

EU ETS Aviation
Questions and Answers Report
April 2011

Questions and Answers Report (Version 2)

This document provides an update to the initial questions and answer report for the Aviation EU Emissions Trading System (EU ETS) that was issued in June 2009. The document includes answers to common issues that have been submitted to the ET Aviation Helpdesk, and will be further reviewed to address common issues from the aviation industry or to provide further clarification where needed.

The document has been categorised into issues under the following headings:

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Please note that any queries on the Emissions Trading System for Aviation can be put to us via the helpdesk email address: etaviationhelp@environment-agency.gov.uk

Disclaimer: This question and answer document is not intended to be legally binding and does not impose a mandatory explanation or interpretation of the EU ETS Directive or the Monitoring and Reporting Guidelines (MRG). It should primarily be considered as a practical interpretation and guidance to assist aircraft operators in the interpretation and implementation of the Directive and MRG. The answers in this document relate to the UK Regulations and are applicable to aircraft operators assigned to the UK for EU ETS regulation only.

Questions and Answers

1	Situation and background to EU ETS Aviation
Question	Why was EU ETS extended to include the Aviation Sector?
Answer	<p>A study undertaken on behalf of the European Commission demonstrated that whilst the European Union's total greenhouse gas emissions fell by 5.3 per cent from 1990 to 2003, carbon dioxide (CO₂) emissions from international aviation activities of the 25 member states increased by 73 per cent during the same period. The study concluded that the growth in emissions is expected to continue into the coming decades without policy intervention.</p> <p>Following consultation, on 13 January 2009 Directive (2008/101/EC) was published which expanded the scope of the EU Emissions Trading System to include the aviation industry by amending Directive 2003/87/EC (The EU ETS Directive).</p>
Question	How is the Directive transposed into national legislation?
Answer	<p>The Directive sets out a number of requirements on all member states which were required to be transposed into national legislation by 2 February 2010. Key parts of the amendments to the EU ETS Directive were transposed into UK law by the Aviation Greenhouse Gas Emissions Trading Scheme Regulations 2009 (the '2009 Regulations'), which came into force on 17 September 2009.</p> <p>On 31 August 2010, the Aviation Greenhouse Gas Emissions Trading Scheme Regulations 2010 (the '2010 Regulations') came into force, which update and amend the 2009 Regulations.</p> <p>The Aviation Greenhouse Gas Emissions Trading Scheme (Amendment) Regulations 2011 came into force on 25 March 2011. The 2011 (Amendment) Regulations provide the opportunity for non-UK designated aircraft operators to apply to the Secretary of State (SoS) to be considered as a UK aircraft operator.</p>
Question	What are the requirements of the UK Regulations?
Answer	<p>The UK Regulations require all aircraft operators falling under the scope of EU ETS to monitor and report their CO₂ emissions from 2010 onwards according to approved guidelines specified in the Commission's Monitoring and Reporting Decision (2009/339/EC) dated 16 April 2009. This document is also referred to as the Monitoring and Reporting Guidelines or MRG.</p> <p>'Aircraft operators' are required to produce and submit an emissions monitoring plan outlining how they will determine their reportable annual CO₂ emissions to their competent authority for approval. Failure to comply with this requirement of the system may result in financial (civil) penalties and even a ban on operating within the EU.</p> <p>Aircraft operators also had the opportunity to submit a proposed benchmarking plan in order to apply for an allocation of free allowances for the 2012 and 2013-2020 trading periods. The deadline for submitting verified benchmarking reports was 31 March 2011.</p> <p>Starting from the 2012 reporting period, operators will be required to surrender one allowance for each tonne of CO₂ they emit during the reporting year. The first allowances will need to be surrendered by 30 April 2013. If an operator does not have enough allowances to cover their annual CO₂ emissions it will need to buy more. Failure to submit sufficient allowances against reportable emissions will result in a civil penalty for the operator.</p>

Question	How do I know if I'm captured by the Emissions Trading System?
Answer	<p>'The 2010 Regulations' define an aircraft operator as a person who is a UK specified operator (i.e. allocated to the UK for regulation under EU ETS by means of the European Commission's list) and performs an aviation activity (as defined in Annex I of the Aviation EU ETS Directive) in that year.</p> <p>Therefore under '2010 Regulations', a person/company must be identified on the Commission's List and allocated to the UK for regulation. They become obligated under EU ETS and defined as an 'aircraft operator' from the moment they perform an aviation activity listed in Annex I of the Directive. If a person becomes an aircraft operator after 'the 2010 Regulations' come into force they must apply to the regulator for an emissions plan within eight weeks of becoming an aircraft operator.</p> <p>However, the 2011 (Amendment) Regulations provide the opportunity for non-UK designated operators to apply to the Secretary of State (SoS) to be considered as a UK 'aircraft operator'.</p>
Question	What aviation activities are covered by the system?
Answer	<p>The aviation activities included in the system are listed in Annex I of the EU ETS Directive (2008/101/EC).</p> <p>The system covers commercial air transport operators (service to the public for the carriage of passengers, freight or mail) and all non-commercial operators regardless of the size of their operation (e.g. business and private jet operators).</p> <p>All flights arriving at or departing from aerodromes located in EU member states (including a number of overseas territories to which the treaty applies) and the additional EEA (European Economic Area) states of Norway, Iceland and Liechtenstein are included regardless of where the aircraft operator is based, subject to ten exemptions set out in Annex I of the Directive.</p> <p>A couple of the most commonly applied exemptions are:</p> <p>(h) Flights performed by aircraft with a maximum certified take-off mass of less than 5,700kg.</p> <p>(j) A commercial operator who does not exceed an annual emissions threshold of 10,000 tonnes of CO₂ per year OR who operate fewer than 243 flights per four-month period for three consecutive periods (Jan-Apr, May-Aug, Sept-Dec).</p> <p>Non-commercial operators only have to undertake one qualifying flight to be included in EU ETS. Non-commercial operators with activities below the emissions and flight activity thresholds have been classified as 'small emitters' and may choose to apply simplified procedures for monitoring their annual emissions under the Monitoring and Reporting Guidelines.</p> <p>Further guidance can be found in the 'Guidance on the meaning of "UK operator", "aircraft operator" and "aviation activity", document available on our website.</p>
Question	What is the definition on a 'Commercial Operator'
Answer	<p>A commercial air transport operator is defined in the EU ETS Directive as <i>"an operator that, for remuneration, provides scheduled or non-scheduled air transport services to the public for the carriage of passengers, freight or mail"</i>.</p> <p>The Commission Decision adds clarification that <i>"All commercial air transport operators must hold an air operator's certificate (AOC) under Part I of Annex 6 to the Chicago Convention. Operators without such a certificate are not "commercial air transport operators"</i>. However, operators that do not hold Air Operator Certificates, may still be able to demonstrate their commercial status through equivalent certification.</p>

