

**Opinion of the Committee of the Regions on 'Emission allowance trading'**

(2008/C 325/04)

## THE COMMITTEE OF THE REGIONS

- urges the Commission to speed up approval of legislation for including air transport in the ETS and to incorporate the maritime transport sector into the ETS without delay;
- is concerned that the directive does not encourage the reduction of greenhouse gas emissions in the waste management sector, an especially critical sector both for emissions and for land-use planning;
- recommends that at least 30 % of the revenues generated from the auctioning of allowances shall be earmarked by Member States for local and regional authorities in order to promote the use of renewable energies and energy efficiency in end uses, so as to meet the Community's objective of using 20 % renewable energy by 2020 and increasing energy efficiency by 20 % by 2020; to promote measures for reducing greenhouse gases in non ETS sectors, in particular in the transport and waste sectors;
- recommends measures to support certain energy intensive industries in the event of 'carbon leakage';
- no more than six months after this directive has entered into force, the Commission shall, after consulting with all relevant social partners and the Committee of the Regions, submit concrete proposals for preventing carbon leakage from energy-intensive sectors and subsectors.

**Rapporteur:** Pietro MARRAZZO (IT/PES), President of the Lazio Region

**Reference document**

Proposal for a Directive of the European Parliament and of the Council amending Directive 2003/87/EC so as to improve and extend the greenhouse gas emission allowance trading system of the Community

COM(2008) 16 final — 2008/0013 (COD)

**I. POLICY RECOMMENDATIONS**

THE COMMITTEE OF THE REGIONS

**General recommendations**

1. Notes that local and regional authorities make a key contribution to the success of European initiatives and play a critical role in implementing environmental, industrial and energy policies;
2. endorses the practical application of the 'polluter pays' principle in all Community policies relating to environmental protection and the climate; internalising the environmental cost of goods and services is an essential part of proper public policy guided by the principles of sustainable balanced and eco-compatible economic development;
3. therefore appreciates the efforts made to date by the European Commission to build an effective carbon market that succeeds in pinpointing the price of the pollution from a tonne of carbon dioxide within a free bargaining system;
4. welcomes the proposed adjustment and updating of the Emission Trading System (ETS), in line with the results achieved to date and the evidence uncovered during the first period under the system (2005-2007);
5. considers that despite the progress made, it is necessary to further increase the transparency and long-term reliability of the ETS and to remain attentive to the social and environmental repercussions that the proposed measures will have, especially at regional and local level;

**Adjustments to the ETS:**

*Technical adjustments*

6. notes that the simplification proposed by the Commission, including the possibility of excluding the smallest industrial installations and clarifying the concept of a combustion installation, will help to improve the reliability, efficiency and transparency of the carbon market as a whole;
7. nevertheless asks the Commission to specify the equivalent measures that can be adopted by Member States to pursue emission reductions in small installations, going beyond the generic reference to possible fiscal policy measures (carbon tax);

8. notes that with regard to the auctioning of quotas, it would be appropriate to move on from completely free allocation with a gradual changeover to public auctions; strongly supports the need to protect the poorer sections of the public from the possible rise in the price of industrial products and other energy sources, more specifically, electricity, also by helping them to increase their homes' energy efficiency;

9. agrees with the Commission on the proposed change to the approach taken to date with the adoption of National Allocation Plans (NAP) for each Member State and welcomes the decision to define common Community objectives, as part of a single, mutually supportive approach for the EU as a whole;

10. agrees with the Commission's proposal to include capture, transport and geological storage of greenhouse gases in the ETS and hopes in this respect that appropriate support will be given to research into related technologies that require further development and investment, provided that account is taken of the detrimental impact that carbon storage might have on the ecosystems in which it takes place;

11. recalls the important role that research in the energy-environment field can play when it comes to cutting emissions and making changes and hopes that the directive will prove an effective instrument for securing a steady source of financing for such activities;

12. stresses that the inclusion of new sectors and activities in the ETS must be assessed from the point of view not only of the risk that European industry may become less competitive on international markets, but also of the actual pollution produced by this sector, the potential for technological improvement of the sectors concerned and checks on the extent to which extra costs can be passed on to end users;

13. therefore urges the Commission to speed up approval of legislation for including air transport in the ETS and to incorporate the maritime transport sector into the ETS without delay (see point 65 of Opinion Cdr 22/2008);

