



2019

21 February

# Position Paper

connect to the world of dairy

## EDA position on the revision of the rules for free allocation in the EU Emissions Trading System

EDA supports the reduction of administrative burden when adjusting the level of free allocations in the EU Emissions Trading System (ETS) due to activity level changes

### Main position points

- EDA welcomes the European Commission's public consultation on revising the rules for free allocation in the EU Emissions Trading System;
- We would ask for a streamlined process to reduce the amount of paperwork needed;
- In the case of multi-activity sites, production variability and product innovation should be taken into account in order to alleviate administrative burden.

EDA, the European Dairy Association, represents the dairy processors in the EU. In the current ETS framework, a few dairy products, namely five categories of powders, are included in the carbon leakage list. These are most energy intensive and flexible, and thus the production is at risk of moving ("leaking") outside the EU due to increased production costs. It is important that such dairy products are kept in the carbon leakage list. This will allow the sector to further improve its sustainability and carbon efficiency.

In the context of the revision of the rules for free allocation in the EU Emissions Trading System, we welcome the European Commission's public consultation on the future implementing act on free allocation adjustments due to activity level changes.

We would support the Commission's activity aimed at reducing the administrative burden when adjusting the level of free allocation. We would ask for a streamlined process to reduce the amount of paperwork needed.

With regards to the collection of activity level data, we favour their integration in the emission report and the abolition of national requirements for communicating operation activities. We would also ask that the verification of activity level data will happen at the same as the existing one. In the case of a single energy supply and source (e.g. natural gas from a public supplier), the official bill could be accepted.



# Position Paper

connect to the world of dairy

---

Production variability and product innovation should be accommodated for at a multi-activity site. The verifier should be able to assess changes to production levels, product (prodcom) types and sub-installations in an effort to alleviate administrative burden when a significant change is being claimed.