Guidance Document n°9
on the harmonized free allocation methodology for the EU-ETS post 2012

Sector-specific guidance

Final version issued on 14 April 2011
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1 Introduction

1.1 Status of the Guidance Documents

This guidance document is part of a group of documents, which are intended to support the Member States, and their Competent Authorities, in the coherent implementation throughout the Union of the new allocation methodology for Phase III of the EU ETS (post 2012) established by the Decision of the Commission [Date of adoption and OJ reference to be added when available] on “Transitional community-wide and fully harmonised implementing measures pursuant to Article 10a(1) of the EU ETS Directive” (CIMs) and developing the National Implementation Measures (NIMs).

The guidance does not represent an official position of the Commission and is not legally binding.

This guidance document is based on a draft provided by a consortium of consultants (Ecofys NL, Fraunhofer ISI, Entec). It takes into account the discussions within several meetings of the informal Technical Working Group on Benchmarking under the WGIII of the Climate Change Committee (CCC), as well as written comments received from stakeholders and experts from Member States. It was agreed that this guidance document reflects the opinion of the Climate Change Committee, at its meeting on xx xxxxxxx 2011.

The guidance papers do not go into detail regarding the procedures that Member States apply when issuing greenhouse gas emissions permits. It is acknowledged that the approach to setting the installation boundaries laid down in GHG emissions permits differ between Member States.

1.2 Background of the CIM Guidance Documents

Specific topics were identified within the CIMs which deserve further explanation or guidance. The CIM guidance documents intend to address these issues as specific and clear as possible. The Commission considers it necessary to achieve the maximum level of harmonisation in the application of the allocation methodology for phase III.

The CIM guidance documents aim at achieving consistency in the interpretation of the CIMs, to promote harmonisation and prevent possible abuse or distortions of competition within the Community. The full list of those documents is outlined below:

In particular:
- Guidance document n. 1 – general guidance: this guidance gives a general overview of the allocation process and explains the basics of the allocation methodology.
- Guidance document n. 2 – guidance on allocation methodologies: this guidance explains how the allocation methodology works and its main features.
- Guidance document n. 3 – data collection guidance: this guidance explains which data are needed from operators to be submitted to the Competent Authorities
and how to collect them. It reflects the structure of the data collection template provided by the EC.
- Guidance document n. 4 – guidance on NIMs data verification: this guidance explains the verification process concerning the data collection for the National Implementation Measures.
- Guidance document n. 5 – guidance on carbon leakage: it presents the carbon leakage issue and how it affects the free allocation calculation.
- Guidance document n. 6 – guidance on cross boundary heat flows: it explains how the allocation methodologies work in case of heat transfer across the 'boundaries' of an installation.
- Guidance document n. 7 – guidance on new entrants and closures: this guidance is meant to explain allocation rules concerning new entrants as well as the treatment of closures.
- Guidance document n. 8 – guidance on waste gas and process emission sub-installation: this document provides for explanation of the allocation methodology concerning process emission sub-installation, in particular, concerning the waste gas treatment.
- Guidance document n. 9 – sector specific guidance: this guidance provides for detailed description of the product benchmarks as well as the system boundaries of each of the product benchmarks listed within the CIMs.

This list of documents is intended to complement other guidance papers issued by the European Commission related to Phase III of EU ETS, in particular:
- Guidance on Interpretation of Annex I of the EU ETS Directive (excl. aviation activities), and
- Guidance paper to identify electricity generators

References to Articles within this document generally refer to the revised EU ETS Directive and to the CIMs.

1.3 Use of the Guidance documents

The guidance documents give guidance on implementing the new allocation methodology for Phase III of the EU ETS, as from 2013: the Member States may use this guidance when they perform the data collection pursuant to Article 7 of the CIMs in order to define the complete list of installations as well as to calculate any free allocation to be determined for the National Implementing Measures (NIMs) pursuant to Article 11(1) of the Directive 2003/87/EC.
1.4 Additional guidance

Next to the guidance documents, additional support to the Member State authorities is provided in the form of a telephone helpdesk, and the EC-website, with list of guidance documents, FAQs and useful references, http://ec.europa.eu/clima/policies/ets/benchmarking_en.htm.

1.5 Scope of this guidance document

This guidance document gives the following information for each product referred to by a product benchmark:

- Value of the product benchmark
- Carbon leakage exposure; the status is given as determined by Commission Decision 2010/2/EU for the years 2013 and 2014. The status as given here may be changed in the future.
- Definition of the unit of production
- Definition and explanation of products covered
- Definition and explanation of processes and emissions covered (see guidance document 3 on data collection for more information on system boundaries of product benchmarks)
- Calculation of preliminary allocation
- Determination of the historical activity level (where relevant)

Products covered by product benchmarks

One of the first important steps in the data collection is the check if product benchmarks apply to an installation. For this purpose, the products produced by the installation including the characteristics of the product, the composition of product mixes and/or the fields of application need to be checked against the definition of the relevant product benchmark. This assessment is further described in the guidance document 3 on data collection.

System boundaries and double counting

Double allocation in respect of the same emissions should be avoided. Double allocation could occur in case system boundaries of benchmarks are not properly respected. Double counting occurs when processes covered by a product benchmark also receive allocated based on a fall-back approach or other product benchmark.

Example: Emissions from safety flaring are always covered by product benchmarks. Therefore, no additional allocation for such safety flaring via process emissions sub-installations (for details please consult guidance document 8 on waste gases and process emissions sub-installations) must be granted.

2 i.e. HAL referred to in Annex III of the CIMs
Caution is particularly important if the production of a benchmarked product involves the production of an intermediate product that is later used for the production of a benchmarked product. Whenever a product benchmark includes the production of intermediate products, the production of the intermediate products alone should not be allocated.

Example:
The production of the intermediate product ethylene dichloride (EDC) is included in the VCM benchmark. The VCM benchmark should therefore not be applied to dedicated EDC plants not producing VCM. Such plants should not be allocated any free allowances, neither using the VCM benchmark nor using fall-back approaches. Alternatively, the EDC production might be granted free allocation based on applicable fall-back approaches if the same amount of free allowances is deducted from the free allocation to the VCM producer.

For the determination of free allocation based on product benchmarks, any import of measurable heat from heat production not covered by the ETS needs to be deducted (according to Art. 13 of the CIMs). Please consult section 2.3 of guidance document 6 on cross-boundary heat flows for details.
2 Adipic acid

**Product benchmark**
2.79 allowances/tonne

**Carbon leakage exposure as determined by Commission Decision 2010/2/EU for the years 2013 and 2014**
Exposed

**Unit of production**
Tonne of dry purified adipic acid stored in silos or packed in (big)bags

**Definition and explanation of products covered**
According to the CIMs this product benchmark covers:
“Adipic acid to be recorded in tons of dry purified adipic acid stored in silos or packed in (big)bags.”

Purified adipic acid is the standard commercial grade which is suitable for all typical applications such as monomer for nylon production, raw material for production of polyester polyols, food industry, lubricants or plasticizers.

The table below shows relevant product according to the definition in PRODCOM 2007 statistics. Note that salts and esters of adipic acid are not covered by the product definition for the purpose of this benchmark.

<table>
<thead>
<tr>
<th>PRODCOM code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>24.14.33.85</td>
<td>Adipic acid; its salts and esters</td>
</tr>
</tbody>
</table>

PRODCOM codes can be useful in identifying and defining products. As a general guideline, the identification of the products should never solely rely on PRODCOM codes reported in statistics.

**Definition and explanation of processes and emissions covered**
The CIMs define the system boundaries as follows:

“All processes directly or indirectly linked to the production of the benchmarked product as well as the N₂O destruction process are included.”