14. approves of the principle of cooperation and solidarity between Member States as introduced in the new ETS between countries that are technologically more advanced (whose industrial sectors are more energy efficient) and less-developed countries (whose economies have a higher energy consumption and need to increase their growth rates);

*The international dimension of the fight against climate change*

15. appreciates the efforts made by the EU to date in taking part in international negotiations on implementing the Kyoto protocol, most recently at the Bali conference, and in defining common global strategies, particularly for sharing the burden between wealthy and developing countries; therefore hopes that the results obtained to date will be further strengthened and developed by agreements at the forthcoming Poznan and Copenhagen international conferences;

16. calls for additional measures in the fight against climate change and an extension of the objectives set for the ETS in order to gear them to the target of a 30 % overall reduction in emissions following international agreements on the subject;

17. stresses the need for the proposed international agreement to lead to equal treatment world-wide for the various sectors concerned; consequently, minimum requirements should be established which an agreement must meet in order to constitute an international agreement along the lines proposed in the directive;

*New sectors covered by regulations*

18. stresses the need to have proper cost-benefit analyses on the inclusion of new production sectors in the ETS so as to prevent distortions of competition arising between dissimilar sectors as a result of limiting greenhouse gas production;

19. is concerned that the directive does not encourage the reduction of greenhouse gas emissions in the waste management sector, an especially critical sector both for emissions and for land-use planning;

20. notes that, alongside the emission allowance scheme, much needs to be done above all to effect a switch to environmentally sound modes of transport. National governments need to take responsibility here to expand rail and waterway infrastructure and promote intermodal transport generally;

*Competitiveness of companies and consumer protection*

21. notes that the risk of falling competitiveness among industrial sectors has yet to be fully assessed by the Commission and that adequate measures for supporting and defending European economies are not yet provided for by the new directive; stresses in that respect the importance of a stable and attractive environment for investments and the urgent need to address the dangers of transferring emissions to countries with less binding environmental standards and lower costs (carbon leakage); calls on the Commission to submit proposals to the European Parliament and the Council at the earliest possible opportunity for Community-wide, fully harmonised rules for the free allocation of certificates. These rules should take account of the situation in the energy-intensive sectors and subsectors where there is a considerable risk of carbon leakage;

22. calls for the efforts involved in the fight against climate change to be properly shared among the industrial operators involved and the end users, ensuring that the latter do not have to carry the entire burden of the additional cost of the strategies adopted in certain production sectors in particular;

23. notes that the Commission's proposal does not give sufficient attention to the need to avoid a negative impact on poorer sections of society, owing in particular to the possible effect of the directive on electricity prices; therefore calls on the Commission to monitor the markets more closely, to increase consumer confidence and limit the risk of market manipulation;

24. advocates rewarding the emissions reductions already achieved, when free emissions certificates are being allocated; in so doing, some installations which represent the benchmark in their production sector for the lowest greenhouse gas emissions per unit of production could be allocated 100 % free certificates.

*The contribution of local and regional authorities*

25. stresses that local and regional authorities are in the front line when it comes to dealing with the consequences of climate change and must therefore be properly involved in the adoption of any strategies to combat it and make changes;

26. calls on the Commission, when revising the ETS, to consider not only the consequences on competition at national and international level, but also the dangers for the competitiveness and attractiveness of the various regions within the EU;

27. therefore calls for due consideration to be given to the demands of regional development policies and notes that in order to promote a more transparent and effective carbon market, a number of industrial installations could be thoroughly restructured so as to rid the production system of the least efficient installations or those that are already in crisis; on that note, calls for action to support the process of industrial renewal and retraining of the workers concerned;

28. recognises, with regard to the strengthening and adjustment of the ETS, the need to improve the overall coherence of actions and to set more ambitious objectives which, pursuant to the international agreements under discussion, stipulate a target of a 30 % reduction in greenhouse gas emissions by 2020;

29. considers that more should be done to involve the public in the efforts made by the EU to address climate change, with the help of local and regional authorities; this awareness-raising activity should focus both on encouraging responsible personal behaviour and on helping the public understand the major industrial and technological issues that often lie behind the strategies adopted;

30. sees a need to step up the work of the local and regional authorities in the field of training and information for end users and operators of small and medium-sized businesses covered by the ETS directive.

