

THE GOVERNMENT OF THE REPUBLIC OF CROATIA

3941

Pursuant to Article 47.h paragraph 1 of the Air Protection Act (Official Gazette 178/2004 and 60/2008), the Government of the Republic of Croatia, at its session on 5 December 2008 adopted the following

REGULATION

ON GREENHOUSE GAS EMISSION QUOTAS AND THE METHOD OF EMISSIONS ALLOWANCE TRADING

I GENERAL PROVISIONS

Article 1

This Regulation sets out the method of issuing and amending the greenhouse gas emission permit for existing and new installations, the method and criteria for allocation of emission allowances, the method of preparation of the National Allocation Plan, the use of the Joint Implementation Mechanism and Clean Development Mechanism, the obligations of the installation operators that may cause greenhouse gas emissions by the performance of their activities, the method of emission monitoring and emission reporting, the criteria for monitoring and verifying data from emission reports, the method of verification and quality assurance of data, the method of operation of the Registry, the collection of Registry charges, the manner of disposal of emission allowances, the manner of disposal of allowance reserves, the information access, the manner of reporting to the European Commission, and the public participation.

Article 2

(1) This Regulation refers to the activities listed in Annex I and the greenhouse gases listed in Annex II to this Regulation.

(2) In addition to the activities listed in Annex I to this Regulation, other activities may also be included in emission allowance trading.

(3) The inclusion of other activities and greenhouse gases resulting from those activities shall be set out in the National Allocation Plan (hereinafter: NAP).

(4) This Regulation does not refer to installations or parts of installations used for research, development and testing of new products and processes.

Article 3

For the purposes of this Regulation, the following definitions apply:

1. allowance means an allowance to emit one tonne of carbon dioxide equivalent during a specified period. In the period preceding the accession of the Republic of Croatia to the European Union, the abbreviation for the allowance unit shall be HRE (*hrvatska emisijska jedinica* – Croatian allowance), while after accession to the European Union, the abbreviation for the allowance unit shall be EUA (EU allowance),
2. emission means the release of greenhouse gases into the atmosphere from sources in an installation,
3. greenhouse gases means gaseous components of the atmosphere which are controlled according to the United Nations Framework Convention on Climate Change, and are listed in Annex II,
4. tonne of carbon dioxide equivalent means one metric tonne of carbon dioxide or an amount of any other greenhouse gas listed in Annex II with an equivalent global-warming potential,
5. installation means a stationary technical unit consisting of one or more devices where one or more activities listed in Annex I are carried out and any other directly associated activities which have a technical connection with the activities carried out on that site and which could have an effect on emissions,
6. person means any legal or natural person,
7. Annex I Party to the Convention means the states listed in Annex I to the United Nations Framework Convention on Climate Change (hereinafter: UNFCCC) which has ratified the Kyoto Protocol,
8. project activity means the implementation of a project approved by one or more Annex I Parties to the UNFCCC in accordance with the Kyoto Protocol and decisions adopted on the basis thereof,
9. emission reduction unit means a unit issued in accordance with the Kyoto Protocol and decisions adopted on the basis thereof (hereinafter: ERU),
10. certified emission reduction means a unit issued in accordance with the Kyoto Protocol and decisions adopted on the basis thereof (hereinafter: CER),
11. verification means a standardised procedure which ensures reliability, credibility and accuracy of the reports on greenhouse gas emissions from installations and their harmonisation with the prescribed monitoring and reporting guidelines,
12. verifier means a person authorised in accordance with a special regulation for the verification of reports on greenhouse gas emissions from installations.

II GREENHOUSE GAS EMISSION PERMIT

Article 4

- (1) The application for the issue of a greenhouse gas emission permit (hereinafter: permit) shall contain:

- name and address of the operator,
- description of the installation and activities, including the technology used,
- description of the raw and auxiliary materials,
- sources of greenhouse gas emissions,
- measures for monitoring and reporting on emissions,

(2) The application shall also include a brief non-technical description of the installation and activities and a Plan for monitoring greenhouse gas emissions from the installation, prepared in accordance with the instructions set out in Article 26 paragraph 5 of this Regulation.

Article 5

The application for the issue of a permit for new installations shall be submitted during trial operation.