In particular, this means that the following emissions are covered:
- CO₂ & N₂O emission direct from assets:
  - Adipic acid manufacturing unit
  - N₂O abatement unit
• CO₂ emission from direct energy fuels used for N₂O abatement unit

• CO₂ emission from indirect CO₂:
  - Net steam production (steam consumption minus steam recovery) for adipic acid manufacturing and N₂O abatement unit.

• CO₂ emissions from the processing of and handling of the side products glutaric acid and succinic acid

Emissions related to the production and the consumption of electricity are excluded from the system boundaries, irrespective of where and how this electricity is produced. Manufacture of KA-oil and nitric acid are also excluded.

The export of measurable heat (steam, hot water, etc..) is not covered by this product benchmark and might be eligible for free allocation, regardless whether heat is exported to an ETS consumer or a consumer not covered by the ETS. However, when heat is exported to a consumer covered by the ETS, the consumer will get free allocation only in case a heat benchmark is applied (allocation for heat is already covered by the product benchmark). In case of export to non-ETS consumers, the heat exporter receives free allocation and one or two heat benchmark sub-installations should be foreseen. See CIMs for a definition of measurable heat and Guidance Document 6 on Cross-Boundary Heat Flows for guidance on this topic.

Based on the above defined scope, Figure 1 illustrates which emissions are covered by the adipic acid benchmark. All emissions defined by yellow field are covered. Descriptions of those fields are provided in the text below the figure.
**Figure 1. Emissions covered by the product benchmark for adipic acid** (emissions defined by yellow fields are covered; descriptions of those fields are provide in the text (Rule book for Adipic Acid, 2010); *Emissions related to the production of consumed electricity are not included in the system boundaries* with:

(1a) Direct N\textsubscript{2}O emission when adipic acid waste gas is disconnected from the N\textsubscript{2}O abatement unit (classically calculated from chemical N\textsubscript{2}O-emission factor x Adipic acid produced during this time, with 1 N\textsubscript{2}O = 310 CO\textsubscript{2}eq)

(1b) Direct N\textsubscript{2}O emission after abatement (classically N\textsubscript{2}O residual concentration is measured, with 1 N\textsubscript{2}O = 310 CO\textsubscript{2}eq)

(2) Direct CO\textsubscript{2} emission coming from adipic acid synthesis. In this box all unit operations of the adipic acid plant are:
- Oxidation Reaction and off gas treatment
- Crude grade Adipic acid crystallization and separation
- Adipic acid re-crystallization(s) and separation
- Adipic acid drying and cooling, conveying and storing
- Dry Adipic acid packaging and delivery
- Dewatering of the nitric acid mother liquor
- By-products purge and catalyst recovery
- Nitric acid work-up systems
- Storage of (volatile) raw materials, intermediates, and final products

(3) Direct CO\textsubscript{2} emission coming from fuels used in the N\textsubscript{2}O abatement unit (specific emission factor x quantity of fuel)
(4) Indirect CO₂ emission coming from steam consumed with (5) steam export credited
(net steam = difference between import and export 4-5)

**Preliminary allocation**

The preliminary free allocation for a product benchmark sub-installation producing adipic acid is calculated as follows:

\[ F_p = BM_p \cdot HAL_p \]

With:

- \( F_p \): Annual preliminary allocation for a product benchmark sub-installation producing adipic acid (expressed in EUAs).
- \( BM_p \): Benchmark for adipic acid (expressed in EUAs / unit of product).
- \( HAL_p \): Historical activity level, i.e. the median annual production in the baseline period as determined and verified in the baseline data collection (expressed in units of product).
3 Aluminium

Product benchmark
1.514 allowances/tonne

Carbon leakage exposure as determined by Commission Decision 2010/2/EU for the years 2013 and 2014
Exposed

Unit of production
Tonne of unwrought non-alloy liquid aluminium

Reference point for the measurement of the amount unwrought non-alloy liquid aluminium is between the electrolysis section and the holding furnace of the cast house before alloys and secondary aluminium are added.

Definition and explanation of products covered
According to the CIMs this product benchmark covers:

“unwrought non-alloy liquid aluminium from electrolysis”

The table below shows relevant products according to definitions in PRODCOM 2007 statistics.

<table>
<thead>
<tr>
<th>PRODCOM code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>27.42.11.30</td>
<td>Unwrought non-alloy aluminium (excluding powders and flakes)</td>
</tr>
</tbody>
</table>

PRODCOM codes can be useful in identifying and defining products. As a general guideline, the identification of the products should never solely rely on PRODCOM codes reported in statistics.

Definition and explanation of processes and emissions covered
The CIMs define the system boundaries as follows:

“All processes directly or indirectly linked to the production step electrolysis are included.”

These include in particular:
- CO₂ emissions resulting from the reaction between the carbon anode oxygen from the alumina
- CO₂ emissions resulting from the reaction of the carbon anode with other sources of oxygen, primarily from air
- All formed carbon monoxide is assumed to be converted to CO₂.
- Two PFCs, CF$_4$ and C$_2$F$_6$ emissions formed during brief upset conditions known as the “Anode Effect”, when alumina levels drop to low and the electrolytic bath itself undergoes electrolysis.

Emissions resulting from holding furnaces and casting are not covered by this product benchmark. Emissions related to the production and the consumption of electricity are excluded from the system boundaries, irrespective of where and how this electricity is produced. Emissions related anode productions are also excluded.

The export of measurable heat (steam, hot water, etc.) is not covered by this product benchmark and might be eligible for free allocation, regardless whether heat is exported to an ETS consumer or a consumers not covered by the ETS. However, when heat is exported to a consumer covered by the ETS, the consumer will get free allocation only in case a heat benchmark is applied (allocation for heat is already covered by the product benchmark). In case of export to non-ETS consumers, the heat exporter receives free allocation and one or two heat benchmark sub-installations should be foreseen. See CIMs for a definition of measurable heat and Guidance Document 6 on Cross-Boundary Heat Flows for guidance on this topic.

**Preliminary allocation**

The preliminary free allocation for a product benchmark sub-installation producing aluminium is calculated as follows:

\[ F_p = BM_p \cdot HAL_p \]

With:

- \( F_p \): Annual preliminary allocation for a product benchmark sub-installation producing aluminium (expressed in EUAs).
- \( BM_p \): Benchmark for aluminium (expressed in EUAs / unit of product).
- \( HAL_p \): Historical activity level, i.e. the median annual production in the baseline period as determined and verified in the baseline data collection (expressed in units of product).
4 Ammonia

Product benchmark
1.619 allowances/tonne

Carbon leakage exposure as determined by Commission Decision 2010/2/EU for the years 2013 and 2014
Exposed

Unit of production
Tonne of ammonia produced as saleable (net) production and 100% purity.

Definition and explanation of products covered
According to the CIMs this product benchmark covers:

“Ammonia (NH3), to be recorded in tons produced”

The table below shows relevant products according to definitions in PRODCOM 2007 statistics. The definition of these products does not necessarily coincide with the product definition for the purpose of this benchmark: a benchmarked product may be covered by more than one PRODCOM codes and vice versa.

<table>
<thead>
<tr>
<th>PRODCOM code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>24.15.10.75</td>
<td>Anhydrous ammonia</td>
</tr>
</tbody>
</table>

PRODCOM codes can be useful in identifying and defining products. As a general guideline, the identification of the products should never solely rely on PRODCOM codes reported in statistics.

Definition and explanation of processes and emissions covered
In their Annex I, point 2, referring to the ‘definition of product benchmarks and system boundaries with consideration of exchangeability of fuel and electricity’, the CIMs define the system boundaries of the ammonia product benchmark as follows:

“All processes directly or indirectly linked to the production of the ammonia and the intermediate product hydrogen are included. For the determination of indirect emissions, the total electricity consumption within the system boundaries shall be considered.”