Question	What countries are included in EU ETS monitoring?
Answer	<p>All flights arriving or departing from aerodromes located in the 27 EU Member states, the three additional EEA states of Norway, Iceland and Liechtenstein (included from 1 January 2010), and a number of additional territories attached to Member States are included in the Directive, (subject to the exemptions listed in Annex I of the Directive).</p> <p>EU Member States: Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, United Kingdom.</p> <p>Additional EEA States: Norway. Iceland and Liechtenstein.</p> <p>Additional Territories*: Åland Islands (Finland); French Guiana, Guadeloupe, Martinique, Réunion (French overseas departments); The Canary Islands (Spain); Ceuta, Melilla (Spanish autonomous cities); Madeira, The Azores (Portugal); Gibraltar (UK autonomous territory).</p> <p><small>*Source: 'EU ETS - Aircraft operator allocation by EC Member State - Process Description', 26 February 2009, p8.</small></p>
2	The Commission's List of Operators and assignment to Member States
Question	How has the list been produced?
Answer	<p>An initial list of aircraft operators was published by the Commission in the Official Journal of the EU on 22 August 2009, with operators assigned to individual Member States for ongoing regulation.</p> <p>The initial Commission's List was produced by the Commission from information held in Eurocontrol's Central Route Charges Office (CRCO) database, which contains the details of flights undertaken by aircraft operators within EU airspace. The information has been filtered to identify aircraft operators paying route charges for one or more eligible flights during the monitoring period 2006-08 inclusive.</p> <p>The Commission's List is required to be updated on an annual basis before the 1 February each year. The current list was adopted on 20 April 2011 and published on 27 April 2011. This is an update to the February 2011 list. It has been published as a result of the extension of EU ETS aviation to include Norway and Iceland, and allocates operators to these EEA states. This list now contains 29 EEA countries (EU 27, Iceland and Norway) – no aircraft operators have yet been allocated to Liechtenstein.</p>
Question	Why have I been assigned to a particular Member State?
Answer	Operators that have been issued an EU Operating Licence are assigned to the Member State responsible for issuing that licence. All other operators are assigned to a Member State on the basis of their greatest attributable proportion of CO ₂ emissions.
Question	What should an operator do if they are not on the Commission's list, but undertake an Annex I activity?
Answer	The operator should contact the European Commission and inform them of their qualification to enter the system. The Commission may publish updates to the list of operators over and above the requirement to publish an update before the 1 February of each year. Only when the operator appears on the list will the operator and appropriate competent authority know which Member State they have been assigned to. Comments on the list of operators, including any errors and omissions should be

	addressed directly to the Commission .
Question	The list of operators states that I'm assigned to the UK for regulation, but we fly to other Member States more frequently than the UK. Will I be regulated by another Member State in the future?
Answer	If during the first two years of the trading period you make no flights into the UK, then you will be reassigned to the Member State with the greatest proportion of attributable emissions during those two years. However, the change would not take place until the start of the following period. You will continue to be regulated by the assigned Member State until the list is updated. Please also refer to Article 18(a)(2) of the Aviation Directive .
Question	Who is the Competent Authority for operators assigned to the UK?
Answer	The responsibilities are split amongst the devolved administrations in the UK: <ul style="list-style-type: none"> • The Environment Agency (EA) is responsible for operators in England and Wales, • The Scottish Environment Protection Agency (SEPA) is responsible for operators in Scotland and, • The Northern Ireland Environment Agency (NIEA) is responsible for operators in Northern Ireland. <p>The assignment of a Competent Authority for non-UK based operators will be determined by the country with the greatest attributable aviation emissions. For example, if you fly mostly into aerodromes within England and Wales, you will be assigned to the Environment Agency.</p>
Question	Who should I contact if I am on the Commission's List but not assigned to the UK?
Answer	If you are on the Commission's List and assigned to a Member/EEA State other than the UK, you should contact the relevant competent authority of that Member/EEA State. A list of the competent authorities for other Member/EEA States can be found on the European Commission's website . Please note, no aircraft operators have yet been allocated to Liechtenstein.
Question	What should I do if I appear on the Prior Compliance List
Answer	The Commission has also produced a Prior Compliance List. The purpose of the Prior Compliance List is to provide a preliminary indication of the potential allocation of these aircraft operators to an administering Member State so as to enable them to get in contact with their competent authority. <p>The Prior Compliance List includes 'operators' who are currently under the 'de-minimis' exemption or have not been identified because they used the services of a management company. Under the UK Regulations, operators on the Prior Compliance list have no obligations under the system. If you are in this situation, please continue to monitor updates to the Commission's list and contact your competent authority as soon as you appear on the list.</p>
3	Exemptions from EU ETS Aviation
Question	What should I do if I think I fall under one of the exemptions listed in Annex I
Answer	If you are an operator who has been assigned to the UK on the Commission's list but you believe you do not fall under the UK Regulations because you do not perform an aviation activity as defined by Annex I of the Directive, please contact your competent authority and provide supporting evidence as to why you consider that you should be exempt under the system. For example, if you are a 'commercial operator', your evidence should include annual flight data, information that demonstrates you provide services to the public for remuneration, along with a copy of your AOC (or equivalent certificate). We will then review this data alongside Eurocontrol data and inform you of our assessment.

