

**Important:** If you have not performed an aviation activity during the reporting year, you are deemed not to be a UK aircraft operator in relation to that calendar year, and are not required to monitor emissions or submit a verified report for that year. **You are nevertheless required to notify us of this by submitting the report form in ETSWAP, and only completing the section which notifies us that you have not performed an Annex 1 activity during the year.**

You need to follow these steps to formally submit your verified annual emissions report to us:

1. Complete the annual emissions monitoring (AEM) report in ETSWAP.
2. Once you have completed the report you must select a verifier to verify your report from the drop down list available (having previously spoken to them and set up a contract with them).
3. You should then submit your report to your chosen verifier for verification.
4. Once the verification process has been completed, your verifier will return the verified report to you via ETSWAP.
5. You must then formally submit the verified emissions monitoring report to your Regulator. ETSWAP will display the following message when the report has been successfully submitted 'AEM Report section: Action: AEM report submitted for assessment'.

Please note your report has not been formally submitted until step 5 above has been completed.
You can find guidance on completing this task in ETSWAP and also at:

- **ETSWAP Help Page**
- **The Monitoring and Reporting Regulation – General guidance for Aircraft Operators**

Annual verification involves an accredited (or certified) verifier carrying out an independent assessment of the monitoring methods, information, data and calculations UK aircraft operators within the EU ETS have used to compile their annual emissions reports. Verification in accordance with the **Accreditation and Verification Regulation** plays a crucial role in maintaining the integrity of the trading system and ensuring a level playing field for all EU ETS participants.

It is your responsibility to **find a verifier** that is accredited (or certified) for the regulated activity you are reporting and provide them with all the information that they need. It is good practice to appoint a verifier at least nine months before you need to submit your verified emissions report (see section 3.7 below).

During 2013, the **United Kingdom Accreditation Service (UKAS)** re-assessed UK verifiers. As such, all verifiers should have a new accreditation certificate. Please ensure your EU ETS verifier has the appropriate accreditation certificate, for your particular activity, in accordance with the Accreditation and Verification Regulation.

The verification process should ensure that the information and data in annual emissions reports are free from material omissions, misrepresentations and errors, and are reliable. Essentially, the verification involves checks to ensure that the emissions data in annual emissions reports are an accurate representation of emissions monitored and reported in accordance with the approved emissions plan and the Monitoring and Reporting Regulation.

You can find more information on verification and a list of UK based accredited verifiers at:

- **Monitoring, Reporting and Verification (DECC website)**
- **United Kingdom Accreditation Service (UKAS)**

If you fail to submit a verified emissions report by this date, you may be liable to a civil penalty. If no verified emissions report is submitted the **Regulator will then estimate your reportable emissions** in accordance with the Regulations and the **Monitoring and Reporting Regulation**. The Regulator is entitled to recover the costs for this work.

### 3.3.1. Reporting the use of biofuels

The Monitoring and Reporting Regulation specifies that if an emission factor of zero has been reported in respect of the use of biofuels, you must satisfy the Regulator that the sustainability criteria set out in Article 17(2) to (5) of the **Renewable Energy Directive** have been fulfilled in accordance with Article 18(1) of that Directive.

### 3.3.2. Record keeping

Verified annual emissions reports are subject to periodic Regulator audits. You must, therefore, keep records of all relevant data and information for at least 10 years in line with Article 66 of the Monitoring and Reporting Regulation.

### 3.4. 31 March: Enter your emissions into the Union Registry

You must also enter your emissions figure into the Union Registry no later than 31 March each year so that the verifier can approve this in the account. Your verifier must log on to the Union Registry and confirm that the emissions you entered are correct and match the figure submitted.
through ETSWAP as per section 3.3. To allow time for this, it is advisable to enter the annual emissions in the Union Registry some days before the 31 March deadline.

Even if you have not carried out any aviation activities in a year and therefore have no reportable emissions, you must still enter an amount of zero into the Union Registry.

If you fail to comply with this requirement, the UK National Administrator will block your Union Registry account (see Appendix 2).

3.5. 30 April: Surrender allowances

You must surrender allowances from your Union Registry account equal to your annual reportable emissions made in the previous reporting year by 30 April each year. This is a critical requirement and you will be liable to a substantial civil penalty if you do not comply with this.