The system boundary of an ammonia installation is defined to be all activities within the plant battery limit as well as processes outside the battery limit associated with steam and electricity import or export to the ammonia installation. The production of the intermediate product hydrogen is also covered. Ammonia production from other intermediate products (such as syngas) is not covered by this product benchmark.
Indirect emissions from electricity consumption are not included in the system boundaries and not eligible for free allocation but are used in the calculation of free allocation (see below). For the determination of the indirect emissions, the total electricity consumption within the system boundaries shall be considered.

The export of measurable heat (steam, hot water, etc..) is not covered by this product benchmark and might be eligible for free allocation, regardless whether heat is exported to an ETS consumer or a consumers not covered by the ETS. However, when heat is exported to a consumer covered by the ETS, the consumer will get free allocation only in case a heat benchmark is applied (allocation for heat is already covered by the product benchmark). In case of export to non-ETS consumers, the heat exporter receives free allocation and one or two heat benchmark sub-installations should be foreseen. See CIMs for a definition of measurable heat and Guidance Document 6 on Cross-Boundary Heat Flows for guidance on this topic.

The figure below shows the energy inputs and emissions associated with ammonia production. The production process leads to direct CO$_2$ emissions and to CO$_2$ that is used as feedstock in chemical production processes. Both emissions are included in the system boundaries. CO$_2$ missions due to the production of consumed steam are included in the system boundaries.

![Figure 2. Energy inputs and emissions related to ammonia production. The emissions related to electricity production and consumption are not eligible for free allocation (Rule book for Ammonia, 2010).](image)
Preliminary allocation
The product benchmark for ammonia is based on total emissions since energy produced from fuels is exchangeable for energy from electricity. Allocation should however be based on direct emissions only. In order to achieve consistency between the benchmarks and the allocation, the preliminary allocation is calculated using a ratio of direct and total emissions:

\[
F_p = \frac{Em_{direct} + Em_{NetHeatImport}}{Em_{direct} + Em_{NetHeatImport} + Em_{indirect}} \cdot BM_p \cdot HAL_p
\]

With:
\( F_p \): Annual preliminary allocation for a product benchmark sub-installation producing ammonia (expressed in EUAs).
\( BM_p \): Benchmark for ammonia (expressed in EUAs / unit of product).
\( HAL_p \): Historical activity level, i.e. the median annual production in the baseline period as determined and verified in the baseline data collection (expressed in units of product).
\( Em_{direct} \): Direct emissions within the system boundaries of the production of ammonia over the baseline period. (Note: the direct emissions meant here do not correspond to the direct emissions in the figure above). The direct emissions include all CO\textsubscript{2} that may be used as feedstock in other chemical processes. The direct emissions further include the emissions due to the production of heat within the same ETS installation, that is consumed within the system boundaries of the ammonia production process. Direct emissions should (by definition) exclude any emissions from electricity generation or net heat export/import from other ETS installations or non-ETS entities.
\( Em_{NetHeatImport} \): Emissions from any net measurable heat import from other ETS installations and non-ETS entities over the baseline period by a sub-installation producing ammonia. Irrespective of where and how the heat is produced, these emissions expressed in tonne CO\textsubscript{2} are calculated as follows:

\[
Em_{NetHeatImport} = \text{Net Heat Import} \cdot 62.3
\]

With:
\( Net Heat Import \): Net measurable heat import from other ETS installations and non-ETS entities over the baseline period by a sub-installation producing ammonia, expressed in TJ.
Indirect emissions from electricity consumption within the system boundaries of the production of ammonia over the baseline period. Irrespective of where and how the electricity is produced, these emissions expressed in tonne CO₂ are calculated as follows:

\[ Em_{\text{elec}} = \text{Elec. use} \times 0.465 \]

With;

**Elec. use**: Total electricity consumption within the system boundaries of the production of ammonia over the baseline period, expressed in MWh.
5 Aromatics

Product benchmark
0.0295 allowances/tonne

Carbon leakage exposure as determined by Commission Decision 2010/2/EU for the years 2013 and 2014
Exposed

Unit of production
CO₂ weighted tonne

Definition and explanation of products covered
According to the CIMs this product benchmark covers:

"Mix of aromatics expressed as CO₂ weighted tonne (CWT)"

The table below shows relevant products according to definitions in PRODCOM 2007 statistics. Note that further PRODCOM coded products might be covered by this benchmark.

<table>
<thead>
<tr>
<th>PRODCOM code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>24.66.46.70</td>
<td>Mixed alkylbenzenes, mixed alkynaphthalenes other than HS 2707 or 2902</td>
</tr>
<tr>
<td>24.14.12.23</td>
<td>Benzene</td>
</tr>
<tr>
<td>24.14.12.43</td>
<td>o-Xylene</td>
</tr>
<tr>
<td>24.14.12.45</td>
<td>p-Xylene</td>
</tr>
<tr>
<td>24.14.12.47</td>
<td>m-Xylene and mixed xylene isomers</td>
</tr>
<tr>
<td>24.14.12.60</td>
<td>Ethylbenzene</td>
</tr>
<tr>
<td>24.14.12.70</td>
<td>Cumene</td>
</tr>
<tr>
<td>24.14.12.90</td>
<td>Biphenyl, terphenyl, vinyltoluenes, cyclic hydrocarbons excluding cyclanes,</td>
</tr>
<tr>
<td></td>
<td>cyclenes, cyclopetenes, benzene, toluene, xylenes, styrene, ethylbenzene,</td>
</tr>
<tr>
<td></td>
<td>cumene, naphthalene, anthracene</td>
</tr>
<tr>
<td>24.14.73.20</td>
<td>Benzol (benzene)</td>
</tr>
<tr>
<td>24.14.73.30</td>
<td>Toluol (toluene) and xylol (xylenes)</td>
</tr>
<tr>
<td>24.14.73.40</td>
<td>Naphthalene and other aromatic hydrocarbon mixtures (excluding benzole, toluole, xylole)</td>
</tr>
</tbody>
</table>

These classifications can be useful in identifying and defining products. As a general guideline, the identification of the products should never solely rely on classifications in statistics.
Definition and explanation of processes and emissions covered

In their Annex I, point 2, referring to the 'definition of product benchmarks and system boundaries with consideration of exchangeability of fuel and electricity', the CIMs define the system boundaries of the aromatics product benchmark as follows:

"All processes directly or indirectly linked to aromatics sub-units
- pygas hydrotreater
- benzene/toluene/xylene (BTX) extraction
- TDP
- HDA
- xylene isomerisation
- p-xylene units
- cumene production and
- cyclo-hexane production

are included.

For the determination of indirect emissions, the total electricity consumption within the system boundaries shall be considered."

Indirect emissions from electricity consumption are not eligible for free allocation but are used in the calculation of free allocation (see below).

The export of measurable heat (steam, hot water, etc.) is not covered by this product benchmark and might be eligible for free allocation, regardless whether heat is exported to an ETS consumer or a consumers not covered by the ETS. However, when heat is exported to a consumer covered by the ETS, the consumer will get free allocation only in case a heat benchmark is applied (allocation for heat is already covered by the product benchmark). In case of export to non-ETS consumers, the heat exporter receives free allocation and one or two heat benchmark sub-installations should be foreseen. See CIMs for a definition of measurable heat and Guidance Document 6 on Cross-Boundary Heat Flows for guidance on this topic.