Question	Should operators include flights made by aircraft with a maximum take-off weight (MTOW) of <5.7tonnes in both the monitoring and reporting of tonne-kilometre (TKM) and emissions data?
Answer	No. Flights performed by aircraft with a certified maximum MTOW of <5.7 tonnes are one of a number of exemptions listed under Annex I of the Directive and hence are excluded from EU ETS. Therefore, these flights should not be included within the monitoring and reporting of TKM and emissions data, even though an operator may perform other qualifying flights.
Question	If a public service performs a military flight, is the flight exempt?
Answer	No. Only flights directly related to the conduct of military activities and which are performed by the military in military aircraft are exempt. Military flights performed by civil registered aircraft and similarly civil flights performed by military aircraft are not exempt. Flights with the CRCO (Central Route Charges Office) code 'M' or 'X' are presumed to be exempted military flights.
Question	I'm an operator based outside of the EU. Do I need to include all aircraft within my fleet in the monitoring plan(s), even though some may not fly into the EU/EEA?
Answer	No. You only need to include aircraft that will perform an Annex I activity. Aircraft that will not fly to/from an EU/EEA aerodrome do not have to be included in either plan.
Question	What flights does a commercial operator have to include during their assessment of whether they are exempt from the scheme under the de minimis thresholds?
Answer	Annex I excludes activities carried out by commercial air transportation operators below the <i>de minimis</i> thresholds. The characteristic of being commercial is linked to the operator and not to the flights that they undertake. All flights that are not otherwise excluded from the Annex I of the Directive (e.g. aircraft < 5.7 tonnes MTOW, medical emergency, military flights, etc.) should be considered in deciding whether an operator falls below the <i>de minimis</i> thresholds, including those flights that are not provided for remuneration (i.e. non-commercial flights).
4	Applying for Annual Emissions Monitoring (AEM) and Tonne-kilometre (TKM) or Benchmarking Plans
Question	When am I required to apply for an Annual Emissions Monitoring plan?
Answer	An application for an Annual Emissions Monitoring (AEM) plan must be made within eight weeks of becoming an 'aircraft operator'. For operators who appear on the revised February 201 Commission's list, this means the following: If you performed an aviation activity during the period 1 January-12 February 2011, you are required to submit an application for an emissions plan no later than 9 April 2011. If you performed an aviation activity after the 12 February 2011, you are required to submit an application for an emissions plan no later than eight weeks from the date of performing the first aviation activity on or after 12 February 2011. When operator accounts are set up on our online reporting system ETSWAP Emissaire, it is assumed that at least one Annex I activity has already been carried out and a default deadline date of eight weeks after publication of the list is identified. If your first Annex I activity occurs after the date of publication of the list, please contact us, so that we can amend the deadline date.
Question	Am I required to apply for a Tonne-Kilometre (benchmarking) plan?
Answer	Tonne-kilometre (TKM) or benchmarking plans are not mandatory. However, operators wishing to apply for an allocation of free allowances between 2012 and 2020 must have an approved benchmarking plan and must have submitted a verified

	benchmarking report to their competent authority by 31 March 2011. Aircraft operators who have undertaken Annex I flights during 2010 are eligible to submit a TKM plan and submit a verified TKM report for 2010.
Question	How do I make an application?
Answer	Applications for Annual Emissions Monitoring (AEM) and Tonne-kilometre (TKM) plans must be made via our new online reporting system ETSWAP Emissaire. A dedicated page is available on our website which provides guidance on using the system. Help on how to complete each section is also available within ETSWAP Emissaire.
Question	What is the cost of the plans, and how can payment to made?
Answer	The cost at the date of this note for an AEM plan is £750. The cost for a TKM plan is £830. These costs are subject to change. Payment can be made via credit card, BACS or cheque. Full details are available on our website . Please note that your plan is not formally submitted until the appropriate fee has been paid.
Question	Do benchmark and emissions monitoring plans have to be verified before being submitted to the competent authority?
Answer	No. The monitoring plans for annual emissions and benchmarking data do not have to be verified prior to submission to their competent authority. Verification will only be required for the emissions and benchmarking reports, which will be required to be submitted by 31 March 2011 for the first monitoring period.
Question	How long will it take for my plan to be approved?
Answer	Once you plan has been submitted, the regulator is required to issue an approved plan or refuse to issue an approved plan as soon as reasonably practicable, but within four months of receiving an application for a plan.
Question	What guidance is available to help complete my plans?
Answer	Guidance on how to complete monitoring plans including worked examples (exemplar plans) is available on the Environment Agency website. Plans must comply with the requirements of the Monitoring and Reporting Guidelines to be accepted by the Environment Agency. There are two types of exemplar plans for aircraft operators – one for ' small emitters ', and one for larger aircraft operators. Exemplar plans are also available for Tonne-kilometre (benchmarking) plans for ' small emitters ' and larger aircraft operators.
Question	Who qualifies as a 'small emitter'?
Answer	'Small Emitters' are non-commercial aircraft operators who operate: <ul style="list-style-type: none"> • fewer than 243 flights per four-month period for three consecutive periods (Jan-Apr, May-Aug, Sept-Dec); OR • flights with total annual fossil CO₂ emissions of less than 10,000 tonnes per year. <p>Small emitters are eligible to use a simplified method to determine their fuel consumption for EU ETS monitoring and reporting purposes, as specified in the Monitoring and Reporting Guidelines. The simplified method must be first approved by the European Commission.</p>
Question	What are the simplified procedures for 'small emitters'?
Answer	The European Commission has approved Eurocontrol's 'Small Emitters Tool' to assist small emitters in calculating their emissions. This is the only simplified method which has been approved to date. The Small Emitters Tool is based on the method developed for the assessment of the historical aviation emissions which would have been covered by EU ETS in 2004-2006.