Article 6

(1) The permit shall be issued for the installation or part of the installation for which the operator has secured the monitoring of and reporting on the greenhouse gas emissions in accordance with Article 26 of this Regulation.

(2) The Croatian Environment Agency shall submit to the Ministry its opinion on the submitted Plan for monitoring greenhouse gas emissions from the installation.

(3) A permit may cover one or more installations on the same site operated by the same operator.

(4) The operator shall notify the Ministry within eight days of all changes in the operation of the installation and all status changes.

(5) In the event of a change in the identity of the operator, the rights and obligations ensuing from the permit shall be transferred to the new operator – legal successor.

Article 7

The permit shall contain the following:

- the name and address of the operator,
- a description of the activities and emissions from the installation,
- monitoring requirements, specifying monitoring methodology and frequency,
- reporting requirements,

– an obligation to surrender emission allowances equal to the total greenhouse gas emissions of the installation in the previous calendar year, by 30 April of the current year at the latest, as verified in accordance with Article 26 paragraph 2 of this Regulation.

III NATIONAL ALLOCATION PLAN (NAP)

Article 8

(1) The NAP shall be prepared in accordance with the criteria set out in Annex III to this Regulation.

(2) The Ministry shall publish the Draft NAP at least 18 months prior to the beginning of the period to which it pertains.

(3) The Ministry shall notify the European Commission and all EU Member States on the NAP referred to in paragraph 1 of this Article.

(4) In the event that the European Commission considers that the NAP or a part thereof is not in compliance with the criteria referred to in Annex III to this Regulation, the Ministry shall propose to the Government of the Republic of Croatia (hereinafter: the Government) that amendments to the NAP be made.

(5) The NAP as amended in line with the objections of the European Commission and Member States shall be submitted for opinion to the European Commission and Member States.

(6) The Government shall pass the decision on the adoption of the NAP at least 12 months prior to the beginning of the relevant period.

Article 9

(1) In the initial NAP, the total quantity of emission allowances shall be allocated to installations free of charge.

(2) The NAP shall set out the total quantity of emission allowances for new installations.

(3) For certain new installations the quantity of emission allowances shall be determined on the basis of best available techniques and data collected through monitoring greenhouse gas emissions during trial operation.

(4) In the case that several applications for the issue of a permit to new installations are submitted at the same time for which it is not possible to secure the necessary emission allowances from the reserve set up in line with the criteria referred to in Annex III to this Regulation, the installations shall acquire the necessary emission allowances on the market.

(5) The Government shall pass the decision on the adoption of the initial NAP at least six months prior to the relevant period.

Article 10

(1) The Ministry shall pass a decision on emission allowance allocation for a new installation prior to the issuance of a use permit, in accordance with the reserve determined in the Allocation Plan.

(2) The decision referred to in paragraph 1 of this Article shall be published on the web site of the Ministry.

Article 11

(1) Emission allowances envisaged in the NAP which have not been allocated to an installation operator due to an amendment to the permit shall enter into the reserve for new installations.

(2) The Ministry may organise a public auction for the sale of emission allowances from the reserve to installation operators.

IV GREENHOUSE GAS EMISSIONS REGISTRY

Article 12

(1) The Greenhouse Gas Emissions Registry (hereinafter: the Registry) shall be used for registering emission allowances which includes the issue, holding, transfer, receipt, cancellation and withdrawal of emission allowances, as well as for calculation of ERU and CER held by installation operators and other persons.

(2) A person may open a user account with the Registry on which he/she may hold emission allowances.

(3) The application for opening a user account shall be submitted to the Croatian Environment Agency in its capacity of the Registry Administrator (hereinafter: Registry Administrator) 14 days after obtaining the permit at the latest.

(4) The Registry Administrator shall open the user account referred to in paragraphs 2 and 3 of this Article within 14 days and shall notify the account user thereof.

(5) The Registry Administrator and the account user shall conclude an agreement on the terms of use of the user account.

(6) The forms for the opening of a user account are set out in Annexes IV and V to this Regulation.

(7) The account user shall pay a charge for covering the costs of running the user account to the Croatian Environment Agency.

(8) The amount of the charge referred to in paragraph 7 of this Article shall be determined by virtue of a decision passed by the Minister.

