



**Dear NCBAA Member:**

Since its inception, the European Union Emissions Trading Scheme (EU-ETS) has continuously served up new, often complex, requirements for operators to attempt to comply with. As we rapidly approach the new Phase III Trading Period, there are three main hot topics affecting flight departments: Phase III AE Monitoring Plan updates, Registry Account applications, and the challenges of Carbon Trading.

**Phase III Annual Emissions Monitoring Plan Updates:**

- The European Commission has released an updated Annual Emissions Monitoring Plan template with an additional nine management procedures.
- Member States are implementing this requirement on different timelines, but ALL will require submission prior to the end of 2012.
- (Completed templates for Small Emitters are available on [www.eu-ets.aero](http://www.eu-ets.aero) or by contacting the Universal Weather and Aviation, Inc. [Global Regulatory Services Team](#)).

**Aircraft Operator Holding Account / Registry Account:**

- ALL Operators must establish a Registry Account to bank Carbon Allowances/Credits to comply with EU-ETS.
- A 3<sup>rd</sup> Party cannot purchase and submit Carbon Credits on behalf of another operator to meet requirements. The Carbon Credits must be submitted to your Member State from an account opened by the legal entity.
- Carbon Registry Account requirements involve in-depth information for both the company and a minimum of two authorized representatives. For example, an operator will need to collect a Certificate of Incorporation, Articles of Association, and a Power of Attorney Letter from the company. In addition, the Authorized Representatives will provide identification, proof of residence, and a Federal Background Check.
- (Specific requirements for Member States can be found at under the [Hot Topics](#) section of [www.eu-ets.aero](http://www.eu-ets.aero)).

## Challenges of Carbon Trading:

- Once a Registry Account is established operators need to be able to access the Carbon Market to purchase Carbon Credits either through a broker or by participation in public auctions.
- Carbon Trading for Small Emitters is better defined as purchase and submission rather than trading. It is unlikely that operators will spend time trading credits with each other due to the complexity. The compliance needs of Aircraft Operators far outweigh any speculative buy and sell at profit opportunities.
- The Carbon Market is a volume driven marketplace where trades of 100,000+ credits at one time are commonplace. This leads to accessibility and pricing issues for Small Emitters needing a comparatively tiny amount of credits.
- Universal is addressing these Carbon Trading issues for aircraft operators through a soon to be announced partnership and service. Any questions regarding Carbon Credits and trading should be addressed directly to [Adam Hartley](#) via email or by phone at 713-378-2734.

Universal provides a variety of services, products, and support as a beginning-to-end solution for EU-ETS. Recent updates, completed templates, updated requirements, and the latest tools are provided to the business aviation industry through the free EU-ETS Reporting Resource Center [www.eu-ets.aero](http://www.eu-ets.aero). Monitoring, Reporting, and Verification are also offered as a bundled service by Universal. Direct consultation and expert guidance is available through emailing [Regulatory Services Team](#) or at 713-378-2734.

Please feel free to contact me with any questions.

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## See below Roadmap To Success Timeline:

# 2012-2013 EU-ETS Roadmap to Success for aviation-emissions reporting

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Stay on top of these milestones to ensure your compliance with EU-ETS.

<b>Activities to complete</b>	<b>Time frame</b>
Submit Improvement Reports via ETSWAP (UK Users)	Jun 2012
Identify requirements and resources for Carbon Registry Account application	Jul 2012
Submit Carbon Registry Account application Inquire (with Member State) about new Monitoring Plan requirements for 2013-2020	Aug 2012
Submit new Phase III AE Monitoring Plan (Required for ALL Operators)	Sep 2012
Activate Carbon Registry account Create or modify monitoring plans (as applicable) Obtain approved plan and approval letter from Competent Authority (as applicable)	Oct 2012
Begin compiling applicable EUROCONTROL invoices (from either third-party providers or from your in-house accounting group) Create a QA assessment validating your internal process (which demonstrates your EU-ETS processes are valid for producing accurate data)	Nov 2012
Collect any applicable correspondence with Competent Authority Complete declaration/agreement statement (new annually)	Dec 2012
Wrap up all activities started September through December Submit your report and supporting documentation to a third-party verifier Begin monitoring process for the new calendar year	Jan 2013
Address any inconsistencies or data gaps reported by the third-party verifier	Feb 2013
Submit verified report and VOS Statement to Competent Authority	Mar 2013
Evaluate VOS Statement (from third-party verifier) and your current monitoring plan for any necessary amendments	Apr 2013
Submit your amended monitoring plan to Competent Authority (if applicable)	May 2013