	<p>It uses statistically robust fuel consumption coefficients for the majority of common aircraft types, as well as a more generic approach for other aircraft in order to determine an estimate of fuel consumption based on the actual flight distance and a representative fuel burn model for the aircraft type. The 'tool' uses the standard density for jet kerosene of 3.15 tCO₂/tfuel to provide an estimate of the amount of CO₂ produced per flight.</p> <p>The Small Emitters Tool is freely available to download from the Eurocontrol website. The website also includes guidance on using the 'tool'. There a number of aircraft types which are "not listed" within the tool. If this applies to one of your aircraft or you have any other query regarding the 'tool', please contact Eurocontrol directly on the following email address: ets.info@eurocontrol.int</p> <p>Following feedback from users, Eurocontrol is now working on revising and improving the tool. Please note that the Small Emitters Tool is not the ETS Support Facility.</p>
Question	Is there any charge to use the Small Emitters Tool
Answer	The Small Emitters Tool is freely available for use without charge. It may also be used by aircraft operators who are not small emitters for determining estimates of fuel consumption for specific flights where actual fuel consumption data is missing.
Question	What are the advantages of using the simplified reporting procedures?
Answer	<p>The requirements of the monitoring plan become very much simplified. Operators applying the simplified reporting process do not have to:</p> <ul style="list-style-type: none"> • specify the methodology used to determine fuel consumption (i.e. Method A or Method B); • provide information on fuel uplifts, on-board measurement equipment, density measurement; • identify the uncertainty of the approach and; • implement procedures covering all of the above items. <p>This approach is also likely to benefit the compilation and verification of annual emissions reports.</p>
Question	What is the Eurocontrol Support Facility?
Answer	<p>The Eurocontrol ETS Support Facility is not the same as the Small Emitters Tool. The Support Facility use the same methodology for the estimation of fuel usage as the Small Emitters Tool, however it is a more complete system and includes traffic data from Eurocontrol's Central Route Charges Office (CRCO).</p> <p>Aircraft operators are able to register to receive their flight and emissions information data from the facility, which should simplify the preparation and verification of annual emissions reports. The ETS-SF/AO support function has been approved by EUROCONTROL's Permanent Commission through Directive 11-75 (4 February 2011).</p> <p>Guidance and access to the Support Facility can be found on the Eurocontrol website.</p>
Question	What options are available for non-small emitters to measure their fuel consumption?
Answer	<p>There are essentially 2 options for measuring fuel consumption for larger aircraft operators:</p> <p>Method A</p> <p>Actual fuel consumption for each flight (tonnes) = Amount of fuel contained in aircraft tanks once fuel uplift for the flight is complete (tonnes) – Amount of fuel contained in aircraft tanks once fuel uplift for subsequent flight is complete (tonnes) + Fuel uplift for that subsequent flight (tonnes).</p>

	<p>Method B Actual fuel consumption for each flight (tonnes) = Amount of fuel remaining in aircraft tanks at block-on at the end of the previous flight (tonnes) + Fuel uplift for the flight (tonnes).– Amount of fuel contained in tanks at block-on at the end of the flight (tonnes).</p> <p>If the chosen methodology (Method A/Method B) is not applied to all aircraft types, a justification for the approach taken must be made.</p>
5	The application, calculation, issuing of ‘free’ allowances and trading
Question	Who will be eligible for an allocation of ‘free’ allowances
Answer	Operators who have applied and been issued with an approved benchmarking plan and who submit a verified benchmarking report in line with their approved plan by 31 March 2011 will be eligible to apply for ‘free’ allowances under the system for the 2012 and 2013-2020 trading periods. Under the ‘2010 Regulations’, we may submit a report to the Secretary of State where that report has otherwise complied with the regulations but failed to meet the period for compliance.
Question	How will ‘free’ allowances be calculated?
Answer	<p>Each Member State shall determine the total number of free allowances to be distributed to aircraft operators. The amount of allowances apportioned to each operator shall be calculated from the product of the ‘benchmark’ (allowance per tonne-kilometre) and an operator’s verified ‘activity’ (expressed in tonne-kilometre (TKM)). The benchmark shall be determined by the Commission using the following formula:</p> $\text{Benchmark} = \frac{\text{Total number of allowances to be allocated free of charge}}{\text{Sum of all tonne-km data}}$ <p>The benchmark should be published by 30 September 2011.</p> <p>For the period from 1 January 2012 to 31 December 2012, the total quantity of allowances to be allocated to aircraft operators will be equivalent to 97% of the mean average of the annual emissions in the calendar years 2004, 2005 and 2006, as determined by the Commission. Of these allowances 15% will be auctioned, with the remaining allocated as ‘free’ allowances.</p> <p>For the eight-year period beginning on 1 January 2013 the total quantity will be equivalent to 95% of historic aviation emissions. Of these allowances 15% shall be auctioned, 3% set aside in a special reserve (for new entrants or expansions) with the remaining 82% allocated as ‘free’ allowances.</p>
Question	How are allowances made available to operators as the industry expands?
Answer	<p>In accordance with Article 3(f) of the Aviation Directive, for the period beginning in 2013, 3% of the total quantity of allowances will be set aside in a special reserve for aircraft operators. If an operator is eligible they may apply for a free allocation of allowances from the reserve by making an application to their competent authority. The eligibility criteria for making an application for allowances from the special reserve are:</p> <ul style="list-style-type: none"> • An aircraft operator who starts performing an aviation activity falling within Annex I after the monitoring year for which tonne-km (benchmark) data was submitted (i.e. after 2010) • An aircraft operator whose tonne-km data increases by an average of more than 18% annually between the monitoring year for which tonne-km data was submitted and the second year of that period (i.e. the period between 2010-2014).