Article 13

The Registry Administrator shall ensure that the following information is accessible to the public:

- for all the Registry accounts: account user name, account number and amount of allocated emission allowances;
- for installations: name of the parent company or branch office, name of the installation operator, name of the installation, address, activity code, number of the permit issued, data on the contact person;
- for operators' user accounts: amount of surrendered emission allowances, in accordance with Article 21 of this Regulation, along with a remark on whether the installation has fulfilled the obligation of surrendering emission allowances or not;
- for participation in project activities: project name, state and location of project activity implementation, amount of ERU and CER resulting from the project activity.

Article 14

A user of the Registry account shall notify the Registry Administrator within eight days of all status changes and other changes in the installation data.

V ISSUE, TRANSACTIONS AND SURRENDER OF EMISSION ALLOWANCES

Article 15

(1) In accordance with the NAP, an annual emission allowance shall be issued to installations by 28 February of the current year at the latest.

(2) The Ministry shall order the Agency by 31 January to issue the emission allowances referred to in paragraph 1 of this Article to the user accounts of the installation operators at the Registry.

Article 16

(1) Emission allowances shall be issued to new installations after they have obtained a use permit.

(2) The Ministry shall issue an order to the Registry Administrator to issue an emission allowance to a new installation.

Article 17

(1) In the period preceding the accession of the Republic of Croatia to the EU, installation operators shall be issued Croatian emission allowances (HRE).

(2) On the day of accession of the Republic of Croatia to the EU, HRE will be replaced by EUA in a 1:1 ratio.

Article 18

Emission allowance transactions may be carried out in the Republic of Croatia only by persons that an account user authorised for the performance of those activities in line with the mandatory guidelines.

Article 19

(1) Emission allowance transactions from a user account at the Registry to an account of an EU Member State Registry may be performed by persons that have an account opened at the Registry.

(2) Emission allowances issued by a competent body of an EU Member State (EUA) may be used by installation operators to meet their obligations referred to in Article 21 of this Regulation.

Article 20

(1) Emission allowance transactions with persons from Annex B countries of the Kyoto Protocol which are not members of the EU are possible only if a special agreement on the mutual recognition of trading systems and emission allowances is in place.

(2) In the event that the requirement referred to in paragraph 1 of this Article is met, the acquired emission allowances issued by the competent body of the Annex B country of the Kyoto Protocol may be used by installation operators for the purpose of meeting their obligations referred to in Article 21 of this Regulation.

Article 21

(1) Installation operators shall, by 30 April of the current year at the latest, surrender emission allowances from the Registry equal to the total greenhouse gas emissions of the installation in the previous calendar year, in line with the verified report referred to in Article 26 paragraph 3 of this Regulation.

(2) After the surrender of allowances, the Ministry shall issue an order to the Registry Administrator for the cancellation of the emission allowances referred to in paragraph 1 of this Article.

Article 22

(1) A person holding emission allowances may submit a written request for the cancellation of emission allowances to the Registry Administrator at any time.

(2) The Registry Administrator shall carry out the cancellation of emission allowances as soon as possible.

Article 23

(1) The emission allowances allocated according to the NAP shall be valid for emissions from the installation in the period for which they were issued.

(2) Four months after the beginning of each allocation period the Ministry shall, in accordance with the Act, issue an order for the cancellation of emission allowances which were valid for emissions from the previous period and which were not surrendered or cancelled in accordance with Article 21 of this Regulation.

(3) For all persons whose emission allowances were cancelled in accordance with paragraph 2 of this Article, the Ministry shall issue an order to the Registry Administrator to issue replacement emission allowances which will be valid in the current period.

VI USE OF CLEAN DEVELOPMENT MECHANISM AND JOINT IMPLEMENTATION MECHANISM UNITS

Article 24

(1) An operator holding a permit shall be permitted to use ERU and CER issued and used pursuant to the provisions of the Kyoto Protocol and other decisions adopted in line with the Protocol.

(2) The operator shall not be permitted to use ERU and CER if they have resulted from:

- the use of nuclear plants,
- activities in the land use sector, changes in land use and forestry.

(3) The NAP establishes for each allocation period a percentage of the installation's emission allowance for which the operators are permitted to use the ERU and CER from project activities.

