Session SBI50 (2019)

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A compilation of questions to – and answers by – Spain | exported 11 June 2019 by the UNFCCC secretariat Question by Canada at Friday, 12 April 2019

Category: Assumptions, conditions and methodologies related to the attainment of its quantified economy-wide emission reduction target

Type: Before 12 April

Title: Transportation: domestic and marine navigation methods

What is Spain's approach to separating emissions from domestic and international navigation and what are the main challenges associated with doing this?

Answer by Spain, Friday, 24 May 2019

As indicated in 2019-NIR section 3.10, navigation GHG emissions are estimated according to IPCC 2006 GL T1 approach. Detailed information on the methodology, activity data sources and assumptions can be found in the corresponding methodology factsheet available at the Spanish Emissions Inventory System's website: <u>https://www.miteco.gob.es/es/calidad-y-evaluacion-ambiental/temas/sistema-espanol-de-inventario-sei-/0804-transportemaritimo_tcm30-449609.pdf</u>

Main activity data (fuel supply to ships from Spanish berths) is taken from official energy statistics submitted to IEA and Eurostat. Distinction between national and international navigation is done at supply level.

The Spanish Emissions Inventory System acknowledges that T1 approach may not be the most adequate to estimate these emissions sources. Several attempts have been internally done to upgrade methodology to T2. Main challenge is linked to the information regarding the vessel characteristics. The Spanish Emissions Inventory System is currently assessing a national project to better estimate emissions from ships calling at Spanish ports or passing through its territorial waters. Similar initiatives are being assessed at EU level. In the medium-long term the Spanish Inventory System expects to improve navigation emissions based on the forthcoming MRV rules for large ships in Europe and at IMO level.

Question by Turkey at Thursday, 11 April 2019 Category: Assumptions, conditions and methodologies related to the attainment of its quantified economy-wide emission reduction target Type: Before 12 April Title: Initiative related to the reduction of market imperfections Turkey would like to ask for detailed information on Spain's initiative related to the reduction of market imperfections? Is it also possible to assess to what extent this initiative attained its objective(s)?

[Based on the information given in Paragraph 40 of the document FCCC/TRR.3/ESP]

Answer by Spain, Friday, 24 May 2019

As provided by the EU and Member States also in previous reports, considerations of possible impact of the implementation of response measures form part of the fully transparent process of impact assessments for EU legislative proposals (e.g. on climate or energy policy) or sustainability impact assessments for trade agreements.

Spain has provided some information on measures for reducing market imperfections in section 4.2.2.1. of Spanish seventh National Communication, including examples such as promotion of research, demonstration projects, reduction of fossil fuels subsidies, and the review of other existing subsidies to improve their environmental performance(for example, Common Agricultural Policy subsidies). This section includes some examples on EU policies for reducing and eliminating market imperfections. More complete information can be found in the EU National Communications and Biennial Reports.

As the reported measures for reducing market imperfections are implemented at EU level, Spain has not undertaken any specific assessment of the results.

Question by Turkey at Thursday, 11 April 2019 Category: Assumptions, conditions and methodologies related to the attainment of its quantified economy-wide emission reduction target Type: Before 12 April

Title: Efficiency level of the policy of National tax on F-gases

Could Spain provide more information on the efficiency level of its policy – National tax on Fgases ? What could be the lessons learned from its implementation phase so far? Additionally, what are the key issues for a successful implementation of a similar tax system in another country in light of Spain's experience?