3.6. 30 June: Submit your improvement report to your Regulator (if applicable)

If your verifier identifies any recommendations for improvements and/or non-conformities in the annual verification report, you must submit a ‘verifier recommended improvement report’ by 30 June. That report must describe how and when you addressed or plan to address the non-conformities and implement the recommended improvements. Non-conformities will usually relate to specific non-compliances in implementing your approved emissions plan or in your annual emissions report, and you should address these as soon as possible.

Where recommended improvements would not improve the monitoring methodology, you must provide reasons why. Where the recommended improvements would be unreasonably expensive, you must provide evidence.

Please note, ETSWAP will automatically generate this task based on whether certain sections have been answered in the annual emissions report.

If your verifier identifies any errors or non-conformities in the approved emissions plan, you could be required to resubmit an updated emissions plan to the Regulator for approval again.

3.7. July: Ask your verifier to start the annual verification process

It would be beneficial for you and your verifier to start the verification process as soon as possible to check compliance and the first half to three quarters of the year’s monitoring data. This will avoid a heavy workload in January/February each year, causing delays in completing the verification process by 31 March.

3.8. Site visits

Site visits are an integral part of the annual verification process and, without a site visit, your verifier may not be able to give a positive opinion statement. The Accreditation and Verification Regulation defines a ‘site’ in aviation terms to mean ‘locations where the monitoring process is defined and managed, including the locations where relevant data and information are controlled and stored’. This definition means that your verifier does not necessarily need to physically visit every aircraft or aerodrome because much of the data is often centralised. This is particularly so if you are a small emitter using the Eurocontrol Support Facility or you are approved to use the
**Eurocontrol small emitter tool** for determining your fuel consumption. In these circumstances your verifier may, based on his risk analysis, consider that a site visit is not needed.

However, a site visit is about gathering evidence and includes interviewing staff and to test, among other things, the robustness of internal processes and control procedures. It is therefore unlikely that a site visit should be waived. The number of locations and the selection of them is dependent upon your verifier’s risk analysis.

More information on site visit waivers can be found in:

- Articles 21 and 32 of the **Accreditation and Verification Regulation**
- **Accreditation and Verification Regulation Explanatory Guidance III (EGD III)**

### 3.9. December: Start preparing your annual emissions report

You should start preparing your annual emissions report for the current reporting year, to be submitted by 31 March in the following reporting year. This will give you enough time to complete the report, have it verified and correct any errors before you submit it.

**Please note all data should be rounded as specified in Article 72 of the Monitoring and Reporting Regulation.**

### 3.10. 31 December: Notify your Regulator of non-significant changes to the approved emissions plan

Unless already notified as per **section 4**, you must notify the Regulator of any non-significant changes to the approved emissions plan by 31 December in the year in which the change was planned or has occurred (also see **section 4.3**).

If you propose to make a significant change to the approved emissions plan as per **section 4.3**, you must apply to the Regulator to vary the approved emissions plan at least **14 days before** you make the change or, where this is not practicable, as soon as possible afterwards.

### 3.11. 31 December: Complete monitoring

Complete monitoring for the current reporting year as specified in the approved emissions plan.
4. Things have changed, what do I do?

You should regularly check if your approved emissions plan reflects the nature and functioning of your operations and whether you can improve the monitoring methodology. This also includes regularly reviewing your risk assessment to identify if there are changes to the risks that you initially identified and if the control measures that you have put into place are still effective.

You must let your Regulator know about any deviations from the approved emissions plan. This may mean you will need a variation to your plan.

You must notify us of these changes via ETSWAP. Please remember to read the guidance on the relevant ETSWAP pages and note that specific types of notification do have time limits, as explained below.

**Important:** When reading this section please refer to the [General guidance for aircraft operators](https://example.com/guidance), as well as other relevant Commission guidance. You should also refer to your approved emissions plan conditions, [Schedule 8 of the Regulations](https://example.com/schedule), and [Articles 14, 15 and 16 of the Monitoring and Reporting Regulation](https://example.com/article) for full details.

A brief summary of some of the changes to your approved emissions plan are shown below.

### 4.1. Changes requiring 14 day advance notice

You must notify your Regulator at least **14 days before** any of the activities listed below take place or, where this isn’t practicable, as soon as possible afterwards:

- Your proposed change to the approved emissions plan is significant, or the name of the UK aircraft operator is changing (see section 4.3).
- Where an operator classed as a small emitter exceeds the relevant threshold as specified in Article 54(4) of the Monitoring and Reporting Regulation.