(4) Installation operators shall be permitted to use ERU i CER in the period from 2010 to 2012, up to the percentage amount established under the NAP referred to in paragraph 3 of this Article, to cover part of the greenhouse gas emissions from the installation in the previous calendar year.

(5) The calculation of units resulting from clean development mechanism and joint implementation mechanism project activities shall be carried out in such a manner that for each ERU or CER, in accordance with paragraph 3 of this Article, one emission allowance is immediately issued and transferred.

Article 25

(1) ERU and CER shall not be issued for the purpose of reducing or limiting greenhouse gas emissions from the installations covered by this Regulation, except for the project activities referred to in paragraphs 2 and 3 of this Article.

(2) Until 31 December 2012, for project activities resulting from direct reduction or limitation of emissions from the installations covered by this Regulation, ERU and CER may be issued under the condition that the installation operator has previously cancelled the equal number of emission allowances allocated to that installation.

(3) Until 31 December 2012, for project activities resulting from indirect reduction or limitation of emissions from the installations covered by this Regulation, ERU may be issued under the condition that the equal number of emission allowances has been previously cancelled in the Registry.

VII MONITORING, REPORTING AND VERIFICATION

Article 26

(1) The operator holding a permit shall be obligated to monitor emissions and report on greenhouse gas emissions resulting from the activities listed in Annex I, in line with the guidelines referred to in Annex VI and the mandatory guidelines on monitoring and reporting on greenhouse gas emissions from installations.

(2) The report on emissions from installations referred to in paragraph 1 of this Article must be verified in accordance with the criteria set out in Annex VII and the mandatory guidelines on the method of verification of reports on installation greenhouse gas emissions.

(3) Having verified the report referred to in paragraph 1 of this Article, the verifier shall prepare a Verification Report.

(4) The Verification Report shall among other things contain a statement from the verifier that the monitoring and reporting on emissions from the installation have been carried out in conformity with the mandatory guidelines referred to in paragraph 3 of this Article.

(5) The mandatory guidelines on monitoring and reporting on greenhouse gas emissions from installations referred to in paragraph 1 of this Article, and on the method of verifying the report on greenhouse gas emissions from installations referred to in paragraph 2 of this Article shall be prepared by the Ministry and published on its web site in the form of a manual.

Article 27

(1) Verification of the report referred to in Article 26 paragraph 1 of this Regulation shall be performed by a legal person authorised according to a special regulation for performing expert verification activities on the calculation of greenhouse gases for the needs of environmental components.

(2) The legal person that has prepared the report referred to in Article 26 paragraph 2 of this Regulation shall not perform verification of the above mentioned report or prepare the Verification Report referred to in Article 26 paragraph 3 of this Regulation.

Article 28

(1) The report referred to in Article 26 of this Regulation shall be submitted by the installation operator to the Croatian Environment Agency by 15 March of the current year for the preceding calendar year.

(2) After verifying that the report referred to in Article 26 paragraph 2 of this Regulation is complete, the Croatian Environment Agency shall deliver the report referred to in paragraph 1 of this Article to the Ministry by 31 March of the current year.

Article 29

For an installation operator whose report referred to in Article 26 paragraph 1 of this Regulation has not been verified as satisfactory in accordance with the prescribed criteria, the Ministry shall issue an order to the Croatian Environment Agency banning emission allowance transactions until a satisfactory report has been delivered.

VIII INFORMATION ACCESS

Article 30

(1) Information access and public participation shall be ensured pursuant to a special regulation prescribing information access and public participation.

(2) In the event of amendments to the NAP after receiving objections from the European Commission, the amended NAP shall be published on the web site of the Ministry within a period of ten days at the most.

IX DELIVERY OF REPORTS TO THE EUROPEAN COMMISSION

Article 31

(1) By 30 June of the current year, the Ministry shall deliver an annual report to the European Commission on the application of this Regulation.

(2) The report referred to in paragraph 1 of this Article shall be prepared in conformity with the mandatory reporting guidelines, which are published in the form of a manual on the web site of the Ministry.

X POOLING

Article 32

(1) The Ministry may permit the operators of installations in which one of the activities referred to in Annex I are performed to form a pool of installations under the condition that those installations perform the same activity.

(2) The operators who wish to form a pool shall, at least six months prior to the beginning of the allocation period, submit an application to the Ministry for forming a pool of installations, specifying the installations and the period for which they want to form the pool, and supplying evidence that the trustee will be able to fulfil the obligations referred to in paragraph 3 and paragraph 4 of this Article.

