



Pulp and Paper Industry (PPI) - carbon emission graphs (updated 24 Nov 2020)



## F.A.Q.

- **What are the CITL and EUTL codes?**

In the first two trading period of the EU ETS (from 2005 to 2012), the system was managed via the Community Independent Transaction Log (CITL). Under this systems, permits related to the pulp and paper industry were reported under two main codes:

- Code 1: Combustion installations with a rated thermal input exceeding 20 MW
- Code 9: Industrial plants for the production of (a) pulp from timber or other fibrous materials (b) paper and board

In 2012, EU ETS operations were centralised into a single EU registry operated by the European Commission, the European Union Transaction Log (EUTL), which became operative as of 2013 onwards.

Under the new system, CITL permits were replaced with the new EUTL permits:

- Code 20: Combustion of fuels
- Code 35: Production of pulp
- Code 36: Production of paper

Governments have progressively replaced old CITL codes, but the process is still ongoing. Cepi is annually updating the database, based on updates introduced in the EUTL.

- **Why do you also report combustion emissions?**

The pulp and paper industry is a quite complex sector, with permit structures varying across the EU and with blurred boundaries. Below a non-exhaustive list of most typical situations:

- The same energy generation equipment needed to run the pulp and paper mills (e.g. cogeneration unit, boilers) is an integral part of the industrial permit, in some countries, or it is reported under a separate permit, in other countries.
- The energy generation units were sold to third parties, but they still serve the pulp and paper mills



- The energy generation units were built by third parties, with the purpose of serving the pulp and paper mills

Cepi database is constantly updated to reflect these dynamics. The Cepi database includes energy generation permits serving the pulp and paper industry. Conversely, when an energy generation unit no longer serves the industry, the related permit is no longer reported in the Cepi database.

- **Why is it important to report also emissions from combustion installations?**

Emissions from the pulp and paper industry derive primarily from combustion of fuels and need to generate both heat and power. According to the ETS rules (Commission Decision 2011/278/EU, recital 21), when “Where measurable heat is exchanged between two or more installations [...] emission allowances should be allocated to the heat consumer”.

When an energy generation unit is under a different permit, emissions will be reported under combustion of fuels (EUTL code 20), while allocation of free permits will be reported under production of pulp or paper (EUTL codes 35 or 36). If one would only consider codes 35 or 36, he would erroneously conclude that the installation receives an excessive amount of free credits in comparison to the emissions reported, due to the transfer of credits. However, by considering the entirety of the industrial installation, the picture will be totally different. And in most cases this leads to a substantial shortage in free credits, in relation to verified emissions.

By mapping all emissions from combustion of fuels linked to the operations of pulp and paper mills, the sector is in a position to transparently and responsibly define its carbon footprint and identify measures to reduce it.

- **What is the category “other codes”?**

This category includes pulp and paper mills that were erroneously reported under different CITL and or EUTL codes. They account for about 1% of total emissions.



Cepi will update its database when national authorities will introduce the necessary corrections in the EUTL database.

- **Why has the graphic changed since last time I visited this website?**

Cepi is constantly reviewing and updating its database. The most typical changes are:

- Update from CITL to EUTL codes. In that case, changes are retroactively applied as of 2013
- Update in production figures. Such update can marginally affect figures of the last 1-2 years of data reported