	Any application to the special reserve shall be made by 30 June in the third year of the period (i.e. 30 June 2015).
Question	How does an operator obtain further allowances if the number of 'free' allowances does not cover their annual emissions?
Answer	Operators can purchase further allowances from other operators included in EU ETS, brokers/traders specialising in the sale/purchase of allowances, or through the auctioning process. Purchasing of allowances is generally made via brokers and is similar to the trading of stocks and shares. Conversely, if an operator has excess allowances then they may sell the allowances either directly to other aircraft operators or via brokers/traders.
Question	What does an aircraft operator need to do to hold and trade allowances?
Answer	In order for aircraft operators to hold and trade allowances from 2013, they will need an Aircraft Operator Holding Account. Accounts will not be available until September 2011. We will be contacting aircraft operators during summer 2011 with the steps required to join the scheme.
6	Queries on technical aspects of monitoring and reporting
Question	Operators may lease hundreds of aircraft over a very short period. How are operators expected to monitor these flights?
Answer	Irrespective of whether aircraft are owned or leased, it is expected that operators will monitor and report TKM and emissions per flight. The Monitoring and Reporting Guidelines (MRG) require the operator to develop procedures to track the number and type of aircraft operated under their ICAO designator (or if not available the registration marking) and to have a procedure that sets out your approach to determine which fuel consumption methodology will be applied to an aircraft type not currently listed in the plan.
Question	How can I estimate/forecast my annual CO₂ emissions?
Answer	A conservative approach to estimate annual CO ₂ emissions should be taken. This can be achieved by estimating or predicting your annual fuel consumption in tonnes and multiplying by the appropriate standard commercial fuel emissions factor (e.g. if Jet Kerosene (A1/A) is used, multiply the consumption in tonnes by its emissions factor of 3.15 tCO ₂ /tfuel, to estimate CO ₂ emissions).
Question	Can an operator just use fuel supplier invoices to determine their total fuel consumption over a reporting period?
Answer	No. In accordance with the MRG, fuel consumption shall be monitored/recorded for each flight. The MRG stipulates the use of two methods for the determination of fuel consumption on a flight-by-flight basis (Method A and Method B), both of which rely on the measurement and recording of fuel in tanks and fuel uplifts. The determination of fuel uplifts for each flight can be based on measurements by the fuel supplier, as documented in fuel delivery notes or invoices.
Question	How should flights by subsidiary companies be recorded?
Answer	An aircraft operator (the parent in this case) should include flights from a subsidiary in their reporting if the flights were operated by the parent company. If the subsidiary operates flights in their own right it is the subsidiary's responsibility to report the emissions of those flights. If the subsidiary is not on the Commission's List, then they should inform the Commission by submitting the appropriate fleet list. The inclusion of the subsidiary question is to ensure that the flights are not 'double counted'.
Question	Some aircraft have on-board measurement devices that measure directly the fuel consumption during the flight. These devices can determine the fuel consumption per flight to the required uncertainties specified in MRG. Can this methodology be used to determine fuel consumption?

Answer	No. Operators can currently only choose between the two methods described in the MRG (Method A or Method B) to determine fuel consumption. Both methods require the operator to measure and record the quantity of fuel uplifted into the aircraft and the quantity of fuel in the aircraft tanks.
Question	What information is required to demonstrate the uncertainty of aircraft onboard measurement equipment?
Answer	In accordance with Annex XIV, section 3 of the MRG, operators have to demonstrate the uncertainty of on-board measurement equipment for each aircraft type/subtype, using in the first instance information from calibration certificates, or where this is not available, from manufacturer's specifications. (Note: Operators are required to have an understanding of the main sources of uncertainty when calculating emissions, which as well as on-board devices includes supplier fuel uplifts).
Question	The emission report includes a column for Net Calorific Value. Does this need to be reported?
Answer	In most cases, it is expected that operators will be reporting against one of the three commercial standard aviation fuels: Jet Kerosene, Jet Gasoline and Aviation Gasoline. Net Calorific Value (NCV) only needs to be reported for any non-standard commercial aviation fuels (i.e. alternative fuels and bio fuels).
Question	How do I calculate the tonne-kilometre if the aircraft is empty for any particular leg?
Answer	If the aircraft is "empty", i.e. has no passengers or freight/mail on board, the payload and hence tonne-kilometre for that leg will be zero. The Monitoring and Reporting Guidelines define passengers as, "the persons on board the aircraft during a flight excluding its crew members".
Question	Are operators who undertake most of their flying as an ACMI provider to other airlines, operating under the other airline flight number such as AF, SI or HS for example, responsible for including these flights within our monitoring plan and emissions reports, or are they exempted due to the flight being 'owned' by our ACMI customer? Who will be eligible for the 'free allowances' for ACMI flights?
Answer	The Monitoring and Reporting Guidelines set out that an operator is identified by the call sign used for Air Traffic Control purposes. Accordingly, you will be responsible for monitoring and reporting those flights that you operate under your own call sign. If you operate aircraft on behalf of another operator using their call sign, rather than your own, the other operator will be responsible for those flights. This applies to emissions data as well as benchmarking data. So, if you operate a flight on behalf of another operator using their call sign, it will be the other operator that is eligible to report the benchmarking data for that flight, rather than yourself.
Question	If an operator has a codeshare agreement with an airline which is flying in Europe, what would be the impact on their EUETS liabilities?
Answer	Code sharing has no bearing on identifying the aircraft operator. The ICAO designator entering in box 7 of the flight plan will in most cases determine who is the operator for a particular flight. This means that situations such as code sharing and leasing of aircraft, the operator whose designator is entered into box 7 of the flight plan is responsible for monitoring and reporting emissions from the flight (except for exempted flight). However, the definitive person who is operating the flight still has to be determined by whoever has direct control over the flight.
Question	How will biofuel used in aviation be treated under the EU ETS? Will it be exempt from liability under the EU ETS?