Preliminary allocation

The product benchmark for aromatics is based on total emissions since energy produced from fuels is exchangeable for energy from electricity. Allocation should however be based on direct emissions only. In order to achieve consistency between the benchmarks and the allocation, the preliminary allocation is calculated using a ratio of direct and total emissions:

\[
F_p = \frac{Em_{direct} + Em_{NetHeatImport}}{Em_{direct} + Em_{NetHeatImport} + Em_{indirect}} \cdot BM_p \cdot HAL_p
\]

With:
**F<sub>p</sub>** : Annual preliminary allocation for a product benchmark sub-installation producing aromatics (expressed in EUAs).

**BM<sub>p</sub>** : Benchmark for aromatics (expressed in EUAs / unit of product).

**HAL<sub>p</sub>** : Historical activity level, i.e. the median annual production in the baseline period as determined and verified in the baseline data collection (expressed in units of product).

**Em<sub>direct</sub>** : Direct emissions within the system boundaries of the production of aromatics over the baseline period. The direct emissions further include the emissions due to the production of heat within the same ETS installation, that is consumed within the system boundaries of the aromatics production process. Direct emissions should (by definition) exclude any emissions from electricity generation or net heat export/import from other ETS installations or non-ETS entities.

**Em<sub>NetHeatImp</sub>** : Emissions from any net measurable heat import from other ETS installations and non-ETS entities over the baseline period by a sub-installation producing aromatics. Irrespective of where and how the heat is produced, these emissions expressed in tonne CO<sub>2</sub> are calculated as follows:

\[
Em_{\text{NetHeatImp}} = Net\text{ Heat Import} \cdot 62.3
\]

With;

- **Net Heat Import** : Net measurable heat import from other ETS installations and non-ETS entities over the baseline period by a sub-installation producing aromatics, expressed in TJ.

**Em<sub>indirect</sub>** : Indirect emissions from electricity consumption within the system boundaries of the production of aromatics over the baseline period. Irrespective of where and how the electricity is produced, these emissions expressed in tonne CO<sub>2</sub> are calculated as follows:

\[
Em_{\text{elec}} = \text{Elec. use} \cdot 0.465
\]

With;

- **Elec. use** : Total electricity consumption within the system boundaries of the production of aromatics over the baseline period, expressed in MWh.

**Determination of historical activity level**

The concept of CO<sub>2</sub> weighted tonne (CWT) is used for the determination of the historical activity level. The concept of CWT defines the activity of a production process not simply as input or output, but as a function of activity levels of different process levels. This
concept was initially developed to determine the allocation to refineries (see section 36). In order to ensure a level playing field for the production of aromatics in refineries and chemical plants, the free allocation of emission allowances for aromatics should be based on the CWT approach.

The historical activity level in terms of CWT should be determined as follows:

$$HAl_{CWT} = \text{MEDIAN} \left( \sum_{i=1}^{n} (TP_{ik} \cdot CWT_i) \right)$$

with:
- $TP_{ik}$: historical activity level of process unit $i$ in year $k$ as defined for the purpose of the CWT approach
- $CWT_i$: CWT factor for process unit $i$ as defined by for the purpose of the CWT approach (see Table 1 below)

Table 1 provides a calculation of the historical activity level for a certain year. The yellow cells require input data. Process units for the purpose of the CWT approach are called CWT 'functions'.

Not all CWT functions will be performed in each installation. For some CWT functions, the historical level of activity will therefore be zero.

The appropriate measures of activity for a CWT function are shown in Table 1 and Table 2. This measure can be the annual mass (expressed in kt/year) of net fresh feed ($F$), or product feed ($P$). Fresh feed is to be understood as water free and excluding slops processing.

The reported throughput must be the actual figure for the year, even if the unit was not in operation during the whole year (e.g. new unit started-up during the year, unit idle during part of the year). Figures must be generated from either actual flow measurements and/or material balance records.

**Accuracy**

In order to meet the desired accuracy for CWT, throughputs must be entered in kt/a with a certain number of decimals depending on the magnitude of the CWT factor:

- For factors up to 1.99: 0 decimals
- For factors between 2.00 and 19.99: 1 decimal
- For factors between 20.00 and 99.99: 2 decimals
- For factors above 100.00: 3 decimals
The following accuracy must be adhered to in the calculation of parameters that may be necessary to calculate direct and indirect emissions of the (sub)installation:

- Steam flows: ±5%
- Electricity production: ±5%
- Steam conditions: for steam enthalpies an accuracy of ±10 GJ/t is sufficient which is consistent with conditions accurate within ±5 °C and ±5 bar. Note that these conditions are not used in the calculation in this document, but may nevertheless be used in the calculation of the amount of imported and exported steam.

**Table 1. Calculation of historical activity level in year k**

<table>
<thead>
<tr>
<th>CWT function</th>
<th>Historical level of activity</th>
<th>CWT factor</th>
<th>CWT (kt in year k)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Napththa/Gasoline hydrotreater</td>
<td>F               ×      1.10  =  ..</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aromatic Solvent Extraction</td>
<td>F               ×      5.25  =  ..</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TDP/TDA</td>
<td>F               ×      1.85  =  ..</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hydrodealkylation</td>
<td>F               ×      2.45  =  ..</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Xylene Isomerisation</td>
<td>F               ×      1.85  =  ..</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paraxylene production</td>
<td>P               ×      6.40  =  ..</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cyclohexane production</td>
<td>P               ×      3.00  =  ..</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cumene production</td>
<td>P               ×      5.00  =  ..</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Historical activity level in year k (sum of CWT of processes) HAL_{\text{CWT}}

* Measure for activity level: net fresh feed (F) or product feed (P)
## Table 2. Process units distribution

