

## **Fifth annual workshop on Greenhouse Gas Emission Trading**

### **Summary information on implementation in Ireland**

#### ***Existence and implementation status of domestic emissions system***

Ireland has implemented the EU Emissions Trading Scheme, which became operational on a pilot basis from 1 January 2005 for three years. In its role as National Allocations Authority, the Environmental Protection Agency is responsible for drafting and obtaining approval for National Allocation Plans. A National Allocation Plan (NAP) for the three-year period 2005-2007, which was submitted to the European Commission by the 31 March 2004 deadline, was approved in July 2004<sup>1</sup>. The NAP provides for participation by 106 Irish installations in emissions trading under the EU Emissions Trading Scheme. A total of 22.32 million tonnes per year has been allocated to the sector for the three-year period.

#### ***Coverage and projected reductions in emissions from base year***

Allowances under the EU Emissions Trading Scheme were allocated free of charge. They were, however, 2% below the overall projected needs during the pilot phase 2005-07, but individual installations and sectors of the economy have more restrictive allocations. For example the power generation sector's allocation is 8% below 'business as usual' requirements.

#### ***Allocation mode (including choice of base year, if grandfathering was chosen), treatment of new entrants, and plant closures;***

An historical approach was used for allocations at installation level, using mainly 2002 and 2003. There is a reserve of 1.5% of total allowances for New Entrants. Installations that close during the period covered by the NAP will not receive any further allocations for that period.

#### ***Access of entities to the international market, including project-based mechanisms***

Directive 2004/101/EC provides for the linking of the Kyoto Protocol's project-based mechanisms to the EU Emissions Trading Scheme. The Linking Directive enables the use of CERs and ERUs by EU ETS participants to meet their obligations and specifies additional criteria that may be applied when approving the use of credits from project-based activities. The provisions of the Directive are due to be transposed into Irish law by 13 November 2005.

#### ***Prospects of linking with other systems and potential issues arising from linking;***

The possibility of linking with other trading systems will be considered at EU level.

#### ***Government's intentions to participate in the emissions trading market (including via Green Investment Schemes) and plans to purchase CDM/JI Credits***

The Irish Government has signalled its intention to purchase up to 3.7m allowances for each of the five years of the first Kyoto Commitment period 2008-12. The exact type and quantity of each type of allowance to be purchased will be the subject of a National Purchasing Strategy, currently being developed by the Government. The Environmental Protection Agency, in its role as National Allocations Authority for the EU Emissions Trading Scheme, intends to auction 0.75% of the total quantity of allowances allocated during the pilot phase of the Scheme to cover the regulatory and administrative costs of operating the scheme.

---

<sup>1</sup> The National Allocation Plan for Ireland is available on the website of the Environmental Protection Agency at <http://www.epa.ie/Licensing/EmissionsTrading/NationalAllocationPlan/>