## II. PROPOSED AMENDMENTS

## Amendment 1

## Article 1(5), (Article 9)

Text proposed by the Commission	CoR amendment
<p><i>Article 9</i></p> <p><b>Community-wide quantity of allowances</b></p> <p>The Community-wide quantity of allowances issued each year starting in 2013 shall decrease in a linear manner beginning from the mid-point of the period 2008 to 2012. The quantity shall decrease by a linear factor of 1,74 % compared to the average annual total quantity of allowances issued by Member States in accordance with the Commission Decisions on their national allocation plans for the period 2008 to 2012.</p> <p>The Commission shall, by 30 June 2010, publish the absolute quantity of allowances for 2013, based on the total quantities of allowances issued by the Member States in accordance with the Commission Decisions on their national allocation plans for the period 2008 to 2012.</p> <p>The Commission shall review the linear factor no later than 2025.</p>	<p><i>Article 9</i></p> <p><b>Community-wide quantity of allowances</b></p> <p>The Community-wide quantity of allowances issued each year starting in 2013 shall decrease in a linear manner beginning from the mid-point of the period 2008 to 2012. The quantity shall decrease by a linear factor of 1,74 % compared to the average annual total quantity of allowances issued by Member States in accordance with the Commission Decisions on their national allocation plans for the period 2008 to 2012.</p> <p>The Commission shall, by 30 June 2010, publish the absolute quantity of allowances for 2013, based on the total quantities of allowances issued by the Member States in accordance with the Commission Decisions on their national allocation plans for the period 2008 to 2012.</p> <p><del>The Commission shall review the linear factor no later than 2025.</del></p> <p><u>The Commission shall review the Directive no later than 2018 with regard to the further development for the period after 2020.</u></p>

## Reason

The proposed amendment to the Directive relates to the period between 2013 and 2020. Provisions for the period post-2020 are therefore out of place. Instead, the far-reaching amendments warrant a general review of the trade arrangements to date no later than 2018.

## Amendment 2

## Article 1(7), (Article 10(3))

Text proposed by the Commission	CoR amendment
At least 20 % of the revenues generated from the auctioning of allowances referred to in paragraph 2, including all revenues from the auctioning referred to in point (b) thereof, should be used for the following:	At least <u>50 %</u> of the revenues generated from the auctioning of allowances referred to in paragraph 2, including all revenues from the auctioning referred to in point (b) thereof, should be used for the following <u>by Member States and their local and regional authorities</u> :

## Amendment 3

## Article 1(7), (Article 10(3)(f))

Text proposed by the Commission	CoR amendment
f) to address social aspects in lower and middle income households, for example by increasing their energy efficiency and insulation;	f) to address social aspects in lower and middle income households, for example <u>by increasing with measures designed to compensate any increase in the price of electricity while also helping to increase their homes' energy efficiency and insulation;</u>

## Reason

The aim is to include among measures for low-income households compensatory measures of a specifically economic nature.

## Amendment 4

**Article 1(7), (Article 10(3)), add a new paragraph 3a**

Text proposed by the Commission	CoR amendment
	<p><u>3 a At least 30 % of the revenues generated from the auctioning of allowances referred to in paragraph 2, including all revenues from the auctioning referred to in point (b) thereof, shall be earmarked by Member States for local and regional authorities in order to:</u></p> <p><u>a) promote the use of renewable energies and energy efficiency in end uses, so as to meet the Community's objective of using 20 % renewable energy by 2020 and increasing energy efficiency by 20 % by 2020;</u></p> <p><u>b) promote measures for reducing greenhouse gases in non ETS sectors, in particular in the transport and waste sectors;</u></p> <p><u>c) fund information activities to encourage good habits among end users so as to offset possible increases in electricity prices;</u></p> <p><u>d) fund training and information activities designed to encourage good practice on the part of small and medium-sized industries and operators.</u></p>

## Reason

The aim is to give regional and local authorities a part to play in measures to reduce greenhouse gas emissions and secure the appropriate funding for them.

Regional and local authorities should be given a specific role to play in promoting the use of renewable resources and energy efficiency.

Funding should be found for regional and local activities to reduce greenhouse gas emissions in sectors that do not fall within the scope of the ETS directive, such as the waste and transport sectors.

Funding should be found for training and information activities aimed at the public and industry operators falling within the scope of the ETS directive.