<table>
<thead>
<tr>
<th>Process Unit</th>
<th>Solomon Process ID</th>
<th>Solomon Process Type</th>
<th>Activity basis</th>
<th>CWT factor</th>
<th>Description</th>
<th>Typical feed(s)</th>
<th>Typical product(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Naphtha/Gasoline Hydrotreating</td>
<td>NHYT</td>
<td></td>
<td>Fresh feed</td>
<td>1.10</td>
<td>A number of processes involving treating and upgrading of naphtha/gasoline and lighter streams.</td>
<td>Various gasoline blending components</td>
<td></td>
</tr>
<tr>
<td>Benzene Saturation</td>
<td>BSAT</td>
<td></td>
<td></td>
<td></td>
<td>Selective hydrogenation of benzene in gasoline streams over a fixed catalyst bed at moderate pressure.</td>
<td>Various gasoline streams, hydrogen</td>
<td></td>
</tr>
<tr>
<td>Desulfurization of C4-C6 Feeds</td>
<td>C4C6</td>
<td></td>
<td></td>
<td></td>
<td>Desulfurization of light naphtha over a fixed catalyst bed, at moderate pressure and in the presence of hydrogen.</td>
<td>Light naphtha, hydrogen</td>
<td></td>
</tr>
<tr>
<td>Conventional Naphtha H/T</td>
<td>CONV</td>
<td></td>
<td></td>
<td></td>
<td>Desulfurization of virgin and cracked naphtha over a fixed catalyst bed at moderate pressure and in the presence of hydrogen. For cracked naphtha also involves saturation of olefins.</td>
<td>Virgin and cracked naphthas/gasolines, hydrogen</td>
<td></td>
</tr>
<tr>
<td>Diolein to Olefin Saturation</td>
<td>DIO</td>
<td></td>
<td></td>
<td></td>
<td>Selective saturation of diolefin over a fixed catalyst bed, at moderate pressure and in the presence of hydrogen, to improve stability of thermally cracked and coker gasolines.</td>
<td>Thermally cracked or coker gasolines</td>
<td></td>
</tr>
<tr>
<td>Diolein to Olefin Saturation of Alkylation feed</td>
<td>DIO</td>
<td></td>
<td></td>
<td></td>
<td>Selective saturation of diolefin in C4 streams for alkylation over a fixed catalyst bed, at moderate pressure and in the presence of hydrogen.</td>
<td>Thermally cracked or coker LPG streams, hydrogen</td>
<td></td>
</tr>
<tr>
<td>FCC gasoline hydrotreating with minimum octane loss</td>
<td>GOCT</td>
<td></td>
<td></td>
<td></td>
<td>Selective desulfuration of FCC gasoline cuts with minimum olefins saturation, over a fixed catalyst bed, at moderate pressure and in the presence of hydrogen.</td>
<td>FCC gasoline cuts, hydrogen</td>
<td></td>
</tr>
<tr>
<td>Olefinic Alkylation of Thiophene</td>
<td>OATS</td>
<td></td>
<td></td>
<td></td>
<td>A gasoline desulfuration process in which thiophenes and mercaptans are catalytically reacted with olefins to produce higher-boiling sulfur compounds removable by distillation. Does not involve hydrogen.</td>
<td>FCC gasoline cuts</td>
<td></td>
</tr>
<tr>
<td>S-Zorb™ Process</td>
<td>ZORB</td>
<td></td>
<td></td>
<td></td>
<td>Desulfurisation of naphtha/gasoline streams using a proprietary fluid-bed hydrogenation adsorption process in the presence of hydrogen.</td>
<td>Various naphthas/gasolines</td>
<td></td>
</tr>
<tr>
<td>Selective H/T of Pygas/Naphtha</td>
<td>PYGC</td>
<td></td>
<td></td>
<td></td>
<td>Selective or non-selective desulfurization of pyrolysis gasoline [by-product of light olefins production] and other streams over a fixed catalyst bed, at moderate pressure and in the presence of hydrogen.</td>
<td>Pyrolysis gasoline, hydrogen</td>
<td></td>
</tr>
<tr>
<td>Pygas/Naphtha Desulfurisation</td>
<td>PYGD</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Selective H/T of Pygas/Naphtha Desulfurination</td>
<td>PYGS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reactor for Selective Hydrotreating</td>
<td>RXST</td>
<td></td>
<td>n.c.</td>
<td>n.c.</td>
<td>Special configuration where a distillation/fractionation column containing a solid catalyst that converts diolefin in FCC gasoline to olefins over the catalyst bed is in a preheat train reactor vessel in front of the column.</td>
<td>Special configuration including in the generic NHYT CWT factor.</td>
<td></td>
</tr>
<tr>
<td>Process Unit</td>
<td>Solomon Process ID</td>
<td>Solomon Process Type</td>
<td>Activity basis</td>
<td>CWT factor</td>
<td>Description</td>
<td>Typical feed(s)</td>
<td>Typical product(s)</td>
</tr>
<tr>
<td>--------------------------------------------------</td>
<td>--------------------</td>
<td>----------------------</td>
<td>----------------</td>
<td>------------</td>
<td>------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>-----------------</td>
<td>-------------------</td>
</tr>
<tr>
<td>Aromatics Solvent Extraction (ASE)</td>
<td>ASE</td>
<td></td>
<td>Fresh feed</td>
<td>5.25</td>
<td>Extraction of light aromatics from reformate and/or hydrotreated pyrolys gasoline by means of a solvent. The CWT factor for this refinery function includes all columns and associated equipment required to purify individual aromatic products as well as solvent regeneration. CWT factor covers all feeds including Pygas after hydrotreatment. Pygas hydrotreating should be accounted under naphtha hydrotreatment.</td>
<td>Reformate, hydrotreated pyrolys gasoline</td>
<td>Mixed aromatics or purified benzene, toluene, mixed xylenes, C9+ aromatics, paraffinic raffinate</td>
</tr>
<tr>
<td>Aromatics Solvent Extraction Distillation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aromatics Solvent Extraction Liquid/Liquid Extraction</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aromatics Solvent Extraction Liquid/Liquid Extraction with Extr. Distillation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Process Unit</td>
<td>Solomon Process ID</td>
<td>Solomon Process Type</td>
<td>Activity basis</td>
<td>CWT factor</td>
<td>Description</td>
<td>Typical feed(s)</td>
<td>Typical product(s)</td>
</tr>
<tr>
<td>Benzene Column</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Toluene Column</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Xylene Rerun Column</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Heavy Aromatics Column</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hydrodealkylation</td>
<td>HDA</td>
<td></td>
<td>Fresh feed</td>
<td>2.45</td>
<td>Dealylation of toluene and xylenes into benzene over a fixed catalyst bed and in the presence of hydrogen at low to moderate pressure.</td>
<td>Toluene, Xylene, hydrogen</td>
<td>Benzene</td>
</tr>
<tr>
<td>Toluene Disproportionation / Dealkylation (TDP/TDA)</td>
<td>TDP</td>
<td></td>
<td>Fresh feed</td>
<td>1.85</td>
<td>Fixed-bed catalytic process for the conversion of toluene to benzene and xylenes in the presence of hydrogen</td>
<td>Toluene, Xylene</td>
<td>Benzene</td>
</tr>
<tr>
<td>Cyclohexane production</td>
<td>CYC6</td>
<td>Product</td>
<td></td>
<td>3.00</td>
<td>Hydrogenation of benzene to cyclohexane over a catalyst at high pressure.</td>
<td>Benzene, Hydrogen</td>
<td>Cyclohexane</td>
</tr>
<tr>
<td>Xylene Isomerisation</td>
<td>XYSOM</td>
<td>Fresh feed</td>
<td></td>
<td>1.85</td>
<td>Isomerisation of mixed xylenes to paraxylene</td>
<td>Mixed xylenes</td>
<td>Paraxylene-rich mixed xylenes</td>
</tr>
<tr>
<td>Paraxylene Production</td>
<td>PXYL</td>
<td>Product</td>
<td></td>
<td>6.40</td>
<td>Physical separation of paraxylene from mixed xylenes.</td>
<td>Paraxylene-rich Mixed xylenes</td>
<td>Paraxylene, other mixed xylenes</td>
</tr>
<tr>
<td>Paraxylene Adsorption</td>
<td>PXYL</td>
<td>ADS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paraxylene Crystallisation</td>
<td>PXYL</td>
<td>CRY</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Xylene Splitter</td>
<td>XYS5</td>
<td>Product</td>
<td></td>
<td>5.00</td>
<td>Alkylation of benzene with propylene</td>
<td>Benzene, Propylene</td>
<td>Cumene</td>
</tr>
<tr>
<td>Orthoxylene Rerun Column</td>
<td>OXYLAC</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cumene production</td>
<td>CUM</td>
<td>Product</td>
<td></td>
<td>5.00</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
6 Bottles and jars of coloured glass

Product benchmark
0.306 allowances/tonne

Carbon leakage exposure as determined by Commission Decision 2010/2/EU for the years 2013 and 2014
Exposed

Unit of production
Tonne of packed product

Definition and explanation of products covered
According to the CIMs this product benchmark covers:

“Bottles of coloured glass of a nominal capacity < 2.5 litres, for beverages and foodstuffs, excluding
- Bottles covered with leather or composition leather
- Infant’s feeding bottles”

Coloured glass is to be understood as glass not fulfilling the criteria for colourless glass as described in section 7.

This definition is identical to the definition in PRODCOM 2007 statistics as shown in the table below.

<table>
<thead>
<tr>
<th>PRODCOM code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>26.13.11.34</td>
<td>Bottles of coloured glass of a nominal capacity &lt; 2.5 litres, for beverages and foodstuffs (excluding bottles covered with leather or composition leather, infant’s feeding bottles)</td>
</tr>
</tbody>
</table>

PRODCOM codes can be useful in identifying and defining products. As a general guideline, the identification of the products should never solely rely on PRODCOM codes reported in statistics.

