Extension of the EU ETS to maritime transport

Webinar sessions

Sustainability

22 Sept 2023
Extension of the EU ETS to maritime transport

INTRODUCTION

• New EU legislation and THETIS-MRV
• New features and changes from THETIS-MRV users' perspective
  • THETIS-MRV KEY PLAYERS
  • SHIPPING COMPANY UPDATE
    • MONITORING PLAN
    • EMISSION REPORT (ship level)
    • REPORT AT COMPANY LEVEL
  • ROLE OF ADMINISTERING AUTHORITIES
  • VERIFIER ROLE
  • DOCUMENT of COMPLIANCE
• KEY MILESTONES and DATES
Extension of the EU ETS to maritime transport

NEW EU legislation and THETIS-MRV

MRV Regulation (EU) 2015/757
(Monitoring, Reporting and Verification)

ETS Directive 2003/87/EC
(Emissions Trading System)

THETIS-MRV IT TOOL

UNION REGISTRY IT TOOL
Extension of the EU ETS to maritime transport

THETIS-MRV KEY PLAYERS

**SHIPPING COMPANIES**

*Note:*
- Registered Owner
- ISM Company

**ADMINISTERING AUTHORITIES (AA)**

*Note:*
- authority responsible for administering the EU ETS in respect of a shipping company

**VERIFIERS**

*Note:*
- same role
- new verifications
Companies need to agree on the **responsible entity** for both ETS and MRV obligations.

If a Shipowner decides to delegate the responsibility to an **ISM Company**, need for a **mandate**.

Ship’s Effective Date, the date since the ship has been under the company’s responsibility.
Extension of the EU ETS to maritime transport

**SHIPPING COMPANY OBLIGATIONS**

**MONITORING PLAN (MP)**
- mandatory to submit to the Administering Authority, after being assessed by the Verifier, and before 1 April 2024
- MP to be filled in and submitted through THETIS-MRV platform*

**EMISSION REPORT (ER)**
(Ship level)
*Note:*
- GHG emissions at ship level
- Calculations, methods to be published (EU) MRV Regulation - Annex I & II (revised)

**REPORT AT COMPANY LEVEL**
(fleet level)
*Note:*
- ETS relevant GHG emissions at company level
- Calculations, methods to be published (EU) MRV Regulation - Annex I & II (revised)

* 1/Jan/2024
ROLE OF ADMINISTERING AUTHORITIES

**SHIPPING COMPANIES**

**ADMINISTERING AUTHORITIES (AA)**

*Note:*
- authority responsible for administering the EU ETS in respect of a shipping company;

**VERIFIERS**

- Approve the Ship Monitoring Plan, after satisfactory assessment made by an accredited verifier.
- Receive the Ship Emission Report, after verification by an accredited verifier.
- Receive the report at company level, after verification by an accredited verifier.
- Ensure overall company compliance with MRV and ETS obligations.
Extension of the EU ETS to maritime transport

**HOW?**

Companies Registered at THETIS-MRV:

a) EEA company -> the EEA Member State where the company is registered

b) Non-EEA company -> the EEA Member State where there is the greatest number of port calls (last 4 preceding years)

c) Non-EEA company and newcomer – EEA Member State of the first port call

**WHEN?**

• By 1 February 2024, the Commission will publish the first **attribution list**
• If not on the list (e.g. new company), the shipping company will have to register at THETIS-MRV, assign ships, and request for the Attribution
• Then, every two years a new list is published
Extension of the EU ETS to maritime transport

MONITORING PLAN (MP)

- MP must be done and submitted only through THETIS-MRV
- Ships with MP already on THETIS-MRV can be updated, adding only the new data

MP – Template Annex I - EU 2016/1927

*Added requirements and new Tables:*
- ship sub-types
- emission sources types, and class
- fuel types,
- emission factors
- slippage coefficient, per emission source
- carbon capture and storage technologies
- procedures for data flow activities
- procedures for risk assessment

Note: 6 new tables out of 40
EMISSION REPORT (ship level)

EMISSION REPORT – Template Annex II

**Added requirements and new PART:**

**Part A** - *Ship and company data identification*

**Part B** - *Verification*
- indication of National Accreditation Body

**Part C**\(^{(1)}\) – *Information on the monitoring method*

**Part D**\(^{(1)}\) – *Results from annual monitoring*  
- \(\text{CH}_4\) and \(\text{N}_2\text{O}\), and the GHG emissions expressed in tonnes CO\(_2\) equivalent  
- *energy efficiency indicator*, consumption/emission per time at sea