[Based on the information given in Paragraph 36 of the document FCCC/TRR.3/ESP]

Spanish national tax on fluorinated has been a very efficient measure for the mitigation of greenhouse gases emissions. According to Spanish National Inventory of Emissions, since its implementation in 2014, the emissions of fluorinated gases in Spain have been reduced 65% approximately (the emissions in category "substitutes for substances that deplete the ozone layer" in 2014 were 16.899 Kton CO2-eq and in 2018 were 5.875 kton CO2-eq). This tax has also reinforced in Spain the implementation of the European HFC quota system established by Regulation (UE) 517/2014, on fluorinated greenhouse gases. Main causes of this important emissions reductions have been changes in the main sectors which use fluorinated gases, refrigeration and air conditioning. In new installations the use of alternative technologies as a refrigerant like CO2 and NH3 have been promoted whereas in existing installations some measures have been implemented like leakages automatic control systems, retrofit of high GWP fluorinated gases to other fluorinated refrigerants of lower GWP and closing refrigerated furniture in supermarkets, which improves its energy efficiency and allows to reduce the refrigerant charge.

The main lesson learned for the implementation of this Spanish national tax on fluorinated gases has been that green taxation is a good instrument for the mitigation of greenhouse gases emissions because it produces changes towards more environmentally friendly behavior. This tax has also promoted investments and employment in green economy based on those alternative technologies. It is also important to take into account that fluorinated gases are used in very specific sectors: refrigeration and air conditioning, fire extinction, isolation foams, aerosols, etc, most them have alternative technologies to fluorinated gases.

Main issues for the successful implementation of this tax in other countries are the following. Firstly, to take into account the opinion of the main sectors affected for this tax. It was decisive In Spain during the drafting of the law which creates this national tax (law 16/2013) and subsequent regulatory development. Secondly, it is very important to control potential fraud; for this reason Spanish tax Agency has made many inspections, imposing fines to those companies that not comply their tax obligations.

Finally, it is important to accompany this measures with others like legislative measures which eliminate barriers to alternative technologies like training in alternative technologies (Spain has introduced a mandatory training on those technologies for refrigeration or air conditioning technicians in RD 115/2017, about commercialization of fluorinated gases and certification of technicians which use them) and safety standards regulations (Spain has modified RD 138/2011, about safety standards on refrigeration installations by RDL 20/2018 to introduce the category A2L of refrigerant of low GWP which are slightly flammable) and other like subsidies for the implementation of alternative technologies (PIMA Frio Plan which give grants to establish alternative technologies in commercial refrigeration) and voluntary agreements (Spanish voluntary agreement in the electrical distribution sector which establishes good practices for the reduction of SF6 emissions).

Question by Turkey at Thursday, 11 April 2019 Category: All emissions and removals related to its quantified economy-wide emission reduction target Type: Before 12 April

Title: Difficulties in gathering data and information

What is the biggest difficulty of preparing the inventory with respect to gathering and processing data and information from other administration and public institutions, if any? Moreover, could Spain share her experiences in overcoming this difficulty?

[Based on the information given in Paragraph 10 of the document FCCC/TRR.3/ESP]

Answer by Spain, Friday, 24 May 2019

As indicated in 2019-NIR section 1.3., information for the preparation of the Spanish Inventory is collected in two different ways: through the private sector and through Institutional bodies of the General Administration. A total of 122 requests for information containing 255 questionnaires are sent. The process is registered and controlled by a database of information requests (BDSI), so that the conservation and access to information is guaranteed. Additionally, the process of data collection is completed with information available on the Internet (yearbooks, annual reports, statistical portals, etc.).

The main challenge associated with this process is the conciliation of calendars for the official annual energy statistics submission to the International Energy Agency which includes basic information for the Inventory. These statistics are meant to be reported in September-November of year X+1, leaving tight rooms for the Inventory System to build related information before its first official submission foreseen by 15 January of year X+2. Aware of this burden, the Spanish Inventory System and the unit in charge of the energy statistics are closely working together in developing coordination ways to overcome this difficulty by moving deadlines forward as possible without jeopardising quality and consistency.

Question by China at Wednesday, 10 April 2019 Category: Progress towards the achievement of its quantified economy-wide emission reduction target Type: Before 12 April Title: tax instrument What are the social impacts of the tax instrument applied by Spain in industries?

