

## Different emission estimates produced by EU bodies/institutions

### EU GHG inventory submission to UNFCCC (EEA and DG Climate Action)

The European Union (EU), as a party to the United Nations Framework Convention on Climate Change (UNFCCC), reports annually on greenhouse gas (GHG) inventories for the years 1990 to X-2 (i.e. two years before the current year<sup>1</sup>) and within the area covered by its Member States. The legal basis for the compilation of the EU GHG inventory is Regulation (EU) 525/2013 of the European Parliament and of the Council on a mechanism for monitoring and reporting greenhouse gas emissions (EU MMR). The annual GHG inventory is the official data source on greenhouse gas emissions of the European Union and its final submission to the UNFCCC takes place at the end of May.

Total GHG emissions reported in the EU GHG inventory submission to UNFCCC include all anthropogenic emissions by sources and removals by sinks of all GHGs not controlled by the Montreal Protocol, relevant for compliance under the Kyoto Protocol. The EU GHG inventory is based on the aggregation of Member States' inventories as reported to the EU and to the UNFCCC according to the above mentioned EU MMR. Both EU and Member States' GHG inventories are reported in line with UNFCCC Reporting Guidelines and IPCC methodological guidance; they are also subject to annual reviews by experts from Annex and non-Annex I Parties according to internationally agreed Review Guidelines.

The main institutions involved in the compilation of the EU GHG inventory are the Member States, the European Commission's Directorates-General Climate Action (DG CLIMA), Eurostat, the Joint Research Centre and the European Environment Agency (EEA) and its European Topic Centre on Air Pollution and Climate Change Mitigation (ETC/ACM).

Official EU greenhouse gas inventory - <http://www.eea.europa.eu/publications/european-union-greenhouse-gas-inventory-2013>

### Approximated/Proxy GHG inventory (EEA, DG Climate Action)

The approximated GHG inventory is an early estimate for the GHG emissions for the year preceding the current year<sup>2</sup>, available around September each year. The legal basis for the Proxy GHG emission estimates is Regulation (EU) 525/2013 of the European Parliament and of the Council on a mechanism for monitoring and reporting greenhouse gas emissions (EU MMR). Article 8 requires Member States to submit to the Commission approximated greenhouse gas inventories for the year X-1 by 31 July every year. Then, the European Environment Agency (EEA) assists the Commission in the compilation of the Union approximated greenhouse gas inventory. When Member States do not provide their own proxy emission estimates, the EEA produces gap-filled estimates in order to have a complete approximated GHG inventory for the European Union. The Commission has to make this information available to the public each year by 30 September.

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<sup>1</sup> If the current year is 2014, the inventory covers up to the year 2012.

<sup>2</sup> If the current year is 2014, the approximated inventory covers up to the year 2013.

In relation to the scope, the Proxy GHG estimates cover total GHG emissions, for all gases, sectors, years and Member States, as reported under the Kyoto Protocol and the UNFCCC excluding the land use, land-use change and forestry (LULUCF) sector.

Member States are responsible for the methodological choice regarding their own estimates. For gap-filling, the EEA uses the latest activity data available at country level to estimate the emissions. For emission sources for which no appropriate datasets exist, emissions are extrapolated from past trends, or emissions from the previous year are kept constant if historic data do not show a clear trend. The emission estimates assume no change in emission factors or methodologies as compared to the latest official inventory submissions to UNFCCC for the year X-2. On this basis, a detailed bottom-up approach was developed covering the full scope of emissions included in a GHG inventory submission. The EEA proxy estimates are used both for gap-filling purposes, when MS do not provide their own proxy estimates, and as verification of the estimates provided by MS.

Approximated EU GHG inventory - <http://www.eea.europa.eu/publications/approximated-eu-ghg-inventory-2012>

### **European Union Emissions Trading System (DG Climate Action, EEA)**

The EU emissions trading system (EU ETS) is the cornerstone of the European Union's policy to combat climate change and its key tool for reducing industrial greenhouse gas emissions cost-effectively, based on a "cap-and-trade" approach. In January 2005 the EU ETS commenced operation as the largest multi-country, multi-sector Greenhouse Gas Emission Trading System world-wide. The scheme is based on Directive 2003/87/EC, and covers more than 12,000 installations across the 28 Member States of the European Union, Iceland, Norway and Liechtenstein, as well as airlines.

In terms of scope, the EU ETS covers emissions of carbon dioxide (CO<sub>2</sub>) from power plants, a wide range of energy-intensive industry sectors and commercial airlines. Nitrous oxide emissions from the production of certain acids and emissions of perfluorocarbons from aluminum production are also included.

Installations and aircraft operators covered by the EU ETS are required to have an approved monitoring plan, according to which they monitor and report their emissions during the year. The data in the annual emissions report for a given year must be verified by an accredited verifier by 31 March of the following year. Once verified, operators must surrender the equivalent number of allowances by 30 April of that year. This annual procedure of monitoring, reporting and verification (MRV), as well as all processes connected to these activities, is known as the 'compliance cycle' of the EU ETS.

Installations and aircraft operators have to monitor and report their annual emissions in accordance with two Commission Regulations, the Monitoring and Reporting Regulation (MRR) and the Accreditation and Verification Regulation (AVR).