**PART E**\(^{(2)}\) - *Results from annual monitoring to follow ETS Directive*
- determination of GHG emissions, and emissions derogation conditions:
  - Biomass, RFNBO and RCF
  - Voyage geographical scope
  - CCS/CCU
  - Small islands, outermost regions, public service
  - Ice class
  - Phase-in

---

\(^{(1)}\) methods and calculations as per MRV (EU) Annex I  
\(^{(2)}\) as per MRV (EU) Annex II
REPORT AT COMPANY LEVEL – new template to be adopted

**Part A** – *Data identifying the company and the ships*
- list of the ships, which are under the responsibility of the company

**Part B** – *Verifier data*

**Part C** – *Aggregated emissions data at company level*
- sum of all ships’ total aggregated emissions of GHG to be reported under ETS Directive
- results for the purpose of submission to the **Union Registry**

**Part D** – *Methodology used by the company to aggregate emissions data at company level*
Extension of the EU ETS to maritime transport

Reporting obligation if a ship change company

**Ship with Company A**

**EU MRV Regulation**

**Obligations**

**Partial Emission Report:**
- Period? Emissions from 1 Jan to 1 March
- When? to be submitted as soon as possible to all relevant authorities, to Company B, and no later than 3 months after the change, also, release ship from THETIS-MRV

**Report at Company Level:**
- Allowances period? Emissions from 1 Jan to 1 March for this ship
- to be submitted to the Administering Authority by 31 March of the year after*

**Ship change to Company B**

**EU MRV Regulation**

**Obligations**

**CHANGE on e.g. 1 March 2024**

**Emission Report:**
- Period? Emissions from 1 Jan to 31 December
- When? By 31 March of the year after *

**Report at Company Level :**
- Allowances Period? Emissions from 1 March to 31 December for this ship
- to be submitted to the Administering Authority by 31 March of the year after*

* or earlier, but not earlier than by 28 February
Extension of the EU ETS to maritime transport

ROLE OF VERIFIERS

- **SHIPPING COMPANIES**
- **ADMINISTERING AUTHORITIES (AA)**
- **VERIFIERS**
  - same role
  - new verifications

CHANGE

Role
VERIFIERS

VERIFIER Tasks

- Assessment of ship Monitoring Plan (MP) submitted by the shipping companies
  - MP changes, shall be re-assessed and re-submitted to Administering Authorities
- Assessment of the conformity of ship emission reports (ER), acc to 2016/1927 Annex II
- Verification of emission reports (ER)
- Verification of partial emission reports
  - Where there is a change of company, the verifier at the end of the year should not verify again the partial emission report at ship level
- Verification of reports at company level

Verifiers must follow amended Regulation EU 2016/2072 and be accredited by a National Accreditation Body pursuant to Regulation EC No. 765/2008
Extension of the EU ETS to maritime transport


Note:
• Same general information
• Issued only after the full year annual ship emission report, and not with any partial emission report
Extension of the EU ETS to maritime transport

Key milestones and dates

**Company**

- Agree on responsibility (mandate) and check company information and ships assigned at THETIS-MRV
  - Sept/2023

**Ship Monitoring Plan**

- Prepare ship Monitoring Plan (MP) according to revised IR (EU) 2016/1927 Annex I – MP Templates
  - Sept-Dec 2023

**MP at THETIS-MRV**

- Update ship MP information at the THETIS-MRV platform
  - as soon as available
- Send ship MP to Verifier for assessment
- Time to verify before submit to AA
- Send ship MP to AA, after verified
  - before 1 April 2024

**At ship level**

- Start monitoring, voyages, fuel, consumptions, emissions
- At the end of first monitoring period, start preparing the ship Emission Report (ER)
  - from 1 Jan 2024 until 31 Dec 2024

**At office level**

**MP at AA**

- Prepare, verify, and submit ship emission report (ER) to the AA
  - up to 31/March/2025
- Prepare, verify, and submit report at company level to the AA
- Send ship MP to AA, after verified

**Attribution criteria**

- Administering Authority (AA) attribution
  - By 1 Feb 2024

Before 31 Dec 2023

2024

Jan 2025

(1) or earlier, but not earlier than by 28 February
THANK YOU