Answer	<p>Details on the treatment of biomass can be found in the Commission's Monitoring & Reporting Decision of 2007, which supplements the separate Monitoring & Reporting Decision note specifically for aviation activities. Section 5.5 of the former document sets out that as biomass is considered to be CO₂ neutral an emission factor of 0 tCO₂/t fuel is applied. So, regardless of the quantity of biomass fuel consumed, the CO₂ emission would be considered to be zero.</p> <p>For fuels containing fossil and biomass carbon, a weighted emission factor would be applied based on the proportion of biomass in the fuel. For example, a 50:50 mix of biomass fuel and Jet A1 fuel would result in an emission factor of 1.575 tCO₂/t fuel, i.e. (3.15 x 0.5). In such cases, you'd effectively be reporting zero CO₂ emissions for the biomass fraction of the fuel, which could still be beneficial to you in terms of the requirement to surrender allowances once the scheme is fully implemented from 2012.</p> <p>In terms of differences in the monitoring plan for operators using biomass fuels, there would be a need to sample and analyse fuels to demonstrate the proportion of biomass and also to report the Net Calorific Value of such fuels. Regardless of the fuel types actually used in practice, you'd be eligible to submit an application for benchmark allowances, based on the flights undertaken during 2010, which could result in you receiving a proportion of allowances free of charge. If you then use biomass, say from 2012 onwards, and effectively reduced the number of allowances you needed to surrender, you could either benefit from selling surplus allowances or otherwise minimise the number of additional allowances you need to purchase in order to ensure compliance.</p>
7	Reporting requirements for aircraft operators
Question	When does an aircraft operator report their annual emissions data?
Answer	<p>Aircraft operators who undertake an Annex I activity during the year must monitor emissions in accordance with their approved plan and the MRG and submit a verified emissions report to their competent authority by 31 March the following year. The emissions report must be verified by a verifier who is accredited or endorsed by the United Kingdom Accreditation Service (UKAS).</p>
Question	When does an aircraft operator report their benchmarking data?
Answer	<p>Aircraft operators must report their tonne-kilometre (benchmarking data) in accordance with their approved benchmarking plan and the MRG. A verified report should be submitted to their competent authority by 31 March 2011 for the operator to be eligible for 'free allowances' from 2012. The report must be verified by a verifier accredited or endorsed by the United Kingdom Accreditation Service (UKAS).</p>
Question	How does an operator report their annual emissions and benchmarking data?
Answer	<p>Verified reports must be submitted via our online system ETSWAP Emissaire. The structure of the reports and the information required are in accordance with the Commission's reporting templates. A dedicated page is available on our website which provides guidance on using the system. This includes guidance on how to login and navigate the system and how to add multiple row information in comma separated value (CSV) format. Help on how to complete each section is also available within ETSWAP Emissaire.</p> <p>The steps required to formally submit your verified reports to us is as follows:</p> <ol style="list-style-type: none"> 1. Aircraft operator completes AEM/TKM report on the system; 2. Once the report has been completed the aircraft operator must select a verifier to verify their reports from the drop down list available (having previously spoken to them and set up a contract with them); 3. The aircraft operator should then submit their report to their chosen verifier for verification;

	<p>4. Once the verification process has been completed, the verifier will return the verified report to the aircraft operator via the system;</p> <p>5. The aircraft operator must then formally submit their verified report to us. This will provide the following text within the History - AEM Report section: <i>Action: AEM report submitted for assessment.</i></p>
Question	Importance of submitting monitoring plans and reports.
Answer	<p>Failure to submit an emissions plan and/or an emissions report by the stipulated deadlines may result in financial (civil) penalties as stated in Part 8 of the UK Aviation Greenhouse Gas Emissions Trading Scheme Regulations 2010.</p> <p>Failure to submit a benchmarking plan or failure to monitor and report benchmarking data will result in the aircraft operator not being eligible to receive an allocation of free allowances for the period 2012 to 2020.</p>
8	Verification of reports
Question	What is an aircraft operator required to have verified?
Answer	All aircraft operators who are required to submit an emissions monitoring report or who wish to submit a tonne-kilometre report must have it verified before submitting it to their competent authority. This includes aircraft operators classified as small emitters.
Question	Do small emitters have to have their annual emission and benchmark reports verified?
Answer	Yes. All operators including small emitters are required to have their annual emission and benchmarking reports verified in line with the Monitoring and Reporting Guidelines before they are submitted to their competent authority.
Question	How do I contact a verifier?
Answer	The United Kingdom Accreditation Service (UKAS) are responsible for the accreditation or endorsement of verifiers relevant to 'UK Aircraft Operators'. Aircraft operators assigned to the UK must use a verifier accredited or endorsed for EU ETS Aviation reporting by UKAS. A list of accredited/endorsed verifiers for the aviation sector can be found on the UKAS website.
Question	What guidance is available to operators and verifiers?
Answer	<p>On 30 November the European Commission published Verification Guidance for EU ETS Aviation. This includes guidance on the verification of Annual Emissions Reports and Tonne-kilometre (Benchmarking) Reports for EU Emissions Trading.</p> <p>The guidance has been produced to help verifiers, operators, competent authorities and accreditation bodies interpret the verification requirements laid down in the EU ETS Directive and the Monitoring and Reporting Guidelines (MRG).</p>
Question	Is the verifier required to undertake a site visit as part of the verification process?
Answer	The issue of verification site visits is addressed in Section 2.3.6 and Chapter 5 of the Verification Guidance document. Verification site visits are not mandatory. The requirement for a site visit should be based on a risk analysis undertaken by the verifier. A verifier must use their professional judgement in this regard. An aircraft operator is not required to seek prior approval of the UK Competent Authority to waive a site visit.
Question	I have an approved Annual Emissions Monitoring Plan but have not performed an Annex I activity during the year. Am I still required to submit a verified emissions report?

