

The inclusion of aviation in the EU ETS

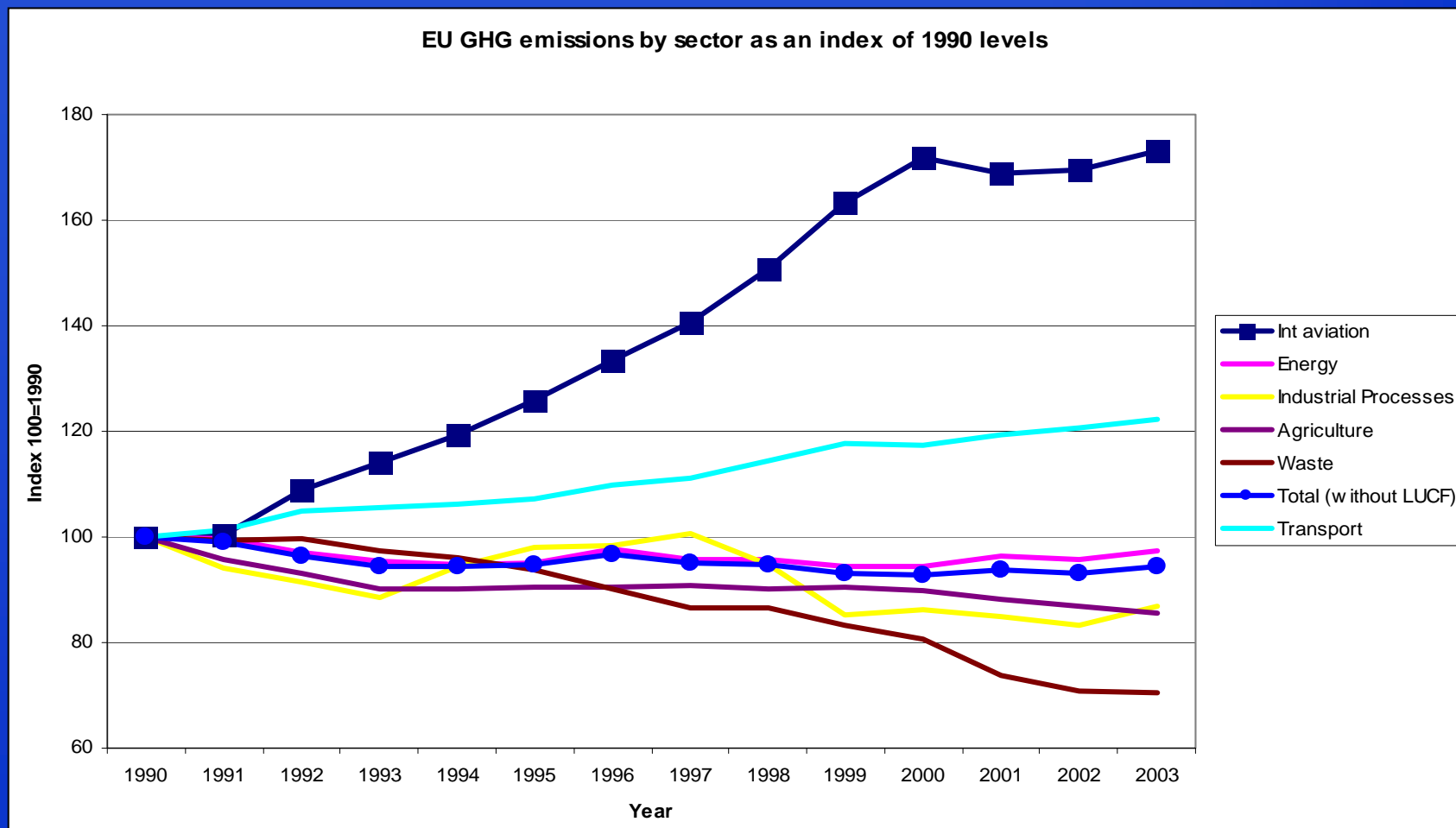
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Overview

- ★ Significance of aviation emissions
- ★ Aviation ETS Directive
- ★ Other impacts of aviation



Aviation GHG emissions are growing rapidly



Aviation emissions are comparable to other EU ETS sectors

Combustion installations	1350
Cement and lime	170
Mineral oil refineries	147
Iron and steel	133
Pulp, paper and board	30
Other	87
Total	1917
<i>For comparison:</i>	ca.
<i>Aviation emissions from fuel sold in the EU</i>	144

Source: Verified 2005 emissions for ETS installations (mio tonnes of CO₂).

Inclusion of Aviation into EU ETS Directive

- ★ The Directive 2008/101/EC so as to include aviation activities in the scheme for greenhouse gas
 - was adopted in November 2008
 - enters into force on 2 February 2009

Scope

- ★ Aviation ETS Directive cover all flights to and from EU airports
- ★ Small aircraft and certain flights excluded.
- ★ Excluded (de minimis) provision:
 - commercial operators operating on average less than 2 flights per day and;
 - commercial operators with total annual emissions of less than 10,000 tonnes p.a.
- ★ Scheme can be amended to take into account equivalent measures taken by other countries.

Starting date

★ Steps for aircraft operators:

- submit first tonne-kilometre monitoring plans in 2009
- monitor emissions from 2010
- apply for a free allocation of allowances in 2011
- surrender allowances for 2012

Allocation of allowances

- ★ In 2012 total quantity of allowances allocated to the aviation sector equivalent to **97% of the cap**
- ★ From 2013 the total quantity of allowances to be allocated will be equivalent to **95% of the cap**

Administration

- ★ Each aircraft operator will be allocated to one EU Member State
- ★ Compliance mechanism includes:
 - excess emissions penalties
 - possibility to impose of an operating ban

Distribution of allowances to aircraft operators

- ★ Most allowances to be allocated for free by benchmarking based on tonne-kilometre data
- ★ 15% of allowances to be auctioned in 2012
- ★ 3% of allowances reserved for new or fast-growing operators

Use of revenues

- ★ Auctioning proceeds should be spent on tackling climate change in the EU and third countries:
 - Reduce emissions
 - Adaptation
 - Administration of scheme
 - Global Energy Efficiency and Renewable Energy Fund
 - Avoiding deforestation in DC
 - Research and development (mitigation and adaptation in aeronautics and air transport)
 - Low emission transport

Monitoring and Reporting emissions

- ★ Operators may monitor and report tonne-kilometre data
- ★ Operators shall monitor and report emissions data
- ★ Reports must be verified by an independent verifier and submitted to the competent authority
- ★ Guidelines for the monitoring, reporting and verification of emissions from aviation will be soon adopted by the Commission

Environmental impacts



- ★ Compared to business as usual, the Commission's proposal will by 2020 result in a reduction of over 190 M tonnes CO₂ annually
- ★ This is the projected business as usual growth from 2005 emissions

ETS is not a solution for all climate impacts

- ★ ETS covers only CO₂
- ★ The climate impacts of aviation are greater than just CO₂ emissions.
- ★ They also arise from emissions of:
 - NO_x
 - water vapour
 - sulphate
 - soot particles

Commission committed to propose NOx measures



- ★ As part of the aviation ETS negotiations, strong request for the Commission to cover NOx
- ★ Examining options at the moment
- ★ Proposal possible this year

How to address these impacts?

- ★ Scientific uncertainty about these impacts is a barrier to development of further policy
- ★ Need for more research?
- ★ Need for better communication between scientists and policy maker?

Further information



Aviation and climate change website:

http://ec.europa.eu/environment/climat/aviation_en.htm