## Amendment 5

**Article 1(7), (Article 10(5))**

Text proposed by the Commission	CoR amendment
<p>5. By 31 December 2010, the Commission shall adopt a Regulation on timing, administration and other aspects of auctioning to ensure that it is conducted in an open, transparent and non-discriminatory manner. Auctions shall be designed to ensure that operators, and in particular any small and medium size enterprises covered by the Community scheme, have full access and any other participants do not undermine the operation of the auction. That measure, designed to amend non-essential elements of this Directive by supplementing it, shall be adopted in accordance with the regulatory procedure with scrutiny referred to in Article [23(3)].</p>	<p>5. By 31 December 2010, the Commission shall adopt a Regulation on timing, administration and other aspects of auctioning to ensure that it is conducted in an open, transparent and non-discriminatory manner. Auctions shall be designed to ensure that operators, and in particular any small and medium size enterprises covered by the Community scheme, have full access and any other participants do not undermine the operation of the auction. <u>In order to avoid unwelcome speculative profits, access to gradual transition can be limited to only genuine market participants.</u> That measure, designed to amend non-essential elements of this Directive by supplementing it, shall be adopted in accordance with the regulatory procedure with scrutiny referred to in Article [23(3)].</p>

## Reason

Because of the foreseeable scarcity of certificates, there is a danger that speculation might lead to price rises out of all proportion to their value.

## Amendment 6

## Article 1(8), (Article 10a(1))

Text proposed by the Commission	CoR amendment
<p>1. The Commission shall, by 30 June 2011, adopt Community wide and fully-harmonised implementing measures for allocating the allowances referred to in paragraphs 2 to 6 and 8 in a harmonised manner.</p> <p>Those measures, designed to amend non-essential elements of this Directive by supplementing it, shall be adopted in accordance with the regulatory procedure with scrutiny referred to in Article [23(3)].</p> <p>The measures referred to in the first subparagraph shall, to the extent feasible, ensure that allocation takes place in a manner that gives incentives for greenhouse gas and energy efficient techniques and for reductions in emissions, by taking account of the most efficient techniques, substitutes, alternative production processes, use of biomass and greenhouse gas capture and storage, and shall not give incentives to increase emissions. No free allocation shall be made in respect of any electricity production.</p> <p>The Commission shall, upon the conclusion by the Community of an international agreement on climate change leading to mandatory reductions of greenhouse gas emissions comparable to those of the Community, review those measures to provide that free allocation only takes place where this is fully justified in the light of that agreement.</p>	<p>1. The Commission shall, by 30 June 2011, adopt Community wide and fully-harmonised implementing measures for allocating the allowances referred to in paragraphs 2 to 6 and 8 in a harmonised manner.</p> <p>Those measures, designed to amend non-essential elements of this Directive by supplementing it, shall be adopted in accordance with the regulatory procedure with scrutiny referred to in Article [23(3)].</p> <p>The measures referred to in the first subparagraph shall, to the extent feasible, ensure that allocation takes place in a manner that gives incentives for greenhouse gas and energy efficient techniques — including cogeneration —, and for reductions in emissions, by taking account of the most efficient techniques, substitutes, alternative production processes, use of biomass and greenhouse gas capture and storage, and shall not give incentives to increase emissions. No free allocation shall be made in respect of any electricity production. <u>All other sectors may however benefit from free allocations.</u></p> <p>The Commission shall, upon the conclusion by the Community of an international agreement on climate change leading to mandatory reductions of greenhouse gas emissions comparable to those of the Community, review those measures to provide that free allocation only takes place where this is fully justified in the light of that agreement.</p>

## Reason

It should be specified that sectors other than electricity production may enjoy free allocations (fully or in part).

## Amendment 7

## Article 1(8), (Article 10a(3)), add a new paragraph 3a

Text proposed by the Commission	CoR amendment
<p>Free allocation may be given to electricity generators in respect of the production of heat through high efficiency cogeneration as defined by Directive 2004/8/EC for economically justifiable demand to ensure equal treatment with regard to other producers of heat. In each year subsequent to 2013, the total allocation to such installations in respect of the production of that heat shall be adjusted by the linear factor referred to in Article 9.</p>	<p><u>Based on reference values for separate production of electricity and heat,</u> free allocation may be given to electricity generators in respect of the production of heat through high efficiency cogeneration as defined by Directive 2004/8/EC for economically justifiable demand to ensure equal treatment with regard to other producers of heat. In each year subsequent to 2013, the total allocation to such installations in respect of the production of that heat shall be adjusted by the linear factor referred to in Article 9.</p>

*Amendment 8***Article 1(8), (Article 10a(5))**

Text proposed by the Commission	CoR amendment
5. The maximum amount of allowances that is the basis for calculating allocations to installations which are only included in the Community scheme from 2013 onwards shall not exceed, in 2013, the total verified emissions of those installations in 2005 to 2007. In each subsequent year, the total allocation to such installations shall be adjusted by the linear factor referred to in Article 9.	5. The maximum amount of allowances that is the basis for calculating allocations to installations which are only included in the Community scheme from 2013 onwards shall not exceed, in 2013, the historical average of the total emissions of those installations in 2005 to 2007. In each subsequent year, the total allocation to such installations shall be adjusted by the linear factor referred to in Article 9.

