

EBAA Response to the European Union Emission Trading Scheme (EU ETS)

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Main EU ETS Directive

- October 2003: EU Directive establishes scheme for greenhouse gas emission allowance trading.
- Covers carbon dioxide only.
- Directive applies to energy activities, production and processing of ferrous metals, mineral industry, pulp and paper.
- Aviation is not included.

Including aviation in EU ETS

- December 2006: European Commission issues proposal to include aviation in the EU ETS.
- Proposal covers all operations within the EU and flights into and out of the EU.
- Scheme to enter into force in 2012 but requires collection of tonne-kilometre data for monitoring plan by 2010.

Including aviation in EU ETS

- Free allowances based on actual payload and mass and balance documentation, not meaningful for business operators.
- Monitoring, reporting and verification (MRV) tailored to scheduled airline activities, problematic for business operators.

Silver lining for smaller operators?

- November 2007: European Parliament proposes to exempt “flights performed by aircraft with a certified maximum take-off weight of less than 20 000 kg, under the condition that operators of these aircraft participate in an offset scheme which operates according to strict criteria and which has to be open to external control (comparable to Gold Standard).”

Silver lining for smaller operators?

- Aircraft below 5.7 tonnes MTOW excluded from the scheme.
- MRV guidelines under consideration may have provisions to ensure cost effectiveness for smaller operators.

EBAA's alternative means of compliance

- Offers common platform to meet EU ETS legislative requirements.
- With operator's consent obtains emissions data from EUROCONTROL Environmental Cockpit.
- Pools purchase of carbon credits.
- Handles monitoring and reporting for operators.
- Confidentiality of data assured through legal undertakings.

EBAA's alternative means of compliance

- Saves time and money to business operators.
- Respects EU monitoring and reporting principles:
 - ✓ Completeness
 - ✓ Consistency
 - ✓ Transparency
 - ✓ Trueness
 - ✓ Cost effectiveness

EBAA's alternative means of compliance

- May 2008: EBAA launches beta test of emissions data capture from EUROCONTROL in cooperation with two operators.
- Sets up non profit international association to manage the scheme on behalf of operators.
- Researches best value carbon credits.