(3) The operators who wish to form a pool will nominate a trustee:

– to represent them before authorities as a joint representative;

– to whom the total amount of emission allowances calculated as the sum of individual emission allowances for each installation in the pool will be issued instead of to the user accounts of the operators;

- who is responsible for monitoring and reporting on greenhouse gas emissions in accordance with Article 26 of this Regulation;
- who is responsible for surrendering allowances equal to the total emissions of the installations forming part of the pool in the particular calendar year, in line with the obligation of the operator referred to in Article 7 indent 5 and Article 21 of this Regulation;
- who shall not be permitted to transfer emission allowances in the event that the report of any of the operators in the pool has been assessed as unsatisfactory in the verification procedure, in accordance with Article 26 of this Regulation.

(4) Penal provisions prescribed in the Act shall apply to the trustee if he/she violates the obligations prescribed for installation operators pursuant to the same Article.

(5) In the event that the installation pool trustee does not comply with the provisions of paragraph 4 of this Article, each installation operator in the pool shall be responsible in respect of emissions from its own installation in line with the Act.

XI FINAL PROVISIONS

Article 33

Annexes I, II, III, IV, V, VI and VII form an integral part of this Regulation.

Article 34

This Regulation shall enter into force on the eighth day from the day of its publication in the Official Gazette, with the exception of the provisions of Article 8 paragraphs 2, 3, 4, 5 and 6, Article 19 and Article 31 of this Regulation, which shall enter into force on the day of accession of the Republic of Croatia to the European Union.

Class: 351-01/08-01/14

Ref. No: 5030105-08-1

Zagreb, 5 December 2008

Prime Minister
Ivo Sanader, m.p.

ANNEX I

ACTIVITIES RESULTING IN GREENHOUSE GAS EMISSIONS

The values given below refer to production capacities or outputs. Where one operator carries out several activities falling under the same subheading in the same installation or on the same site, the capacities of such activities are added together.

Activities	Greenhouse gases
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<p><i>Energy activities</i></p> <p>Combustion installations with a rated thermal input exceeding 20 MW (except hazardous or municipal waste installations)</p> <p>Mineral oil refineries</p> <p>Coke ovens</p>	<p>Carbon dioxide</p> <p>Carbon dioxide</p> <p>Carbon dioxide</p>
<p><i>Production or processing of ferrous metals</i></p> <p>Metal ore (including sulphide ore) roasting or sintering installations</p> <p>Installations for the production of pig iron or steel (primary or secondary fusion) including continuous casting, with a capacity exceeding 2.5 tonnes per hour</p>	<p>Carbon dioxide</p> <p>Carbon dioxide</p>
<p><i>Mineral industry</i></p> <p>Installations for the production of cement clinker in rotary kilns with a production capacity exceeding 500 tonnes per day, or lime in rotary kilns with a production capacity exceeding 50 tonnes per day or in other furnaces with a production capacity exceeding 50 tonnes per day</p> <p>Installations for the manufacture of glass including glass fibre with a melting capacity exceeding 20 tonnes per day</p> <p>Installations for the manufacture of ceramic products by firing, in particular roofing tiles, bricks, refractory bricks, tiles, stoneware or porcelain, with a production capacity exceeding 75 tonnes per day, and/or with a kiln capacity exceeding 4 m³ and with a setting density per kiln exceeding 300 kg/m³</p>	<p>Carbon dioxide</p> <p>Carbon dioxide</p> <p>Carbon dioxide</p>
<p><i>Other activities</i></p> <p>Industrial plants for the production of:</p> <p>a) pulp from timber or other fibrous materials</p> <p>b) paper and board with a production capacity exceeding 20 tonnes per day</p>	<p>Carbon dioxide</p> <p>Carbon dioxide</p>