### 4.2. Other changes requiring notification

Unless already notified (as required by other emissions plan conditions), you must let your Regulator know of any non-significant changes to the approved emissions plan **by 31 December** in the year in which the change was planned or has occurred. **Section 4.3** lists changes that are considered significant. However, please note this list is not exhaustive, and some changes, although not listed, could be considered significant by your Regulator.

The following changes will mean you have to modify your emissions plan:

- New emissions occur because new activities\(^\text{12}\) are carried out or new fuels or materials not yet contained in the emissions plan are used.
- The change in data available, due to using new types of measuring instruments, sampling methods or analysis methods means emissions can be determined more accurately.
- Data resulting from the previously applied monitoring methodology has been found incorrect.
- Changing the emissions plan makes the reported data more accurate, unless this is technically not feasible or incurs unreasonable costs.

\(^{12}\) This does not apply to fleet changes.
• The emissions plan does not meet the requirements of this Regulation and the Regulator asks you to change it.
• You have to respond to suggestions to improve the emissions plan contained in a verification report.

In relation to changes to the emissions plan, the notification must describe the change, set out whether and how it affects the information in the emissions plan and explain how the change is in accordance with the Monitoring and Reporting Regulation.

If the proposed changes are not significant, or where monitoring in accordance with the original emissions plan would lead to incomplete emission data, you may carry out monitoring and reporting using the modified emissions plan before it is approved by the Regulator. If you are not sure, you must carry out all monitoring and reporting using both the modified and the original emissions plan and make sure it's all documented until your Regulator has approved the modified emissions plan.

If your proposed change to the emissions plan is significant, or the name of the UK aircraft operator is changing, you must apply for a variation instead (see section 4.3).

4.3. Variations

If your proposed change to the emissions plan is significant, or a corporate UK aircraft operator is changing its name, you must apply to vary the approved emissions plan at least **14 days before** you make the change or, where this is not practicable, as soon as possible afterwards.

Significant changes to the emissions plan shall include:
• a change of tiers related to fuel consumption
• a change of emission factor values laid down in the emissions plan
• a change between calculation methods as laid down in Annex III of the Monitoring and Reporting Regulation
• the introduction of new source streams
• a change in the categorisation of source streams where a minor source stream changes to a major source stream
• changes in the status of the aircraft operator as a small emitter within the meaning of Article 54(1) of the Monitoring and Reporting Regulation

Significant changes to the tonne-kilometre data monitoring plan shall include:
• a change between a non-commercial and commercial status of the air transport service provided
• a change in the object (passengers, freight or mail) of the air-transport service

The application to vary must contain a description of the proposed change and set out whether and how it affects the information contained in the emissions plan and explain how the change is in accordance with the Monitoring and Reporting Regulation.

Applications for variations should be made as soon as required via ETSWAP.

4.4. Mergers and splits

You must notify the UK National Administrator **within 10 working days** if you have undergone a merger involving two or more aircraft operators or a split into two or more aircraft operators. This will enable the UK National Administrator to make changes to the national allocation table.
In this context, the terms 'merger' and 'split' will be interpreted widely by the UK National Administrator to include any split, merger, acquisition, consolidation or other transaction involving the transfer of the aviation business of an existing aircraft operator to another new or existing aircraft operator.

4.5. Transfer from/to another Member State

If you are a UK administered operator and do not perform an aviation activity in the UK during the first two years of Phase III, you will be reassigned to the Member State with the greatest proportion of attributable emissions during those two years. However, the transfer will not take place until the start of the following trading period. You will continue to be a UK administered operator until the Commission list is updated.
5. How do I complain?

If you are dissatisfied for any reason with a decision by your Regulator, please discuss it with them first. If you are still not satisfied, you may appeal against certain decisions.

Please note, in the case of an appeal against:

- A decision by the Scottish Environment Protection Agency (SEPA), the appeal body is the Scottish Ministers.
- A decision by the chief inspector, the appeal body is the Planning Appeals Commission.
- Any other decision, the appeal body is the First-tier Tribunal.

If you are dissatisfied for any reason with your verifier, please discuss it with them first. If you are still not satisfied, you should contact the relevant national accreditation body and also inform your Regulator.

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13 Clause 5.9 Of EN ISO/IEC 17011 requires national accreditation bodies to allow the accredited verifier the opportunity to deal with complaints before the national accreditation body intervenes.
## Glossary of terms for EU ETS

The table below contains the basic definitions of common terms used in EU ETS.