Answer by Spain, Friday, 24 May 2019

During the drafting of the law which creates this national tax on fluorinated greenhouse gases (law 16/2013), an impact assessment was done in order to evaluate economic impacts in end users and sectors. The reaction of the main sectors affected by this tax (gases distributors, technicians, final users like supermarkets or food industry), were mostly against the approval of this tax arguing that there were not alternative technologies or cost efficient alternatives. However, after its implementation, leakage control was improved and many alternative technologies have been implemented in new projects. After conversations with sectors many modifications were included in the law with exemptions for first installation, some critical uses and tax breaks for gas recovery. The tax has been accepted by the sectors and the only controversial point was the taxation rate that was reduced from 20 to 15 euros per ton CO2-eq. This tax has mobilized many investments in green economy based in the use of alternative technologies to fluorinated gases like CO2, NH3, Hydrocarbons and HFOs or other fluorinated gases of low GWP. It creates jobs associated to the use of these technologies.

Question by China at Wednesday, 10 April 2019 Category: All emissions and removals related to its quantified economy-wide emission reduction target Type: Before 12 April Title: conditional target

As a member state of European Union whose conditional 2020 target is 30% emission reduction comparing with 1990 level, what is the plan to further strength your mitigation actions and to enhance its pre-2020 ambition?

Answer by Spain, Friday, 24 May 2019

The EU targets in reducing greenhouse gas emissions from 1990 levels are:

- · 20% in 2020.
- · 40% in 2030.

In addition to its unilateral 20% reduction commitment, the EU made a conditional offer to move to a 30% reduction by 2020 compared to 1990 levels, as part of a global and comprehensive agreement for the period beyond 2012, provided that other developed countries commit themselves to comparable emission reductions and developing countries contribute adequately according to their responsibilities and respective capabilities.

While the conditions for the EU to move to a 30% reduction by 2020 compared to 1990 levels have not been met, the EU remains on track to reach its target of reducing GHG emissions by 20% from 1990 levels by 2020 under the Convention (including aviation as covered by EU legislation, excluding LULUCF) as well as its commitment for the Kyoto Protocol second commitment period (average emissions between 2013-2020 below 80% of base year emissions, jointly with Iceland).

In 2017, EU GHG emissions were down by 21,9 % from 1990 levels, according to preliminary data (covering emissions from international aviation, but not emissions and removals from land use, land use change and forestry (LULUCF)). According to latest projections, the domestic greenhouse gas reductions in 2020 compared to 1990 would be around 26% with existing measures and without the use of international credits.

These targets were set by EU leaders and enacted in several pieces of legislation.

In the case of sectors that are not included in the Emissions Trading System, such as housing, agriculture, waste and transport (excluding aviation), EU has to reduce its GHG by 10% from 1990 levels. Countries have taken on binding annual targets until 2020 for cutting emissions in these sectors (compared to 2005), under the "Effort-sharing decision". The targets differ according to national wealth – from a 20% cut for the richest countries to a maximum 20% increase for the least wealthy. Spain has a target of 10% cut.

The Regulation on binding annual emission reductions in these sectors from 2021 to 2030 (Effort Sharing Regulation, ESR) was adopted in 2018 in order EU reduce by 30% from 2005 levels its non ETS emissions. This regulation sets national emission reduction targets for 2030 for all Member States, ranging from 0% to -40% from 2005 levels. Spain has a compulsory target of 26%.

Furthermore, On 24 December 2018 the regulation on the governance of the energy union and climate action entered into force. The governance mechanism is based on the integrated national energy and climate plans (NECPs) covering ten-year periods starting from 2021 to 2030 that all member states have to submit to the European Commission by the end of 2019. Spain has already submitted the draft of the Spanish NECPs which proposes a 20% reduction of greenhouse gas emissions in 2030 from 1990 levels. This will imply that sectors not covered by ETS will have to reduce by 38%, a greater effort than that set in the ESR for Spain.

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