

Phase II Monitoring Plans - Frequently Asked Questions (updated 28 September 2007)

Q

Should an installation with annual emissions <25 kt, which is currently permitted for activity data at tier 3/4 change to tier 1*?

A

If it is not possible to provide an uncertainty assessment which qualifies the currently applied activity tiers, then Section 16 provides for an operator to use purchase data to determine consumption data with no further requirement for assessment of uncertainty. In such a case it may be more appropriate to select an activity tier 1* for Phase II.

Q

Will the Regulator grant agreement to the derogations provided for minor/de minimis and biomass fuel sources? Should an operator check Regulator agreement to classification and justification of such sources in advance of submitting the actual monitoring plan?

A

The Agency has expressed its intention to adopt a pragmatic approach in dealing with such derogations, however it may be helpful to discuss borderline issues with the Regulator in advance of the final monitoring plan submission.

Q

Will the provision for “commercially traded fuels” apply to natural gas?

A

This may be applicable, as long as evidence of the appropriate National Standard/legislation can be demonstrated.

The Gas (Meters) Regulations 1983 (SI 1983/684) stipulate that for natural gas supplies a diaphragm meter should be able to achieve +/- 2% between 2% and 100% of the design maximum flow and that any other meter should be achieve +/- 1% between 20% and 100% of the maximum design maximum flow. Accordingly it is possible for you to argue that this is a commercially traded fuel that can meet an activity tier of 3 for a diaphragm meter and a tier 4 for all other meters. This would not require you to supply any further evidence of uncertainty.

For liquid fuels with a dynamic density of less than 100 millipascal seconds at 15°C, The Measuring Instruments (Liquid Fuel delivered from Road Tankers) Regulations 1996 (<http://www.opsi.gov.uk/SI/si2006/20061269.htm#3>) states the maximum permissible errors for road tanker metering systems in three classifications. The lowest of these classification specifies a permissible error of 2% for all deliveries of between the minimum delivery quantity and 2 x the minimum delivery quantity. In these circumstances 2% would enable you use an activity tier of 3 without further evidence of uncertainty.

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How will information/decisions taken with regard to “commercially traded fuels” etc. be communicated to operators?

A

These will be communicated on a case by case basis and via a consolidated list of Frequently Asked Questions on the Agency’s website.

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Which organisation is able to undertake the performance evaluation of a gas chromatograph?

A

At the present time, Effectech are the only ISO17025 accredited organisation we are aware of that are able to carry out the performance evaluation of a Gas Chromatograph to ISO10723.

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Is there any difference between materiality and uncertainty?

A

Materiality and uncertainty are different. MRG 2007, Section 2(5)(j), defines “material misstatement” as meaning “a misstatement (omissions, misrepresentations and errors, not considering the permissible uncertainty)...”. MRG 2007, Section 7.1 also confirms the Regulator authorises the uncertainty associated with a monitoring methodology via approval of the permit/monitoring plan. The verifier does not need to be concerned about uncertainty after this as long as the permitted monitoring plan is being properly applied. The main requirement of verification is for the verifier to confirm that annual emissions reports are without material misstatement and non-conformity with the monitoring plan.

Q

In relation to the fall back approach what is the appropriate standard for conducting the uncertainty assessment to?

A

MRG 2007, Section 5.3, confirms the uncertainty analysis shall quantify all variables and parameters used for calculation of the annual emission level taking into account the ISO Guide to the Expression of Uncertainty in Measurement (1995) and ISO5168:2005. (The final draft version of the Commission’s Monitoring & Reporting Guidelines incorrectly specified the latter as ISO5186.)

Q

For an installation that frequently swaps meters around to enable calibration etc., is it appropriate to state the meter serial number as the unique meter identifier.

A

The Agency has expressed a preference for meter serial numbers to be used as this will generally be a unique reference to an individual meter. However, it may be more appropriate in this case to use an alternative reference, such as a meter tag number, as long as the changes are fully documented and notified to the Agency as per the permit condition.

Q

We have several combustion sources fed by a single mains gas supply meter. Are we required to meter each emission source separately or can we continue to use the existing supply meter?

A

You are able to continue to use the existing supply meter, which would be treated as a single source stream. This assumes that the different emission sources have common emission factors and oxidation factors. It is recommended that the permit be kept as simple as possible.

Q

We are a low emitting site with less than 25kt CO₂ emission per year and have over 30 fiscal meters. How do we handle uncertainty assessments/completion of ETS2.2?

A

As an installation with low emissions you will have reduced requirements for completing ETS2.2. For instance, there is no requirement to complete tables A4.2b, A4.3 or A4.4. Whilst you will need to list all of the meters and emission sources in order to define the installation, these will probably relate to a much smaller number of individual source streams.

Section 16 of MRG2007 enables you to apply a minimum tier of 1 for activity. If you choose to determine your activity data from purchase records and estimates of stock changes, you are not required to undertake any further assessment of uncertainty. In such a case you should select activity tier 1* from the list of options in table A4.2a.

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We have a CHP which is certified under the CHPQA scheme. Would the uncertainty assessment carried out as part of the CHPQA scheme be adequate for EU ETS purposes?

A

It is likely that a CHPQA certificate will be adequate for our purposes.

Q

Where a site has fiscal supply meters, what should we do if the information on meter uncertainty is not forthcoming from National Grid/supplier?