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<thead>
<tr>
<th>General Terms</th>
<th>Definition</th>
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<tr>
<td>Aircraft operator</td>
<td>Defined in the Regulations as a legal entity identified on the Commission list as administered by the UK that has performed a regulated activity.</td>
</tr>
<tr>
<td>Allowance</td>
<td>An allowance to emit one tonne of carbon dioxide equivalent.</td>
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<tr>
<td>Annex I activity</td>
<td>An activity falling within the description in Annex I to the EU Directive.</td>
</tr>
<tr>
<td>AR</td>
<td>Authorised Representative for the Union Registry account.</td>
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<tr>
<td>AAR</td>
<td>Additional Authorised Representative for the Union Registry account.</td>
</tr>
<tr>
<td>AVR</td>
<td>Accreditation and Verification Regulation.</td>
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<tr>
<td>Benchmarking plan</td>
<td>A monitoring and reporting plan for tonne kilometre data.</td>
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<tr>
<td>CDM</td>
<td>Clean Development Mechanism.</td>
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<tr>
<td>CEF</td>
<td>Carbon Emission Factor.</td>
</tr>
<tr>
<td>CER</td>
<td>Certified Emission Reduction.</td>
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<tr>
<td>Civil penalty</td>
<td>Financial penalty relating to certain failures under the Regulations.</td>
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<tr>
<td>CO₂</td>
<td>Carbon dioxide.</td>
</tr>
<tr>
<td>CO₂e</td>
<td>Carbon dioxide equivalent.</td>
</tr>
<tr>
<td>ktCO₂pa</td>
<td>Kilotonnes of carbon dioxide per annum.</td>
</tr>
<tr>
<td>tCO₂</td>
<td>Tonnes of CO₂.</td>
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<tr>
<td>DECC</td>
<td>Department of Energy and Climate Change.</td>
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<tr>
<td>EMS</td>
<td>Environmental Management System.</td>
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<tr>
<td>EPRTR</td>
<td>European Pollutants Release and Transfer Register.</td>
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<tr>
<td>Abbreviation</td>
<td>Description</td>
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<tr>
<td>ERU</td>
<td>Emission Reduction Unit.</td>
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<td>ETSWAP</td>
<td>Emissions Trading System Workflow Automation Program.</td>
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<td>EUA</td>
<td>European Union Allowance.</td>
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<td>EUAA</td>
<td>European Union Aviation Allowance.</td>
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<tr>
<td>EU ETS</td>
<td>European Union Emissions Trading System.</td>
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<tr>
<td>EVCI</td>
<td>Electronic Volume Conversion Instrument.</td>
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<td>GG</td>
<td>Greenhouse gas.</td>
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<tr>
<td>GHG</td>
<td>Greenhouse gas.</td>
</tr>
<tr>
<td>Installation</td>
<td>Stationary technical unit where one or more Annex I activities are carried out, plus any location on the same site where any other directly associated activities are carried out that have a technical connection with the Annex I activities and that could have an effect on greenhouse gas emissions and pollution.</td>
</tr>
<tr>
<td>IPCC</td>
<td>Intergovernmental Panel on Climate Change.</td>
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<td>IPPC</td>
<td>Integrated Pollution Prevention and Control.</td>
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<tr>
<td>ISO</td>
<td>International Standards Organisation.</td>
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<tr>
<td>JI</td>
<td>Joint Implementation.</td>
</tr>
<tr>
<td>M and R Plan</td>
<td>Monitoring and Reporting Plan - methodology for monitoring and reporting emissions of CO₂.</td>
</tr>
<tr>
<td>MRR</td>
<td>Monitoring and Reporting Regulation.</td>
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<tr>
<td>Phase I</td>
<td>First phase of the EU ETS, ran from 1 Jan 2005 to 31 Dec 2007.</td>
</tr>
<tr>
<td>Phase II</td>
<td>Second phase of the EU ETS, ran from 1 Jan 2008 to 31 Dec 2012.</td>
</tr>
<tr>
<td>Phase III</td>
<td>Third phase of the EU ETS, runs from 1 Jan 2013 to 31 Dec 2020.</td>
</tr>
<tr>
<td>Special reserve</td>
<td>Reserve of free allowances set aside for aircraft operators.</td>
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<tr>
<td>TKM or tonne kilometre plan</td>
<td>A tonne of payload carried a distance of one kilometre.</td>
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<tr>
<td>UKAS</td>
<td>United Kingdom Accreditation Service.</td>
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<tr>
<td>UNFCCC</td>
<td>United Nations Framework Convention on Climate Change.</td>
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<tr>
<td>Verifiers</td>
<td>Independent bodies accredited by the national accreditation body (e.g. UKAS) or certified by a national certification authority to carry out EU ETS verification.</td>
</tr>
</tbody>
</table>