Answer	UK aircraft operators who have not performed an Annex I activity during the reporting year are deemed not to be an “aircraft operator” in relation to that calendar year, and are not required to monitor emissions or submit a verified report for that year. Operators should notify us via our helpdesk if they believe this applies to their situation.
9	Variations to approved monitoring plans
Question	Can I make a variation to an Annual Emissions Monitoring plan?
Answer	<p>Although provision has been made in The Aviation Greenhouse Gas Emissions Trading Scheme Regulations 2010 (the ‘Regulations’) to enable the regulator to vary an emissions plan, this relies on a relevant condition existing in the plan.</p> <p>Regulation 25(1) of the ‘regulations’ states that:</p> <p>‘The regulator may, by giving notice to the aircraft operator, amend the emissions plan of the aircraft operator where—</p> <p>(a) the aircraft operator applies to the regulator for an amendment to the emissions plan pursuant to a condition included in an emissions plan under regulation 23’</p> <p>There are currently no conditions in emissions monitoring plans, therefore it is not possible for the Environment Agency to carry out a formal variation of an emissions monitoring plan at present.</p> <p>Our consultation process on proposed conditions to be included in emission monitoring plans closed on 7 February 2011 and we are in the process of compiling our response to the consultation responses received. Details of our response will be available on our website.</p> <p>We expect to amend and reissue existing plans to incorporate the new conditions in summer 2011. Once conditions have been included in existing emissions monitoring plans, we will be able to process variations and amend and reissue plans.</p>
Question	What can I do if my procedures have changed before conditions have been included?
Answer	The approach we have taken in circumstances where operators procedures may have changed is as follows: 'although the content of the procedures may have changed, provided the procedure titles and reference remains the same, the procedures remain relevant in the plans. The changes made to the procedures can be discussed with your verifier during verification'. It is important that any 'new procedures' comply with the Monitoring and Reporting Guidelines.
Question	Can I make a variation to a TKM (benchmarking) plan?
Answer	There are no provisions within the Regulations for us to vary an approved TKM (benchmarking) plan. The reason for this is that given that the benchmarking plan is intended to be used once for the purposes of determining the 2010 benchmarking data, the concept of needing to vary this wasn't considered as part of the regulatory implementation.
Question	What can I do if my TKM (benchmarking) plan procedures have changed?
Answer	Although the benchmarking plan cannot be amended, the benchmarking report provides an opportunity for an operator to notify us of any deviations from the approved benchmarking plan. So whilst we cannot amend the approved benchmarking plan itself, there is scope to consider any deviations from the approved plan identified within the benchmarking report. Although the TKM plan content will remain the same, the competent authority may agree to the proposed deviation put forward following the verification process.

	In practice, once the verified TKM report has been submitted to us, we would assess the content of the report and if we are happy with the proposed deviation this could be adopted as the methodology to be used by the operator. We would assess the change against the requirements of the MRG.
Question	How do I make changes to my existing emission monitoring plan?
Answer	<p>Changes to existing AEM plans should be made through ETSWAP Emissaire as follows:</p> <p>Log into the system and navigate to the AEM plan homepage; then select 'start change request' from the menu bar; then select the appropriate type of change request; a <u>notification</u> or <u>variation</u>.</p> <p>Select a <u>notification</u> if you wish to notify us of any aspect relating to your compliance with your plan (e.g. deviation from your plan or temporary change)</p> <p>Make a <u>variation</u> application if you are notifying us of a permanent change to your monitoring methodology.</p> <p>You will then need to complete a form, asking you to summarise the change request. In the case of a variation application you will then be able to open up your plan and make the necessary changes before submitting the variation request to us for assessment.</p> <p>We will only be able to process variations and amend and reissue plans once conditions have been incorporated into the plan, which is expected to be in summer 2011.</p>
Question	What do I need to do if my aircraft fleet changes during the reporting year?
Answer	<p>The submitted emissions monitoring plans only require a list of the different aircraft types within the fleet, dated at the time of submission of the plan, together with details of any additional aircraft types likely to be operated in the future. This is effectively a snapshot of the fleet at the time of submission and will not need to be amended every time an aircraft enters/leaves the fleet.</p> <p>The Monitoring & Reporting Decision also requires operators to maintain records of all aircraft they operate and to document the overall process in an internal procedure, which should be referred to within the approved plan. Given that such links do or will exist between the approved plan and your internal procedures/systems for recording the details of changes to the fleet, it shouldn't be necessary to amend the plan every time the fleet list changes. We would however, expect that you document these changes separately, such that the records validate the emissions data gathered during a reporting year.</p> <p>Therefore, you do not need to let us know when an aircraft enters or leaves your fleet. You only need to make sure your internal records are kept up to date with all fleet changes.</p>
Question	Am I required to pay for a Variation?
Answer	<p>In most circumstances there is no charge for requesting a variation to an existing monitoring plan. However, there are three circumstances in which we do charge. These are where a variation is required as a result of a substantial change to the monitoring methodology as a result of:</p> <ul style="list-style-type: none"> (i) A change of the average reported emissions which require the aircraft operator to apply a different tier; (ii) A change in the number of flights or the total annual emissions, crossing the threshold for small emitters; and (iii) Substantial changes to the types of fuel used.

