

EU Emissions Trading Scheme
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Mr J Majdanski
Secretary, Modification Panel
Joint Office of Gas Transporters

14 October 2005

Dear Mr Majdanski

Draft Modification Report 0049 “Optional limits for inert gases at System Entry Points”

Thank you very much for the opportunity to respond on the Draft Modification Report.

We have seen the response made by the Department of Trade and Industry, and agree with it. Our main concerns are on the environmental consequences of the proposed operational limits set out in Table 1. Since these are limits we cannot judge what the environmental effect will be. In particular:

- Increases in the concentration of CO₂ or of higher hydrocarbons would increase the carbon emission factor of the gas. This would directly affect the emissions reported in the UK's Greenhouse Gas Inventory, and hence the level of achievement against both the UK's legally binding commitment under the Kyoto Protocol and against the UK's goal to reduce CO₂ emissions by 20% by 2010. Furthermore the higher emission factors would affect reporting by entities engaged in the UK and the EU Emissions Trading Schemes. Therefore please could you let us know i) what the likely effect on the carbon emission factor of the gas would be over the period until 2020 (or the foreseeable future) of adopting the limit values in Table 1, and ii) what the arrangements would be to ensure that the entities involved in emissions trading could track the changes in emission factor over time.
- The changed limit values could also affect emission of oxides on nitrogen and particulates, with implications for health, both directly and via enhanced formation of tropospheric ozone, and impact on the UK's obligations under the National Emissions Ceiling Directive (in particular the ceilings on NO_x and VOC emission) and the Air Quality Framework Directive (in particular PM₁₀ and NO₂ limit values in the 1st Daughter Directive). Do you have an assessment of the practical impact of

your proposed changes to these legally binding obligations? On this point the contact person in Defra is Dr Samantha Baker in the Air And Environment Quality Division (samantha.baker@defra.gsi.gov.uk).

I am copying this Chris Mansfield in the Department of Trade and Industry. I am very grateful for the extension to the original deadline to enable us to comment and look forward to future correspondence on this matter

Yours sincerely

David Harrop

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