**Monitoring and Reporting Terms (simplified definitions)**

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<th><strong>Activity data</strong></th>
<th>Volume or mass of fuels/materials.</th>
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<tr>
<td><strong>EF</strong></td>
<td>Emission factor.</td>
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<tr>
<td><strong>NCV</strong></td>
<td>Net calorific value.</td>
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<tr>
<td><strong>Source stream (de minimis)</strong></td>
<td>Group of minor source streams jointly emitting &lt;1,000 tonnes, or &lt; 2% of total emissions (up to max of 20,000 tonnes).</td>
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<tr>
<td><strong>Source stream (major)</strong></td>
<td>Major fuels or materials used on site (defined as not being minor source streams).</td>
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<tr>
<td><strong>Source stream (minor)</strong></td>
<td>Group of source streams jointly emitting &lt; 10% of total emissions (or &lt;100,000 tonnes).</td>
</tr>
<tr>
<td><strong>Tier</strong></td>
<td>A set requirement used for determining activity data, calculation factors, annual emission and annual average hourly emission, as well as for payload.</td>
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Appendix 1: List of quoted guidance and websites

The links below are those referred to in the main body of this guidance document.

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<td><a href="mailto:etaviationhelp@environment-agency.gov.uk">etaviationhelp@environment-agency.gov.uk</a></td>
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<td>Scottish Environment Protection Agency</td>
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<td><a href="http://www.sepa.org.uk/climate_change/solutions/eu_emissions_trading_system.aspx">http://www.sepa.org.uk/climate_change/solutions/eu_emissions_trading_system.aspx</a></td>
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<td><a href="http://naturalresourceswales.gov.uk/splash?orig=/">http://naturalresourceswales.gov.uk/splash?orig=/</a></td>
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<td><a href="http://www.ni-environment.gov.uk/pollution-home/emissionstrading.htm">http://www.ni-environment.gov.uk/pollution-home/emissionstrading.htm</a></td>
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<td>Monitoring, Reporting and Verification (DECC website) <a href="https://www.gov.uk/participating-in-the-eu-ets#phase-iii-compliance">link</a></td>
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<td>United Kingdom Accreditation Service (UKAS) <a href="http://www.ukas.com">link</a></td>
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<td>Find a verifier on the United Kingdom Accreditation Service (UKAS) website <a href="http://www.ukas.com/about-accreditation/accredited-bodies/certification-body-schedules-GHG.asp">link</a></td>
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<td>How to comply with the EU ETS, including the Small Emitter and Hospital Opt-Out Scheme - Guidance for installations <a href="https://brand.environment-agency.gov.uk/mb/D7w75b">link</a></td>
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Eurocontrol Support Facility  
http://www.eurocontrol.int/articles/ets-support-facility  
|  
| **Eurocontrol small emitter tool**  
http://www.eurocontrol.int/articles/small-emitters-tool  
|  
| Commission Regulation (EC) No 748/2009 of 5 August 2009 on the list of aircraft operators which performed an aviation activity listed in Annex I to Directive 2003/87/EC on or after 1 January 2006 specifying the administering Member State for each aircraft operator  
|  
| Commission Regulation on the approval of a simplified tool developed by the European organisation for air safety navigation (Eurocontrol) to estimate the fuel consumption of certain small emitting aircraft operators (606/2010)  
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32010R0606:EN:NOT  
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| Free allocation and benchmarking  
|  
|  
| The Monitoring and Reporting Regulation – General guidance for aircraft operators  
|  
| Renewable Energy Directive  
|
Appendix 2: The Union Registry

What is the Union Registry?

Operational since January 2005, the registries ensure the accurate accounting of all units (allowances) issued under the European Union Emissions Trading System (EU ETS).

The revised EU ETS Directive that was adopted in 2009 centralised the EU ETS operations into a single European Union Registry, hosted, maintained and operated by the Commission. The single Union Registry has replaced all EU ETS and Kyoto registries hosted in the Member States and covers all EU Member States as well as Norway, Iceland and Liechtenstein. Each Member State has its own National Administrator and national registry section within the Union Registry. The National Administrator for the UK is the Environment Agency.