**Reason**

It should be made clear that it will not be possible to verify emissions for the installations in question as they will not be covered by the ETS in the 2008-2013 period.

*Amendment 9***Article 1(8), (Article 10a(6))**

Text proposed by the Commission	CoR amendment
6. Five percent of the Community-wide quantity of allowances determined in accordance with Articles 9 and 9a over the period 2013 to 2020 shall be set aside for new entrants, as the maximum that may be allocated to new entrants in accordance with the rules adopted pursuant to paragraph 1 of this Article. Allocations shall be adjusted by the linear factor referred to in Article 9. No free allocation shall be made in respect of any electricity production by new entrants.	6. Five percent of the Community-wide quantity of allowances determined in accordance with Articles 9 and 9a over the period 2013 to 2020 shall be set aside for new entrants, as the maximum that may be allocated to new entrants in accordance with the rules adopted pursuant to paragraph 1 of this Article, <u>to be determined in accordance with forecasts of trends in Community industrial GDP in 2020. In any case, the maximum quantity to be allocated shall not exceed five percent of the Community-wide quantity of allowances determined in accordance with Articles 9 and 9a over the period 2013 to 2020.</u> Allocations shall be adjusted by the linear factor referred to in Article 9. No free allocation shall be made in respect of any electricity production by new entrants.

**Reason**

The quota for new entrants should be determined on the basis of the forecast for industry GDP growth in 2020. Five percent appears excessive given the growth forecast for Community industry GDP.

*Amendment 10***Article 1(8), (Article 10a(8))**

Text proposed by the Commission	CoR amendment
8. In 2013 and in each subsequent year up to 2020, installations in sectors which are exposed to a significant risk of carbon leakage shall be allocated allowances free of charge up to 100 percent of the quantity determined in accordance with paragraphs 2 to 6.	8. In 2013 and in each subsequent year up to 2020, installations in sectors which are exposed to a significant risk of carbon leakage shall be allocated allowances free of charge up to 100 percent of the quantity determined in accordance with paragraphs 2 to 6. <u>Installations that produce the lowest CO<sub>2</sub> emissions per production unit shall receive preference (benchmarks).</u>

## Reason

The Commission proposal disadvantages those firms that have already voluntarily made efforts to reduce greenhouse gas emissions. When allocating free certificates, treating 'clean' installations on an equal basis with firms which have 'dirty' installations would lead to a distortion of competition between firms in the same sectors in the Community. It is therefore only fair to take into account emissions reductions which have already been achieved. The proposed benchmark model, which envisages 100 % free allocation only for the 'cleanest' firms, is feasible, transparent and competition-neutral.

## Amendment 11

## Article 1(8), (Article 10b)

Text proposed by the Commission	CoR amendment
<p><b>Measures to support certain energy intensive industries in the event of carbon leakage</b></p> <p>Not later than June 2011, the Commission shall, in the light of the outcome of the international negotiations and the extent to which these lead to global greenhouse gas emission reductions, and after consulting with all relevant social partners, submit to the European Parliament and to the Council an analytical report assessing the situation with regard to energy-intensive sectors or sub-sectors that have been determined to be exposed to significant risks of carbon leakage. This shall be accompanied by any appropriate proposals, which may include:</p> <ul style="list-style-type: none"> <li>— adjusting the proportion of allowances received free of charge by those sectors or sub-sectors under Article 10a;</li> <li>— inclusion in the Community scheme of importers of products produced by the sectors or sub-sectors determined in accordance with Article 10a.</li> </ul> <p>Any binding sectoral agreements which lead to global emissions reductions of the magnitude required to effectively address climate change, and which are monitorable, verifiable and subject to mandatory enforcement arrangements shall also be taken into account when considering what measures are appropriate.</p>	<p><b>Measures to support certain energy intensive industries in the event of carbon leakage</b></p> <p><u>No more than six months after this directive has entered into force, the Commission shall, after consulting with all relevant social partners and the Committee of the Regions, submit concrete proposals for preventing carbon leakage from energy-intensive sectors and subsectors.</u></p> <p>Not later than June 2011, the Commission shall, in the light of the outcome of the international negotiations and the extent to which these lead to global greenhouse gas emission reductions, and after consulting with all relevant social partners, submit to the European Parliament and to the Council an analytical report assessing the situation with regard to energy-intensive sectors or sub-sectors that have been determined to be exposed to significant risks of carbon leakage. This shall be accompanied by any appropriate proposals, which may include:</p> <ul style="list-style-type: none"> <li>— adjusting the proportion of allowances received free of charge by those sectors or sub-sectors under Article 10a;</li> <li>— inclusion in the Community scheme of importers of products produced by the sectors or sub-sectors determined in accordance with Article 10a.</li> </ul> <p>Any binding sectoral agreements which lead to global emissions reductions of the magnitude required to effectively address climate change, and which are monitorable, verifiable and subject to mandatory enforcement arrangements shall also be taken into account when considering what measures are appropriate.</p>

