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MEETING DOCUMENT

From:	General Secretariat of the Council
To:	Working Party on the Environment

Subject:	Fit for 55 package - ETS revision: WPE meeting on 23 May 2022 - Presidency steering note - additional suggestions
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As announced in the Presidency steering note for the WPE on 23 May 2022, delegations find attached additional suggestions concerning the MRV Regulation - inclusion of non CO2 emissions in the scope and a review clause concerning ships smaller than 5000 GT. The suggestions will be incorporated in the next revised compromise text.

Amendments to include other GHG in the scope of the MRV regulation and a review clause concerning (ships below 5000 GT)

Article 3

(-3) Throughout the Regulation, except in Articles 1, 2, 3, points (a) and (r), Article 21 (5), Annexes I and II, the words “CO2 emissions” are replaced by the words “greenhouse gas emissions” and the words “CO2 emitted” are replaced by the words “greenhouse gases emitted”.

(-2) Article 1 is replaced by the following:

“This Regulation lays down rules for the accurate monitoring, reporting and verification of greenhouse gas emissions and of other relevant information from ships arriving at, within or departing from ports under the jurisdiction of a Member State, in order to promote the reduction of greenhouse gas emissions from maritime transport in a cost effective manner.”;

(-1) In Article 2, paragraph 1 is replaced by the following:

“1. This Regulation applies to ships of 5,000 gross tonnage and above in respect of the greenhouse gas emissions released during their voyages from their last port of call to a port of call under the jurisdiction of a Member State and from a port of call under the jurisdiction of a Member State to their next port of call, as well as within ports of call under the jurisdiction of a Member State.

1a. The greenhouse gasses covered by this Regulation are:

a) carbon dioxide (CO₂),

b) with regards to emissions from [1 January 2024] methane (CH₄), and

c) with regards to emissions from [1 January 2024] nitrous oxides (N₂O).”;

(0) In Article 3, point a is replaced by the following:

(a) ‘Greenhouse gas emissions’ means the release of the greenhouse gasses covered by the obligations of this Regulation in accordance with Article 2(1a) into the

atmosphere by ships;”;

- (1) In Article 3, points q and r are added:

(...)

(r) “aggregated emissions data at company level” means the sum of the **greenhouse gas emissions relating to gases listed in Annex I** of Directive 2003/87/EC **with regard to maritime transport activities and to be reported under that Directive**, in respect of all ships under its responsibility during the reporting period. “;

- (3) In Article 5, paragraph 2 is replaced by the following:

“2. The Commission is empowered to adopt delegated acts in accordance with Article 23 to amend the methods set out in Annex I and the rules set out in Annex II, in order to take into account **the inclusion of methane and nitrous oxides emissions in the scope of this Regulation**, revisions of Directive 2003/87/EC, relevant international rules as well as international and European standards. The Commission is also empowered to adopt delegated acts in accordance with Article 23 to amend Annexes I and II in order to refine the elements of the monitoring methods set out therein, in the light of technological and scientific developments and in order to ensure the effective operation of the EU ETS established pursuant to Directive 2003/87/EC.

The Commission shall adopt such delegated acts amending Annexes I and II as is necessary for the inclusion of methane and nitrous oxides emissions into the scope of this Regulation by [1 October 2023]. The methods set out in Annex I and the rules set out in Annex II shall, where appropriate, be aligned with the methods and rules of Regulation [xxx/vvvy] on [FuelEU Maritime, 2021/0210 (COD)].”;

- (4) Article 6 is amended as follows:

(...)

(b) the following paragraphs 6, 7 and 8 are added:

“6. [...] **By [1 April 2024]**, companies shall submit to the responsible administering authority a monitoring plan for each of their ships falling under the scope of this Regulation, which shall first be assessed as being in conformity with this Regulation by the verifier **and which shall reflect the inclusion of methane and nitrous oxides emissions in the scope of this**

Regulation.

7. Notwithstanding paragraph 6, for ships falling under the scope of this Regulation for the first time after **[1 January 2024]** [...], companies shall submit a monitoring plan in conformity with the requirements of this Regulation to the responsible administering authority without undue delay and no later than three months after each ship's first call in a port under the jurisdiction of a Member State.

8. By [insert date two years after entry into force of **this amending Regulation** [...], the responsible administering authorities shall approve the monitoring plans submitted by companies in accordance with the rules laid down in the delegated acts adopted by the Commission pursuant to the second subparagraph. For ships falling under the scope of [revised ETS Directive] for the first time after **[1 January 2024]** [...], the responsible administering authority shall approve the submitted monitoring plan within four months after the ship's first call in a port under the jurisdiction of a Member State in accordance with the rules laid down in the delegated acts adopted by the Commission pursuant to the second subparagraph.

The Commission shall by [1 October 2023] adopt delegated acts in accordance with Article 23 to amend the provisions concerning the rules for monitoring plans as contained in Articles 6, 7, 8, 9 and 10 to take account of the inclusion of methane and nitrous oxides emissions in the scope of this Regulation.”;

The Commission is empowered to adopt delegated acts in accordance with Article 23 to supplement this Regulation concerning rules for the approval of monitoring plans by administering authorities.”;

(6a) In Article 11, the following paragraph is added:

“4. The Commission is empowered to adopt delegated acts in accordance with Article 23 to amend the provisions concerning the rules for reporting as contained in Articles 11, 11a and 12 to take account of the inclusion of methane and nitrous oxides emissions in the scope of this Regulation. The first such delegated act shall be adopted by [1 October 2023].”;

(13b) In Article 21, paragraph 5 is amended as follows:

“5. The Commission shall every two years assess the maritime transport sector's overall impact on the global climate including through non-CO2-related emissions or effects from other greenhouse gases and of particles with a global warming potential not covered by this Regulation.”;

(13c) The following Article is inserted:

“Article 22a

Review

The Commission shall, no later than 31 December 2025, review this Regulation, taking into account in particular further experience gained in its implementation. The review shall include an assessment of the appropriateness of including ships between 400 and 5000 gross tonnage in the scope of this Regulation with a view to a possible subsequent inclusion thereof in Directive 2003/87/EC or to proposing other measures to reduce greenhouse gas emissions from such ships. The review shall, if appropriate, be accompanied by a proposal to amend this Regulation.”.