Definitions of combustion installations

<p>Petrochemical crackers</p>	<p>»Combustion emissions from chemical installations with processes designed for the production on an industrial scale, either individually or in combination, of propylene and ethylene. Within this, "industrial scale" is product output of at least 50 ktpa.«</p>
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Integrated steelworks	<p>»Production and processing of ferrous metals:</p> <ul style="list-style-type: none"> – Metal ore (including sulphide ore) roasting or sintering installations; – Installations for the production of pig iron or steel (primary or secondary fusion) including continuous casting, with a capacity exceeding 2.5 tonnes per hour. <p>Additional combustion activities at integrated steelworks including rolling mills, re-heaters, annealing furnaces and pickling«.</p> <p>»Integrated steelworks are sites comprising several separately identifiable processes, which are carried out as sequential operations on a single site, to convert iron ores and other raw materials into semi-finished steel products, such as slab, bloom or billet, and a variety of finished products, including plate, sections, bars, rods, hot and cold rolled sheet and coil together with various types of coated flat products«.</p>
Stone wool	<p>»Installations for the manufacture of mineral wool insulation material, using rock, glass or slag, including all fuel combustion on site related to the manufacture of mineral wool products (with a melting capacity exceeding 20 tonnes per day).«</p>
Flaring	<p>»The combustion of materials derived from the exploration, appraisal, production, storage and processing of offshore oil and gas (including imported oil and gas stored in offshore reservoirs), for purposes other than energy production, where such activities are undertaken at offshore oil and gas facilities or onshore oil and gas reception terminals that are designated combustion installations with a rated thermal input exceeding 20 MW«.</p>
Carbon black	<p>»Activities of installations for the production of carbon black involving the carbonisation of organic substances such as oils, tars, cracker and still residues with combustion plant rated thermal input exceeding 20 MW.«</p>
Furnaces	<p>»For the purposes of Phase II of the EU ETS, combustion installations shall include CO₂ combustion emissions from furnaces which are defined as the heat source for the following activities:</p> <p>All furnaces already covered in the assigned sectors of Annex 1 such as (this list is not exhaustive):</p> <ul style="list-style-type: none"> – the fractional distillation column in oil refineries – the manufacturing of glass, including glass fibre, at installations with a melting capacity exceeding 20 tonnes per day – the processing of ferrous metal ore and the production of pig iron and steel (primary or secondary fusion), including continuous casting, with a capacity of more than 2.5 tonnes per hour, including the heat driving rolling mills, re-heaters, annealing furnaces and pickling at integrated sites. <p>And the following additional combustion furnaces:</p>

- | | |
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| | <ul style="list-style-type: none">– the production on an industrial scale (>50ktpa) of propylene and ethylene– the manufacture of mineral wool insulation material, using rock, glass or slag– the production of carbon black involving the carbonisation of organic substances such as oils, tars, cracker and still residues.« |
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ANNEX II

GREENHOUSE GASES

Carbon dioxide (CO₂)

Methane (CH₄)

Nitrous Oxide (N₂O)

Hydrofluorocarbons (HFCs)

Perfluorocarbons (PFCs)

Sulphur Hexafluoride (SF₆)

ANNEX III

CRITERIA FOR PREPARATION OF THE NATIONAL ALLOCATION PLAN

1. The total quantity of allowances to be allocated for the relevant period shall be consistent with Croatia's obligation to limit its greenhouse gas emissions pursuant to its obligations under the Kyoto Protocol, taking into account the proportion of overall emissions that these allowances represent in comparison with emissions from sources not covered by this Regulation and other strategic documents from the field of air protection, climate change and energy. The total quantity of allowances to be allocated shall not be more than is likely to be needed for the strict application of the criteria of this Annex.
2. Quantities of allowances to be allocated shall be consistent with the potential, including the technological potential, of activities covered by the scheme to reduce emissions. The Republic of Croatia may base its distribution of allowances on average emissions of greenhouse gases by product in each activity and achievable progress in each activity.
3. The NAP shall be consistent with other legislative and policy instruments, both national and EU. Account should be taken of unavoidable increases in emissions resulting from new legislative requirements.
4. The NAP shall not discriminate between companies or sectors in such a way as to unduly favour certain companies or activities in accordance with the requirements of national legislation and the EC Treaty, in particular Articles 87 and 88 thereof.