Definition and explanation of processes and emissions covered
The CIMs define the system boundaries as follows:

“All processes directly or indirectly linked to the production steps
- materials handling
- melting
- forming
- downstream processing,
- packaging
- ancillary processes

are included”

Emissions related to the production of the consumed electricity are excluded from the system boundaries.

The export of measurable heat (steam, hot water, etc.) is not covered by this product benchmark and might be eligible for free allocation, regardless whether heat is exported to an ETS consumer or a consumers not covered by the ETS. However, when heat is exported to a consumer covered by the ETS, the consumer will get free allocation only in case a heat benchmark is applied (allocation for heat is already covered by the product benchmark). In case of export to non-ETS consumers, the heat exporter receives free allocation and one or two heat benchmark sub-installations should be foreseen). See CIMs for a definition of measurable heat and Guidance Document 6 on Cross-Boundary Heat Flows for guidance on this topic.

**Preliminary allocation**

The preliminary free allocation for a product benchmark sub-installation producing bottles and jars of coloured glass is calculated as follows:

\[ F_p = BM_p \cdot HAL_p \]

With:

- \( F_p \): Annual preliminary allocation for a product benchmark sub-installation producing bottles and jars of coloured glass (expressed in EUAs).
- \( BM_p \): Benchmark for bottles and jars of coloured glass (expressed in EUAs / unit of product).
- \( HAL_p \): Historical activity level, i.e. the median annual production in the baseline period as determined and verified in the baseline data collection (expressed in units of product).
7 Bottles and jars of colourless glass

Product benchmark
0.382 allowances/tonne

Carbon leakage exposure as determined by Commission Decision 2010/2/EU for the years 2013 and 2014
Exposed

Unit of production
Tonne of packed product

Definition and explanation of products covered
According to the CIMs this product benchmark covers:

"Bottles of colourless glass of a nominal capacity < 2.5 litres, for beverages and foodstuffs (excluding
- Bottles covered with leather or composition leather;
- Infant's feeding bottles)
except extra-white flint products with
  - An iron oxide content expressed in percent Fe$_2$O$_3$ by weight lower than 0.03%
  - Colour co-ordinates of L in the range 100 to 87, of a in the range 0 to -5 and of b in the range 0 to 3 (using the CIELAB advocated by the Commission internationale d'Éclairage) expressed as tons of packed product."

Colourless glass is to be understood as glass with in general less than 0.2 mass-% iron oxides (expressed as Fe$_2$O$_3$). It is produced in a furnace where there is no deliberate addition of colour into the furnace either through the use of colouring agents as separate raw material (e.g. iron chromite (Fe$_2$O$_3$,$\text{Cr}_2$O$_3$), iron oxide (Fe$_2$O$_3$), titanium oxide, cobalt oxide) or coloured cullet to achieve a required specification. Colourless glass raw material batch may contain an incidental presence of external coloured cullet and decolourising agents.

Apart from the exclusion of extra-flint products, this definition is identical to the definition in PRODCOM 2007 statistics as shown in the table below.

<table>
<thead>
<tr>
<th>PRODCOM code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>26.13.11.28</td>
<td>Bottles of colourless glass of a nominal capacity &lt; 2.5 litres, 7010.90.4 for beverages and foodstuffs (excluding bottles covered with leather or composition leather, infant's feeding bottles)</td>
</tr>
</tbody>
</table>
PRODCOM codes can be useful in identifying and defining products. As a general guideline, the identification of the products should never solely rely on PRODCOM codes reported in statistics.

**Definition and explanation of processes and emissions covered**

The CIMs define the system boundaries as follows:

“All processes directly or indirectly linked to the production steps
- materials handling
- melting
- forming
- downstream processing
- packaging and
- ancillary processes
are included.”

Emissions related to the production of the consumed electricity are excluded from the system boundaries.

The export of measurable heat (steam, hot water, etc.) is not covered by this product benchmark and might be eligible for free allocation, regardless whether heat is exported to an ETS consumer or a consumers not covered by the ETS. However, when heat is exported to a consumer covered by the ETS, the consumer will get free allocation only in case a heat benchmark is applied (allocation for heat is already covered by the product benchmark). In case of export to non-ETS consumers, the heat exporter receives free allocation and one or two heat benchmark sub-installations should be foreseen. See CIMs for a definition of measurable heat and Guidance Document 6 on Cross-Boundary Heat Flows for guidance on this topic.

**Preliminary allocation**

The preliminary free allocation for a product benchmark sub-installation producing bottles and jars of colourless glass is calculated as follows:

\[
F_p = BM_p \cdot HAL_p
\]

With:

- \(F_p\): Annual preliminary allocation for a product benchmark sub-installation producing bottles and jars of colourless glass (expressed in EUAs).
- \(BM_p\): Benchmark for bottles and jars of colourless glass (expressed in EUAs / unit of product).
- \(HAL_p\): Historical activity level, i.e. the median annual production in the baseline period as determined and verified in the baseline data collection (expressed in units of product).
8 Carbon black

Product benchmark
1.954 allowances/tonne

Carbon leakage exposure as determined by Commission Decision 2010/2/EU for the years 2013 and 2014
Exposed

Unit of production
Tonne of furnace carbon black (saleable unit, >96%)

Definition and explanation of products covered
According to the CIMs this product benchmark covers:

"Furnace carbon black. Gas- and lamp black products are not covered by this benchmark."

Carbon black is pure elemental carbon (>96%) in the form of colloidal particles that are produced by incomplete combustion or thermal decomposition of gaseous or liquid hydrocarbons under controlled conditions.

Table 3 and Figure 3 below show key characteristics of carbon blacks and primary particle diameters, respectively. These characteristic should be used to decide if the carbon black product benchmark applies or not.

The table below shows relevant products according to definitions in PRODCOM 2007 statistics. The PRODCOM 2007 product does not only cover the benchmarked product but also gas- and lamp black.

<table>
<thead>
<tr>
<th>PRODCOM code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>24.13.11.30</td>
<td>Carbon (carbon blacks and other forms of carbon, n.e.c.)</td>
</tr>
</tbody>
</table>

PRODCOM codes can be useful in identifying and defining products. As a general guideline, the identification of the products should never solely rely on PRODCOM codes reported in statistics.
Definition and explanation of processes and emissions covered
In their Annex I, point 2, referring to the 'definition of product benchmarks and system boundaries with consideration of exchangeability of fuel and electricity', the CIMs define the system boundaries of the carbon black product benchmark as follows:

“All processes directly or indirectly linked to the production of furnace carbon black as well as finishing, packaging and flaring are included. For the determination of indirect emissions, the total electricity consumption within the system boundaries shall be considered.”
In particular the following emissions are included:

- CO\(_2\) emissions related due to the combustion of the tail gas. An oxidation factor of 100% is assumed for the tail gas combustion. Emissions due to flaring of tail gas from the furnace black production are also included in the system boundaries.
- CO\(_2\) emissions due to the combustion of fuels used e.g. for co-firing in dryers and production of heat as well as for keeping the flare in stand by.
- Emissions related to purchased heat (e.g. steam, hot water, hot air) from external suppliers. Heat in this context always means net heat, e.g. steam energy minus energy of condensate reflux.

For the determination of indirect emissions from electricity consumption, the total electricity consumption within the system boundaries refers to the total electricity consumption which is exchangeable with heat, considering in particular electricity driven devices like large pumps, compressors, etc. which could be replaced by steam-driven units. These emissions are not eligible for free allocation but are used in the calculation of free allocation (see below).