A

We are looking to secure greater co-operation from gas supply companies. Operators should still do their best to acquire necessary data and assurances from such third parties in the meantime (and let us know of specific difficulties). The "Transco" guidance (on DEFRA's EU ETS MRV web-site) may also provide helpful indication of generic uncertainties and other values associated with gas metering and analysis.

Q

If natural gas can be considered to be a "commercially traded fuel", would that be enough to satisfy the requirements for an uncertainty assessment?

A

It would as long as the operator can demonstrate to the Competent Authority that the fuel meets the MRG Section 2(2)(f) definition for a commercially traded fuel **and** invoicing is based on national legislation or demonstrated application of national or international standards that ensure the requisite activity data uncertainty threshold is met (as required by MRG 2007, Annex II). (See also the answer to question 3 above.)

Provision to waive further uncertainty assessment requirement on this basis is stated by the fourth paragraph of MRG 2007, Section 7.1. However, eligible cases, especially

concerning appropriate national legislation or relevant national/international standards have still to be brought to our attention. At present, we do not envisage many national standards that will enable commercial transactions to be used for uncertainty determination purposes.

Q

If a site completed their ETS2.2 form as a low emitter but discovered at the end of the reporting year that they had emitted more than 25kt CO₂ what would happen?

A

We expect operators to supply their best estimate of annual CO₂ emissions at the time of their monitoring plan submission. If the suggested situation then arises, we would accept the Annual Emission Report for that year, but would expect the operator to submit a variation with the relevant additional information.

Q

Where non-schedule 1 activities need to be deducted from a fuel meter supplying schedule 1 activities, how is uncertainty assessed? For example, in the specific case where the deduction is based on an estimate as no sub-metering is in place.

A

The Emissions Trading Technical Support Group (ETSG) is currently considering how best to determine the quantity of a source stream that serves an EU ETS activity but also a non EU ETS activity. Four alternatives are under consideration:

- If the uncertainty of the source stream remains within the required uncertainty (tier), the requirements of the MRG are met.
- If the uncertainty of the source stream does not remain within the required uncertainty, the operator can deviate from the required tier for the source stream provided that the operator can demonstrate to the competent authority technical infeasibility or unreasonable costs.
- Overestimate the CO₂ emissions from the installation by not deducting emissions that stem from the unit that is not included in EU ETS. In this situation the operator chooses to use the total quantity from the source stream. Internal sub-meters need not to be taken into account and the uncertainty of the source stream can be assessed for the total emissions.
- Overestimate emissions from the installation by adding to the installation's EU ETS CO₂ emissions the CO₂ emissions that relate to uncertainty percentage by which the internal sub-meter deviates.

Q

What is the Agency's view/position if there is no ISO17025 accredited laboratory for a particular analysis?

A

We would ask that in these circumstances the operator should endeavour to pursue accredited analysis. Analysis carried out pre-accreditation can then be validated against analysis data following accreditation to check for any variances. If the non-accredited analysis is found to be erroneous, then a correction to reported emissions may be required.

Q

Will improvement reports continue to be necessary for sites emitting <25kt?

A

Improvement reports will no longer be required for installations emitting less than 50,000 CO₂ per annum (Category A installations).

Q

Can the EA provide detail of any standards for commercially traded fuels?

A

The best source of information is likely to be from the fuel (or material, in the case of commercially traded materials) supplier who should be able to confirm the national legislation and/or standards related to the supplies, including the uncertainty associated with the invoiced quantities. Current consideration is being given to supplies of natural gas in particular. It is possible to obtain information in relation to the specific metering device from National Grid, but this will need to be assessed further to take into consideration other uncertainty aspects such as environmental factors and/or P&T corrections.

Q

Does the uncertainty in the "commercially traded fuels" refer to composition or NCV?

A

The reference in MRG 2007 Section 7.1 (Uncertainty Assessment: Calculation) is specific to the uncertainty in the activity data, i.e. meter uncertainty. However, for site specific determination of NCV & EF Section 13.6 of the MRG2007 suggests requirements for uncertainty in these factors. For companies using National Inventory data for NCV/EF, these uncertainties will already have been accounted for and no further assessment is required.

Q

How and when will the national inventory figures for Oxidation factors be available?

A

To be confirmed. These will be published on either the Defra/EA websites in good time for completing the 2008 Annual Emissions Report.

Q

If a site is <25kt but employ meters which currently meet tier 4a which tier should be selected – Tier 4 or Tier 1* and are there any benefits to selecting tier 1*?

A

The benefit in selecting an Activity Tier 1* is that an operator may obtain activity data from purchasing records and estimated stock changes, without the need for further consideration of uncertainties.

Alternatively, an operator may estimate uncertainty using their meter suppliers' information, without the need to account for specific use conditions and select the appropriate tier accordingly.

An operator may select a higher activity tier, but would need to be able to demonstrate evidence of the uncertainty assessment.

Q

For an installation emitting <5,000 tCO₂ per year does this mean that the whole installation is classed as minor source stream

A

No. The definition says that a minor source is a collection of sources jointly emitting less than 5kt or which contribute less than 10% of the installations total emissions whichever is the greater.

If we have three sources emitting as follows:

- S1 - 4500 tCO₂
- S2 - 300 tCO₂
- S3 - 200 tCO₂

S1 would be classed as a major source as it is greater than 10% of the total emissions and S2 and S3 are minor sources as they emit less than 10%.

For an installation that is emitting less than 5kt, the provisions for installations with low emissions apply. This enables the operator to apply an activity tier of 1 as a minimum, which gives no further benefit/disadvantage than the dispensations allowed for minor sources.