5. The NAP shall contain information on the manner in which new entrants in the Republic of Croatia will be able to begin participating in the scheme.
6. The NAP may accommodate early action and shall contain information on the manner in which early action is taken into account. Benchmarks derived from reference documents concerning the best available technologies may be employed by the Republic of Croatia in developing its NAP, and these benchmarks can incorporate elements accommodating early action.
7. The NAP shall contain information on the manner in which clean technology, including energy efficient technologies, are taken into account.
8. The NAP shall include provisions for comments to be expressed by the public, and contain information on the arrangements by which due account will be taken of these comments before a decision on the allocation of allowances is taken.
9. The NAP shall contain a list of the installations covered by this Regulation with the quantities of allowances intended to be allocated to each.
10. The NAP may contain information on the manner in which the existence of competition from countries or entities outside the European Union will be taken into account.
11. The NAP should include the maximum amount of ERU and CER which the operators are allowed to use under the scheme, expressed as a percentage of the installation's emission allowance. The percentage amount must be consistent with obligations arising from the Kyoto Protocol and decisions adopted on the basis of the UNFCCC or the Kyoto Protocol related to supplementary national measures for greenhouse gas emission reduction.

ANNEX IV

REGISTRY – FORM FOR OPERATORS

Operator

Name of legal person:

Abbreviated name of legal person:

Company registration number:

Seat:

Address (Street and number):

Postcode:

Country:

Telephone number 1:

Telephone number 2:

Fax number:

E-mail address:

Main authorised representative

First and last name:

ID number:

ID card/passport number, place and date of issue:

Permanent residence:

Address (Street and number):

Postcode:

Country:

Telephone number 1:

Telephone number 2:

Fax number:

E-mail address:

Second authorised representative

First and last name:

ID number:

ID card/passport number, place and date of issue:

Permanent residence:

Address (Street and number):

Postcode:

Country:

Telephone number 1:

Telephone number 2:

Fax number:

E-mail address:

Data on installation

Installation reference code:

Issued permit number:

Activity type according to Annex I:

Name of installation:

Location:

Address (Street and number):

Postcode:

Geographic coordinates:

Name of parent company:

Name of branch office:

Contact person of the operator

First and last name:

ID number:

ID card/passport number, place and date of issue:

Permanent residence:

Address (Street and number):

Postcode:

Country:

Telephone number 1:

Telephone number 2:

Fax number:

E-mail address:

ANNEX V

REGISTRY – FORM FOR PERSONS

Legal person

Name of legal person:

Abbreviated name of legal person:

Company registration number:

Seat:

Address (Street and number):

Postcode:

Country:

Telephone number 1:

Telephone number 2:

Fax number:

E-mail address:

Natural person

First and last name:

ID number:

Permanent/temporary residence:

Address (Street and number):

Postcode:

Country:

Telephone number 1:

Telephone number 2:

Fax number:

E-mail address:

Main authorised representative

First and last name:

ID number:

ID card/passport number, place and date of issue:

Permanent residence:

Address (Street and number):

Postcode:

Country:

Telephone number 1:

Telephone number 2:

Fax number:

E-mail address:

Second authorised representative

First and last name:

ID number:

ID card/passport number, place and date of issue:

Permanent residence:

Address (Street and number):

Postcode:

Country:

Telephone number 1:

Telephone number 2:

Fax number:

E-mail address:

ANNEX VI

MONITORING AND REPORTING GUIDELINES

Monitoring of carbon dioxide emissions

Emissions shall be monitored either by calculation or on the basis of measurement.

Calculation

Calculations of emissions shall be performed using the formula:

Activity data × Emission factor × Oxidation factor

Activity data (fuel used, production rate etc.) shall be gathered and obtained on the basis of data on raw material and fuel supply and delivery of the installation's finished products or on the basis of measurement.

Accepted emission factors shall be used. Activity-specific emission factors shall be acceptable for all fuels. Default factors shall be acceptable for all fuels except non-commercial ones (waste fuels such as tyres and industrial process gases). Seam-specific defaults for coal, and EU-specific or producer country-specific defaults for natural gas shall be further elaborated. IPCC (Intergovernmental Panel on Climate Change) default values shall be acceptable for refinery products. The emission factor for biomass shall be zero.

If the emission factor does not take account of the fact that some of the carbon is not oxidised, then an additional oxidation factor shall be used. If activity-specific emission factors have been calculated and already take oxidation into account, then an oxidation factor need not be applied.

Default oxidation factors developed pursuant to Directive 96/61/EC shall be used, unless the operator can demonstrate that activity-specific factors are more accurate.