## Reason

It is necessary to give regional and local authorities a role in pinpointing the sectors and subsectors likely to be exposed to carbon leakage, so as to limit the danger of these companies losing competitiveness and jobs, with particular reference to SMEs.

It is precisely investments in energy-intensive sectors which as a rule require a great deal of capital and long lead times. Therefore it is all the more important for the firms concerned to have reliable, predictable framework conditions in which to operate. The plan to wait until 2011 before considering how the particular situation of energy-intensive sectors can be taken into account does not meet these firms' legitimate demands for certainty for planning purposes. Uncertainty with regard to future framework conditions has already been seen to lead to the postponement of investments or even the relocation of investments to non-Member States. The Commission is therefore urged to consider this point and publish corresponding plans as soon as possible.



## Amendment 12

## Article 1(21) (Article 27(1))

Text proposed by the Commission	CoR amendment
<p>1. Member States may exclude, from the Community scheme, combustion installations which have a rated thermal input below 25 MW, reported emissions to the competent authority of less than 10 000 tonnes of carbon dioxide equivalent, excluding emissions from biomass, in each of the preceding 3 years, and which are subject to measures that will achieve an equivalent contribution to emission reductions, if the Member State concerned complies with the following conditions:</p> <p>(a) it notifies the Commission of each such installation, specifying the equivalent measures that are in place,</p> <p>(b) it confirms that monitoring arrangements are in place to assess whether any installation emits 10 000 tonnes or more of carbon dioxide equivalent, excluding emissions from biomass, in any one calendar year;</p> <p>(c) it confirms that if any installation emits 10 000 tonnes or more of carbon dioxide equivalent, excluding emissions from biomass, in any one calendar year or the equivalent measures are no longer in place, the installation will be re-introduced into the system;</p> <p>(d) it publishes the information referred to in points (a), (b) and (c) for public comment.</p>	<p>1. Member States may exclude from the Community scheme, also taking into account the opinion of the installation owner, combustion installations which have a rated thermal input below 25 MW, reported emissions to the competent authority of less than 10 000 tonnes of carbon dioxide equivalent, excluding emissions from biomass, in each of the preceding 3 years, and which are subject to measures that will achieve an equivalent contribution to emission reductions. <u>Member States shall decide those measures in cooperation with regional and local authorities, on the basis of appropriate guidelines adopted by the Commission.</u></p> <p><u>2. Installations covered by paragraph 1 may be excluded from the Community system #providing the Member State concerned complies with the following conditions:</u></p> <p>(a) <del>it</del> notifies the Commission of each such installation, specifying the equivalent measures that are in place,</p> <p>(b) <del>it</del> confirms that monitoring arrangements are in place to assess whether any installation emits 10 000 tonnes or more of carbon dioxide equivalent, excluding emissions from biomass, in any one calendar year;</p> <p>(c) <del>it</del> confirms that, <u>having consulted the regional and local authorities, if any installation emits 10 000 tonnes or more of carbon dioxide equivalent, excluding emissions from biomass, in any one calendar year or the equivalent measures are no longer in place, the installation will be re-introduced into the system;</u></p> <p>(d) <del>it</del> publishes the information referred to in points (a), (b) and (c) for public comment.</p>

## Reason

The aim is to acquire information on emission reduction measures implemented at regional level, given that operating authorisation for small installations is the responsibility of the region.

Brussels, 8 October 2008.

The President  
of the Committee of the Regions  
Luc VAN DEN BRANDE