The export of measurable heat (steam, hot water, etc.) is not covered by this product benchmark and might be eligible for free allocation, regardless whether heat is exported to an ETS consumer or a consumers not covered by the ETS. However, when heat is exported to a consumer covered by the ETS, the consumer will get free allocation only in case a heat benchmark is applied (allocation for heat is already covered by the product benchmark). In case of export to non-ETS consumers, the heat exporter receives free allocation and one or two heat benchmark sub-installations should be foreseen. See CIMs for a definition of measurable heat and Guidance Document 6 on Cross-Boundary Heat Flows for guidance on this topic.

**Preliminary allocation**

The product benchmark for carbon black is based on total emissions since energy produced from fuels is exchangeable for energy from electricity. Allocation should however be based on direct emissions only. In order to achieve consistency between the benchmarks and the allocation, the preliminary allocation is calculated using a ratio of direct and total emissions:

\[
P_p = \frac{Em_{\text{direct}} + Em_{\text{NetHeatImport}}}{Em_{\text{direct}} + Em_{\text{NetHeatImport}} + Em_{\text{indirect}}} \cdot BM_p \cdot HAL_p,
\]

With:

- \(F_p\): Annual preliminary allocation for a product benchmark sub-installation producing carbon black (expressed in EUAs).
- \(BM_p\): Benchmark for carbon black (expressed in EUAs / unit of product).
\( H A_L_p \): Historical activity level, i.e. the median annual production in the baseline period as determined and verified in the baseline data collection (expressed in units of product).

\( E m_{\text{direct}} \): Direct emissions within the system boundaries of the production of carbon black over the baseline period. The direct emissions further include the emissions due to the production of heat within the same ETS installation, that is consumed within the system boundaries of the carbon black production process. Direct emissions should (by definition) exclude any emissions from electricity generation or net heat export/import from other ETS installations or non-ETS entities.

\( E m_{\text{NetHeatImp}} \): Emissions from any net measurable heat import from other ETS installations and non-ETS entities over the baseline period by a sub-installation producing carbon black. Irrespective of where and how the heat is produced, these emissions expressed in tonne CO\(_2\) are calculated as follows:

\[
Em_{\text{NetHeatImp}} = Net \text{ Heat Import} \cdot 62.3
\]

With:

\( Net \text{ Heat Import} \): Net import of measurable heat from other ETS installations and non-ETS entities over the baseline period by a sub-installation producing carbon black, expressed in TJ.

\( E m_{\text{indirect}} \): Indirect emissions from exchangeable electricity consumption within the system boundaries of the production of carbon black over the baseline period. Irrespective of where and how the electricity is produced, these emissions expressed in tonne CO\(_2\) are calculated as follows:

\[
Em_{\text{Elec}} = Elec. \text{ use} \cdot 0.465
\]

With:

\( Elec. \text{ use} \): Exchangeable electricity consumption (see above for more details) within the system boundaries of the production of carbon black over the baseline period, expressed in MWh.
9 Coated carton board

Product benchmark
0.273 allowances/tonne

Carbon leakage exposure as determined by Commission Decision 2010/2/EU for the years 2013 and 2014
Exposed

Unit of production
Air Dried Tonnes (Adt)

The production of an installation is expressed as the net saleable production of air dried metric tonnes measured at the end of the production process. Air dry metric tonne of paper is defined as paper with 6% moisture content.

Definition and explanation of products covered
According to the CIMs this product benchmark covers:

“This benchmark covers a wide range of coated products (expressed as net saleable production in Adt) which may be single or multiply. Coated carton board is mainly used for commercial applications that need to bring commercial information printed on the packaging to the shelf in the store in applications such as food, pharma, cosmetics, and other. Carton board is made from virgin and/or recovered fibres, and has good folding properties, stiffness and scoring ability. It is mainly used in cartons for consumer products such as frozen food, cosmetics and for liquid containers; also known as solid board, folding box board, boxboard or carrier board or core board.”

Coated carton board products are mainly used:
- for commercial applications that need to bring commercial information printed on the packaging to the shelf in the store
- in cartons for consumer products such as frozen food, cosmetics and for liquid containers.

The carton board products have the following characteristics:
- They are made from virgin and/or recovered fibres
- They have good folding properties, stiffness and scoring ability.
- They are also known as solid board, folding box board, boxboard or carrier board or core board.
- They may be single or multiply
The tables below show relevant products according to definitions in PRODCOM 2007 statistics, PRODCOM 2008 and Common Nomenclature (CN) statistics.

These classifications can be useful in identifying and defining products. As a general guideline, the identification of the products should never solely rely on classifications in statistics.

<table>
<thead>
<tr>
<th>PRODCOM 2007 code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>21.12.54.30</td>
<td>Other coated kraft paper, other than for writing, printing or graphic purposes</td>
</tr>
<tr>
<td>21.12.54.53</td>
<td>Multilayer paper and paperboard, coated, of which each layer in bleached</td>
</tr>
<tr>
<td>21.12.54.55</td>
<td>Multilayer paper and paperboard, coated, with 1 bleached outer layer</td>
</tr>
<tr>
<td>21.12.54.59</td>
<td>Multilayer paper and paperboard, coated, others</td>
</tr>
<tr>
<td>21.12.56.55</td>
<td>Bleached paper and paperboard in rolls or sheets, coated, impregnated or covered with plastics weighing &gt; 150 g/m² (excluding adhesives)</td>
</tr>
<tr>
<td>21.12.56.59</td>
<td>Paper and paperboard in rolls or sheets, coated, impregnated or covered with plastics (excluding adhesives, bleached and weighing &gt; 150 g/m²)</td>
</tr>
</tbody>
</table>

Can be covered by CN code/trade code

<table>
<thead>
<tr>
<th>Can be covered by PRODCOM 2008 code</th>
</tr>
</thead>
<tbody>
<tr>
<td>4810.32 Kraft paper and paperboard, other than that of a kind used for writing, printing or other graphic purposes: Bleached uniformly throughout the mass and of which more than 95% by weight of the total fibre content consists of wood fibres obtained by a chemical process, and weighing more than 150 g/m²:</td>
</tr>
<tr>
<td>4810.39 Kraft paper and paperboard, other than that of a kind used for writing, printing or other graphic purposes: Other</td>
</tr>
<tr>
<td>4810.92.10 - Other paper and paperboard - multy ply</td>
</tr>
<tr>
<td>4810.92.30 - Other paper and paperboard - multy ply - With only one outer layer bleached</td>
</tr>
<tr>
<td>4810.92.90 - Other paper and paperboard - multy ply - With only one outer layer bleached - other</td>
</tr>
<tr>
<td>4811.51 - Paper and paperboard, coated, impregnated or covered with plastics (excluding adhesives), Bleached, weighing more than 150 g/m²</td>
</tr>
<tr>
<td>4811.59 - Paper and paperboard, coated, impregnated or covered with plastics (excluding adhesives), other</td>
</tr>
</tbody>
</table>

**Definition and explanation of processes and emissions covered**

The CIMs define the system boundaries as follows:

"All processes which are part of the paper production process (in particular
- paper or board machine and
- connected energy conversion units (boiler/CHP) and
- direct process fuel use)
are included."
Other activities on site that are not part of this process such as
- sawmilling activities,
- woodworking activities,
- production of chemicals for sale,
- waste treatment (treating waste on site instead of offsite (drying, pelletising, incinerating, landfilling),
- PCC (precipitated calcium carbonate) production,
- treatment of odorous gases,
- and district heating
are not included."

Emissions related to the production of the consumed electricity are excluded from the system boundaries.