The Union Registry is an online database that operates in much the same way as an internet bank account and records annual allowance allocations (if eligible), annual verified emissions, transaction history of unit transfers and the surrenders of allowances. The Union Registry is comprised of EU ETS Registries and Kyoto Registries. The Union Registry is mainly used for compliance and/or trading. General and aviation allowances may be traded between EU ETS Registry accounts. In addition to EU ETS general and aviation allowances, EU ETS Registry accounts may also hold Kyoto units which the European Commission has deemed eligible for use within the EU ETS. Each aircraft operator will be assigned a limit of eligible Kyoto units that they may exchange for EU ETS aviation allowances. Once the eligible Kyoto units have been exchanged, the resulting aviation allowances can be surrendered for compliance purposes.

Non-eligible Kyoto units can only be traded between Kyoto Registry accounts and cannot be used for EU ETS compliance or held within EU ETS part of the Union Registry. As such, there is a choice of account types depending on your circumstances and what you wish to do with your units.

What type of account must I have?

If you hold an approved emissions plan in the UK, you will be required to open and hold an Aircraft Operator Holding Account (AOHA) in order to meet your EU ETS compliance obligations. The requirements for this application are set out on the Environment Agency’s website.

From this account you must surrender units (general or aviation allowances) that equal your reportable emissions for the previous calendar year. As part of this compliance obligation, you must enter your reportable emissions into your Aircraft Operator Holding Account and have these approved by your verifier by 31 March at the latest. Allowances equalling your emissions must be surrendered by 30 April each year.

If you have not entered your verifier approved reportable emissions by 1 April, your Aircraft Operator Holding Account will be blocked. No processes may be initiated from blocked accounts, except surrendering allowances, entering verified emissions, and updating your account details.

This account will also allow you to receive your free allocation (if eligible) as well as acquire additional allowances through auctions that will take place throughout the year from a variety of sources (United Kingdom, Germany, the EU and Poland) or through the secondary market.

You can also use this account to transfer (trade) any surplus allowances to a third party. In order to be able to transfer allowances out of your account to a third party, you must set up the third party registry account as a ‘Trusted Account’. This takes seven days to complete. You cannot transfer allowances to an account that is not trusted.
Any proposed transfers out of your Operator Holding Account will be subject to a 26-hour delay before being finalised\textsuperscript{14}. If you have appointed an Additional Authorised Representative (AAR) to your account their approval for the transaction will be required before the 26 hour delay is started. Please note, nominating Additional Authorised Representatives is optional. Surrender transactions are not subject to the 26 hour delay; however, they will require approval by a second Authorised Representative (or Additional Authorised Representative if one has been appointed).

The types of allowances that you can hold in your Aircraft Operator Holding Account and surrender/trade are:

- General allowances: issued to operators of installations or as a result of exchanging eligible Kyoto units.
- Aviation allowances: issued to aircraft operators.

An Aircraft Operator Holding Account is set to excluded once the Regulator notifies the UK National Administrator that no Annex I flights took place in the previous calendar year. It will remain excluded until the Regulator notifies the UK National Administrator that Annex I flights have resumed. No processes may be initiated from excluded accounts, except for surrendering allowances, entering verified emissions, and updating account details. Excluded accounts can't receive free allocation or allowances from a third party. Once all compliance obligations have been met, excluded accounts are effectively dormant.

**Other types of accounts?**

**Verifier account**

This type of account must be opened by verifiers to enable them to approve reportable emissions entered into Aircraft Operator Holding Accounts. Holding units and transactions are not possible from this type of account.

**Person Account in National Registry**

Person Accounts in National Registry may only trade in Kyoto units. You will need this account if you wish to receive units directly from the Clean Development Mechanism (CDM) Registry or, from 2014, if you wish to trade in units that cannot be held in or used for compliance within the EU ETS Registry. This account cannot be used to meet your EU ETS compliance obligations.

**Person Holding Account (PHA)**

Person Holding Accounts may trade in general allowances, aviation allowances and Kyoto units. This account cannot be used to meet your EU ETS compliance obligations.

**Trading Account**

Trading Accounts may trade in general allowances, aviation allowances and Kyoto units. This account has more flexibility than the Person Holding Account and the account cannot be used to meet your EU ETS compliance obligations.