10	ETSWAP Emissaire
Question	What is ETSWAP Emissaire?
Answer	<p>The Emissions Trading Scheme Workflow Automated Process (ETSWAP) Emissaire application is available for aircraft operators to complete and submit their verified emissions and benchmarking reports for the relevant monitoring period. Verified reports must be submitted via this application to the Competent Authority by the 31 March in the following year, to ensure compliance with the regulations.</p> <p>The system is also available for operators to submit applications for monitoring plans, and request variations to existing emissions monitoring plans. We will only be able to process variations and amend and reissue plans once conditions have been incorporated into the plans, which is expected to be in summer 2011.</p> <p>The system allows operators, verifiers and the competent authority to manage the application and reporting processes.</p>
Question	How do I gain access to ETSWAP Emissaire?
Answer	<p>In order to be provided with access to the system the aircraft operator's representative must provide their title, first name, surname, job title, email address, telephone number, aircraft operator name and CRCO⁽¹⁾ code. These details should be sent to the aviation helpdesk: etaviationhelpdesk@environment-agency.gov.uk</p> <p>⁽¹⁾ The CRCO code is used by the Central Route Charges Office at Eurocontrol, for referencing route charges paid by aviation operators. It also appears against each operator in the Commission's list.</p>
Question	What guidance is available for ETSWAP Emissaire?
Answer	<p>A dedicated page is available on our website which provides guidance on using the system. This includes guidance on how to log in and navigate the system and how to add multiple row information in comma separated value (CSV) format. Help on how to complete each section is also available within ETSWAP Emissaire. Specific technical queries that operators may have should be addressed to our helpdesk.</p> <p>The web page also provides information on system availability and identifies any current issues with the system.</p>
Question	Why are the references for my AEM and TKM plans different within ETSWAP Emissaire?
Answer	<p>The disparity in plan reference numbers is a result of plans being migrated from the 'interim system' to the new system 'ETSWAP Emissaire'. In Emissaire, each operator is assigned with a unique ID number prefixed by "EM". All current plans and subsequent versions of plans and reports will be referenced by the ID number and prefixed by "AEM" and "TKM" appropriately.</p> <p>The change to the referencing of plans is something that aircraft operators do not need to worry about.</p>
11	Civil penalties
Question	What Civil Penalties are applicable to EU ETS Aviation?
Answer	<p>Details of the potential civil penalties are specified within Part 5 of the '2009 Regulations' and Part 8 of the '2010 Regulations'. The applicability of the Regulations depends upon when the offence was committed.</p> <p>Operators' liability for civil penalties includes the following: failure to submit or resubmit an application for an emissions plan(S33); failure to monitor aviation emissions (S34); failure to report aviation emissions (S35); making false or misleading statements (S36); failure to comply with emissions monitoring conditions (S37); and</p>

	<p>failure to surrender sufficient allowances (S38). (These sections refer to the '2010 Regulations').</p> <p>Where a person is liable to a civil penalty under the Aviation Greenhouse Gas Emissions Trading Scheme Regulations 2009 (2009 Regulations) or the Aviation Greenhouse Gas Emissions Trading Scheme Regulations 2010 (2010 Regulations), we must impose that penalty, subject to limited discretion to waive or modify the penalty. Guidance on civil penalties is available on our website.</p>
12	Charging
Question	Why do we charge for plans?
	<p>Article 3d (4) of Directive 2008/101/EC affords discretion to Member States. It provides that they may allocate revenue generated from auctioning allowances to tackle climate change. Specific examples are set out, including covering the costs of administering the Community scheme. We do not therefore believe that charging is inconsistent with the requirements of the Directive. The UK system of charges for aviation EU ETS is consistent with our approach for the existing EU ETS and for the recovery of regulatory costs in general.</p> <p>Charges enable us to recover the cost of undertaking our work in regulating EU ETS Aviation. We have produced a guidance document on charges for EU ETS Aviation, which can be found on our website.</p>
Question	What is the annual subsistence charge?
Answer	<p>Details of the annual subsistence charge are set out in Schedule 1 of the '2010 Regulations'. The charge is based on an aircraft operator's estimated emissions during the preceding compliance year. There are two parts to this charge: a base and variable charge; with three charges bands: estimated annual emissions of less than 50 kilotonnes (kt); estimated emissions between 50-500kt and estimated emissions over 500kt.</p> <p>Base charge</p> <p>This is a fixed charge payable if you are an aircraft operator for any part of the compliance year.</p> <p>Charges are as follows:</p> <p>Less than 50kt : £1,920</p> <p>50kt - 500kt: £2,490</p> <p>More than 500kt: £3,060</p> <p>Variable charge</p> <p>This part of the subsistence charge covers the costs we incur in maintaining you as an operator within the scheme, but more specifically it covers the areas of work that are dependent on the length of time you have a live emission plan. It includes therefore, such things as helpdesk provision.</p> <p>The charge again depends on the estimation emissions for the calendar year in question, and is pro rated to cover the period of time that you have an emission plan.</p> <p>Charges are as follows:</p> <p>Less than 50kt: £630</p> <p>50kt - 500kt: £830</p> <p>More than 500kt: £1,020</p>

13	Information retention
Question	Why does information have to be retained for 10 years?
Answer	<p>The requirement to retain information for 10 years is specified in Section 11 of Commission Decision 2009/339/EC of 16 April 2009 which amends Section 9 of Commission Decision 2007/589/EC of 18 July 2007 (Monitoring and Reporting Guidelines), to include aviation activities.</p> <p>The documented and archived monitoring data shall be sufficient to allow for the verification of the annual emissions report of an aircraft operator's emissions submitted by the operator pursuant to Article 14(3) of Directive 2003/87/EC, in accordance with the criteria set out in Annex V to that Directive.'</p>
Question	What information must be retained?
Answer	<p>The following additional information shall be retained for aviation activities:</p> <ol style="list-style-type: none"> 1. the list of aircraft owned and leased-in, and necessary evidence for the completeness of that list; 2. the list of flights covered in each reporting period, and necessary evidence for the completeness of that list; 3. data used for determination of payload and distance relevant for the years for which tonne-kilometre data is reported; and 4. documentation on the approach for data gaps if applicable, and the data used for closing the data gaps where they have occurred.' <p>(Source: Section 11, 2009/339/EC)</p>
Question	How should information be retained?
Answer	<p>The Directive does not specify how information should be retained.</p> <p>The critical issue is that the required information is retained for 10 years. Should this be via an IT system, adequate procedures must be in place to ensure that the relevant information can be retained and be accessible for the required period of time.</p>