The main source of information on the ETS at EU level is the Union Registry, which records:

- National implementation measures (a list of installations covered by the ETS Directive in the territory of each Member State and any free allocation to each of those installations in the period 2013-2020);
- Accounts of companies or physical persons holding those allowances;
- Transfers of allowances ("transactions") performed by the account holders;
- Annual verified ETS-covered emissions from installations;
- Annual reconciliation of allowances and verified emissions, where each company must have surrendered enough allowances to cover all its verified emissions.

The European Union Transaction Log (EUTL), run by the European Commission, automatically checks, records, and authorizes all transactions that take place between accounts in the Union Registry. The EEA publishes the information from the EUTL in aggregated form by country, by sector and by year on the verified emissions, allowances and surrendered units of the installations covered by the EU ETS. Data on the annual verified emissions from installations are available around April each year for the previous year<sup>3</sup>.

ETS Data Viewer (EEA) - <http://www.eea.europa.eu/data-and-maps/data/data-viewers/emissions-trading-viewer>

EUTL - <http://ec.europa.eu/environment/ets/>

### **CO<sub>2</sub> early estimates from fossil fuel combustion (DG Eurostat)**

DG Eurostat of the European Commission produces early CO<sub>2</sub> emission estimates from fossil fuel combustion using cumulated monthly energy statistics reported by Member States under the EU Energy Statistics Regulation (Regulation (EU) 1099/2008). CO<sub>2</sub> early estimates are released only four to five months after the end of the reference year<sup>4</sup>.

Eurostat is using one method and one data source for all MS. In a first step the growth rate in the consumption of solid, gaseous and liquid fossil fuels between the last two years is calculated for each Member State. In a second step these percentage changes are applied to CO<sub>2</sub> emissions from fossil fuel combustion reported by Member States in their latest GHG inventory using the IPCC Reference Approach (CRF table 1.A (b)). The sum of early CO<sub>2</sub> emission estimates for each Member State equals the total CO<sub>2</sub> early estimate from fossil fuel combustion for the EU as a whole.

An overview of Eurostat's methodology to produce CO<sub>2</sub> early estimates can be found at <http://epp.eurostat.ec.europa.eu/portal/page/portal/energy/documents/MethodCO2.pdf>

Eurostat early estimates on CO<sub>2</sub> from fossil fuel combustion -

[http://epp.eurostat.ec.europa.eu/cache/ITY\\_PUBLIC/8-07052014-AP/EN/8-07052014-AP-EN.PDF](http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/8-07052014-AP/EN/8-07052014-AP-EN.PDF)

### **EDGAR database (DG JRC)**

The European Commission's Joint Research Centre (JRC) in collaboration with the Netherlands Environmental Assessment Agency (PBL) produces preliminary emission estimates on an annual basis

<sup>3</sup> If the current year is 2014, the ETS data covers up to 2013.

<sup>4</sup> For example, the early estimate from Eurostat for the year 2013 is available by May 2014.

covering the whole world. The emission estimates are used in the joint JRC and PBL's publications on Trends in Global CO<sub>2</sub> emissions. The estimates are based on the latest energy consumption data published by the British multinational oil and gas company BP and production data for cement, lime, ammonia and steel. The historic time series by country is from the Emission Database for Global Atmospheric Research (EDGAR).

EDGAR is a joint project of the JRC and PBL. The EDGAR database contains greenhouse gas emissions per country on a 0.1 x 0.1 degree grid for all anthropogenic sources. Although the database distinguishes between about 25 sources categories, emissions are estimated for well over 100 detailed categories as identified in the Revised 1996 IPCC guidelines for compilation of emission inventories.

Detailed methodological descriptions and overviews per emission source category are provided through factsheets and are available at <http://edgar.jrc.ec.europa.eu/methodology.php>

EDGAR database - <http://edgar.jrc.ec.europa.eu/>

#### Overview of EU data sources for GHG estimates

| What                            | Who      | When  | Timeliness | Geographical scope   | Sectoral Scope  | EU reporting obligation       |
|---------------------------------|----------|---|------------|--|---|-------------------------------|
| EU GHG inventory to UNFCCC      | EEA      | 15 April (draft submission) & 27 May (final submission) | X-2        | EU and its 28 Member States                                    | All gases and sectors (100% of emissions)                             | EU MMR (525/2013)             |
| Proxy GHG inventory             | EEA      | 30 September  | X-1        | EU, its 28 Member States and other EEA member countries States | All gases and sectors (100% of emissions)                             | EU MMR (525/2013)             |
| EU ETS                          | DG CLIMA | Early April and May                                     | X-1        | EU-28, Iceland, Norway and Liechtenstein                       | 12,000 installations (~45% of total emissions)                        | EU ETS Directive (2003/87/EC) |
| CO <sub>2</sub> early estimates | Eurostat | April / May   | X-1        | EU and its 28 Member States                                    | CO <sub>2</sub> from fossil fuel combustion (~80% of total emissions) | Eurostat's work programme     |
| EDGAR global database           | JRC      | August / September                                      | X-1        | Global coverage  | All gases and sectors (100% of emissions)                             | JRC's work programme          |

European Environment Agency <http://www.eea.europa.eu/>

DG Climate Action, European Commission <http://ec.europa.eu/clima/>

DG Eurostat, European Commission <http://ec.europa.eu/eurostat>

DG Joint Research Centre, European Commission <http://ec.europa.eu/dgs/jrc/>

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