You can find more information on these types of accounts, the units that can be held in them and the transactions that can be initiated from these at the [UK National Administrator website](#).

\textsuperscript{14} All transactions initiated by the Authorised Representative on an account (and any approvals of transactions made by Additional Authorised Representatives) must be confirmed using an SMS code sent to the user’s mobile (cellular) phone. Irrespective of the time of day a transaction is initiated it will not be processed outside the hours of 10:00 and 16:00 CET/CEST. Most transactions will not complete until 26 hours after their processing has commenced.
Changes to allocation and recovery of allowances

Your Regulator will notify the UK National Administrator of any changes to your free allocation (if eligible) resulting from exclusions, mergers and splits. The UK National Administrator will then either make the changes or notify the Commission so that the Central Administrator may make the changes (as appropriate) to the annual free allocation entitlement for affected aircraft operators for each remaining year of Phase III.

Certain changes to the free allocation need to be approved by the European Commission before the Regulator will trigger the change process.

Allowances issued by mistake, or to aircraft operators that were not entitled to receive them must be returned to a Regulator account in the Union Registry.

Public information

Please be aware that certain information about Union Registry accounts is made available to the public under the requirements of the Kyoto Protocol and Registries Regulation on the European Union Transaction Log (EUTL).

The type of information that will be made public is:

- Information regarding open accounts and their Account Holders. Authorised Representative information is regarded as confidential and is not published.
- Joint Implementation (JI) information as conversions to Emissions Reduction Units (ERUs). Please note, this does not apply to the UK.
- Information regarding transactions, holding information, and legal organisations authorised to hold units. Detailed information regarding accounts, their holdings and transactions is regarded as confidential and is not published.
Appendix 3: Aviation activities (Annex I of the EU ETS Directive relating to aviation)

From 1 January 2012 all flights which arrive at or depart from an aerodrome situated in the territory of a Member State to which the Treaty applies shall be included.

<table>
<thead>
<tr>
<th>Activities</th>
<th>Greenhouse gases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flights which depart from or arrive in an aerodrome situated in the territory of a Member State to which the Treaty applies.</td>
<td>Carbon dioxide</td>
</tr>
</tbody>
</table>

This activity shall not include:

a) Flights performed exclusively for the transport, on official mission, of a reigning Monarch and his immediate family, Heads of State, Heads of Government and Government Ministers, of a country other than a Member State, where this is substantiated by an appropriate status indicator in the flight plan.

b) Military flights performed by military aircraft and customs and police flights.

c) Flights related to search and rescue, fire-fighting flights, humanitarian flights and emergency medical service flights authorised by the appropriate competent authority.

d) Any flights performed exclusively under visual flight rules as defined in Annex 2 to the Chicago Convention.

e) Flights terminating at the aerodrome from which the aircraft has taken off and during which no intermediate landing has been made.

f) Training flights performed exclusively for the purpose of obtaining a licence, or a rating in the case of cockpit flight crew where this is substantiated by an appropriate remark in the flight plan provided that the flight does not serve for the transport of passengers and/or cargo or for the positioning or ferrying of the aircraft.

g) Flights performed exclusively for the purpose of scientific research or for the purpose of checking, testing or certifying aircraft or equipment whether airborne or ground-based.

h) Flights performed by aircraft with a certified maximum take-off mass of less than 5,700 kg.

i) Flights performed in the framework of public service obligations imposed in accordance with Regulation (EEC) No 2408/92 on routes within outermost regions, as specified in Article 299(2) of the Treaty, or on routes where the capacity offered does not exceed 30,000 seats per year; and

j) Flights which, but for this point, would fall within this activity, performed by a commercial air transport operator operating either:
   - fewer than 243 flights per period for three consecutive four-month
periods, or
  • flights with total annual emissions lower than 10,000 tonnes per year

Flights performed exclusively for the transport, on official mission, of a reigning Monarch and his immediate family, Heads of State, Heads of Government and Government Ministers, of a Member State may not be excluded under this point.
This document is produced in accordance with the Code of Practice on Guidance on Regulation produced by the Department of Business and Innovation Skills, and will be reviewed by 31 December 2014.

We welcome any questions or comments about this guidance, or suggestions about how we could improve it. Please email us at etaviationhelp@environment-agency.gov.uk, phone us on 03708 506 506 or write to us at:

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LIT 7591
NA/EAD/December 2013/V2