A separate calculation shall be made for each activity, installation and for each fuel.

Measurement

Measurement of emissions shall use standardised or accepted methods, and shall be corroborated by a supporting calculation of emissions.

Monitoring of emissions of other greenhouse gases

Standardised or accepted methods shall be used, developed by the European Commission in collaboration with all relevant stakeholders.

Reporting of emissions

Each operator shall include the following information in the report on emissions from the installation:

A. Data identifying the installation, including:

- Name of the installation;
- Its address, including postcode and country;
- Type and number of Annex I activities carried out in the installation;
- Address, telephone, fax and e-mail details for a contact person; and
- Name of the owner of the installation, and of any parent company.

B. For each Annex I activity carried out on the site for which emissions are calculated:

- Activity data;
- Emission factors;
- Oxidation factors;
- Total emissions; and
- Uncertainty.

C. For each Annex I activity carried out on the site for which emissions are measured:

- Total emissions;
- Information on the reliability of measurement methods; and
- Uncertainty.

D. For emissions from combustion processes, the report shall also include the oxidation factor, unless oxidation has already been taken into account in the development of an activity-specific emission factor.

The operator shall coordinate the data from this report with the data in the report submitted for the needs of the Environmental Pollution Register.

ANNEX VII

VERIFICATION CRITERIA

General Principles

1. Emissions from each activity listed in Annex I shall be subject to verification.
2. The verification process shall include consideration of the report referred to in Article 26 of this Regulation and of emission monitoring during the preceding year. It shall address the reliability, credibility and accuracy of monitoring systems and the reported data and information relating to emissions, in particular:
 - (a) the reported activity data and related measurements and calculations,
 - (b) the choice and employment of emission factors,
 - (c) the calculations leading to the determination of the overall emissions, and
 - (d) if measurement is used, the appropriateness of the choice and the employment of measuring methods.

3. Reported emissions may only be verified if reliable and credible data and information allow the emissions to be determined with a high degree of certainty. A high degree of certainty requires the operator to show that:

(a) the reported data is free of inconsistencies,

(b) the collection of the data has been carried out in accordance with the applicable scientific standards, and

(c) the relevant records of the installation are complete and consistent.

4. The verifier shall be given access to all sites and information in relation to the subject of the verification.

5. The verifier shall take into account whether the installation is registered under the Community Eco-Management and Audit Scheme (EMAS).

Methodology

Strategic analysis

6. The verification shall be based on a strategic analysis of all the activities carried out in the installation. This requires the verifier to have an overview of all the activities and their significance for emissions.

Process analysis

7. The verification of the information submitted shall, where appropriate, be carried out on the site of the installation. The verifier shall use spot-checks to determine the reliability of the reported data and information.

Risk analysis

8. The verifier shall submit all the sources of emissions in the installation to an evaluation with regard to the reliability of the data of each source contributing to the overall emissions of the installation.

9. On the basis of this analysis the verifier shall explicitly identify those sources with a high risk of error and other aspects of the monitoring and reporting procedure which are likely to contribute to errors in the determination of the overall emissions. This especially involves the choice of the emission factors and the calculations necessary to determine the level of the emissions from individual sources. Particular attention shall be given to those sources with a high risk of error and the abovementioned aspects of the monitoring procedure.

10. The verifier shall take into consideration any effective risk control methods applied by the operator with a view to minimising the degree of uncertainty.

Report

11. The verifier shall prepare a verification report stating whether the report pursuant to Article 26 paragraph 1 of this Regulation is satisfactory. This report shall specify all issues relevant to the work carried out. A statement that the report drawn up in line with the provisions of Article 26 paragraph 1 of this Regulation is satisfactory may be made if, in the opinion of the verifier, the total emissions are not materially misstated.

Minimum competency requirements for the verifier

12. The verifier shall be independent of the installation operator whose report he/she is verifying, carry out his/her activities in a sound and objective professional manner, and understand:

(a) the provisions of this Regulation, as well as relevant standards and guidance adopted by the Republic of Croatia and the European Commission;

(b) the legislative, regulatory, and administrative requirements relevant to the activities being verified; and

(c) the generation of all information related to each source of emissions in the installation, in particular, relating to the collection, measurement, calculation and reporting of data on emissions.