The export of measurable heat (steam, hot water, etc.) is not covered by this product benchmark and might be eligible for free allocation, regardless whether heat is exported to an ETS consumer or a consumers not covered by the ETS. However, when heat is exported to a consumer covered by the ETS, the consumer will get free allocation only in case a heat benchmark is applied (allocation for heat is already covered by the product benchmark). In case of export to non-ETS consumers, the heat exporter receives free allocation and one or two heat benchmark sub-installations should be foreseen. See CIMs for a definition of measurable heat and Guidance Document 6 on Cross-Boundary Heat Flows for guidance on this topic.

Preliminary allocation
The preliminary free allocation for a product benchmark sub-installation producing coated carton board is calculated as follows:

\[ F_p = B_{Mp} \cdot H_{Alp} \]

With:
- \( F_p \): Annual preliminary allocation for a product benchmark sub-installation producing coated carton board (expressed in EUAs).
- \( B_{Mp} \): Benchmark for coated carton board (expressed in EUAs / unit of product).
- \( H_{Alp} \): Historical activity level, i.e. the median annual production in the baseline period as determined and verified in the baseline data collection (expressed in units of product).

In integrated mills that produce both pulp and paper, a coated carton board producing sub-installation may use excess heat from the pulp production process. This has no effect on the allocation to the coated carton board producing sub-installation.
10 Coated fine paper

Product benchmark
0.318 allowances/tonne

Carbon leakage exposure as determined by Commission Decision 2010/2/EU for the years 2013 and 2014
Exposed

Unit of production
Air Dried Tonnes (Adt)

The production of an installation is expressed as the net saleable production of air dried metric tonnes measured at the end of the production process. Air dry metric tonne of paper is defined as paper with 6% moisture content.

Definition and explanation of products covered
According to the CIMs this product benchmark covers:

“Coated fine paper covering both
- coated mechanical and
- coated woodfree papers
expressed as net saleable production in Adt:

1. Coated woodfree papers made of fibres produced mainly by a chemical pulping process which are coated in process for different applications and are also known as coated freesheet. This group focuses mainly on publication papers.
2. Coated mechanical papers made from mechanical pulp, used for graphic purposes/magazines. The group is also known as coated groundwood.”

The tables below show relevant products according to definitions in PRODCOM 2007 statistics, PRODCOM 2008 and Common Nomenclature (CN) statistics.

These classifications can be useful in identifying and defining products. As a general guideline, the identification of the products should never solely rely on classifications in statistics.

<table>
<thead>
<tr>
<th>PRODCOM 2007 code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>21.12.53.60</td>
<td>Light-weight coated paper for writing, printing, graphic 4810.22 purposes, m.f. &gt; 10%</td>
</tr>
<tr>
<td>21.12.53.75</td>
<td>Other coated mech. graphic paper for writing, printing, graphic 4810.29.30 purposes, m.f. &gt; 10%, rolls</td>
</tr>
<tr>
<td>21.12.53.79</td>
<td>Other coated mech. graphic paper for writing, printing, graphic purposes, m.f. &gt;</td>
</tr>
</tbody>
</table>
10%, sheets

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>21.12.55.30</td>
<td>Carbon or similar copying paper in rolls of a width &gt; 36 cm or in rectangular (including square) sheets with at least one side &gt; 36 cm in an unfolded state</td>
</tr>
<tr>
<td>21.12.55.50</td>
<td>Self-copy paper in rolls of a width &gt; 36 cm or in rectangular 4809.20 (including square) sheets with one side &gt; 36 cm and the other &gt; 15 cm in the unfolded state</td>
</tr>
<tr>
<td>21.12.55.90</td>
<td>Copying or transfer paper in rolls of a width &gt; 36 cm or in 4809.90 rectangular sheets with min. one side &gt; 36 cm in unfolded state excluding carbon or similar copying paper, self-copy paper</td>
</tr>
<tr>
<td>21.12.53.35</td>
<td>Coated base for paper... for photo-, heat-, electro-sensitive paper, weight ≤ 150 g/m², m.f. ≤ 10%</td>
</tr>
<tr>
<td>21.12.53.37</td>
<td>Coated paper, for writing, printing, graphic purposes (excluding coated base, weight ≤ 150 g/m²)</td>
</tr>
<tr>
<td>21.23.11.15</td>
<td>Self-copy paper (excluding in rolls &gt; 36 cm wide or in rectangular or square sheets with one or both sides &gt; 36 cm in an unfolded state)</td>
</tr>
<tr>
<td>21.23.11.18</td>
<td>Copying or transfer papers, in rolls of a width of ≤ 36 cm or in rectangular or square sheets with no side measuring &gt; 36 cm in the unfolded state, or cut into shapes other than rectangles or squares; offset plates of paper (excluding self-copy paper)</td>
</tr>
</tbody>
</table>

**Can be covered by CN code/trade code**

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>4810.22</td>
<td>Lightweight coated paper</td>
</tr>
<tr>
<td>4810.29.30</td>
<td>Lightweight coated paper - Other</td>
</tr>
<tr>
<td>4810.29.80</td>
<td>Lightweight coated paper – Other than in rolls</td>
</tr>
<tr>
<td>4810.13.20</td>
<td>In rolls paper and paperboard of a kind used as a base for photosensitive, heat-sensitive or electro-sensitive paper or paperboard, weighing not more than 150 g/m²</td>
</tr>
<tr>
<td>4810.13.80</td>
<td>In rolls Other</td>
</tr>
<tr>
<td>4810.14.20</td>
<td>In sheets with one side not exceeding 435 mm and the other side not exceeding 297 mm in the unfolded state: Paper and paperboard of a kind used as a base for photosensitive, heat-sensitive or electro-sensitive paper or paperboard, weighing not more than 150 g/m²</td>
</tr>
<tr>
<td>4810.14.80</td>
<td>In sheets with one side not exceeding 435 mm and the other side not exceeding 297 mm in the unfolded state: Other</td>
</tr>
<tr>
<td>4810.19.30</td>
<td>Other Paper and paperboard of a kind used as a base for photosensitive, heat-sensitive or electro-sensitive paper or paperboard, weighing not more than 150 g/m²</td>
</tr>
<tr>
<td>4810.19.90</td>
<td>Other - Other</td>
</tr>
<tr>
<td>4816.20.00</td>
<td>Carbon paper, self-copy paper and other copying or transfer papers (other than those of heading 4809), duplicator stencils and offset plates, of paper, whether or not put up in boxes: - self-copy paper</td>
</tr>
</tbody>
</table>

**Can be covered by PRODCOM 2008 code**

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>17.12.73.60</td>
<td>Lightweight coated paper</td>
</tr>
<tr>
<td>17.12.73.75</td>
<td>Lightweight coated paper - Other</td>
</tr>
<tr>
<td>17.12.73.79</td>
<td>Lightweight coated paper – Other than in rolls</td>
</tr>
<tr>
<td>17.12.73.35</td>
<td>In rolls paper and paperboard of a kind used as a base for photosensitive, heat-sensitive or electro-sensitive paper or paperboard, weighing not more than 150 g/m²</td>
</tr>
<tr>
<td>17.12.73.37</td>
<td>In rolls Other</td>
</tr>
<tr>
<td>17.12.73.37</td>
<td>In sheets with one side not exceeding 435 mm and the other side not exceeding 297 mm in the unfolded state: Paper and paperboard of a kind used as a base for photosensitive, heat-sensitive or electro-sensitive paper or paperboard, weighing not more than 150 g/m²</td>
</tr>
<tr>
<td>17.12.73.37</td>
<td>In sheets with one side not exceeding 435 mm and the other side not exceeding 297 mm in the unfolded state: Other</td>
</tr>
<tr>
<td>17.12.73.35</td>
<td>Other Paper and paperboard of a kind used as a base for photosensitive, heat-sensitive or electro-sensitive paper or paperboard, weighing not more than 150 g/m²</td>
</tr>
<tr>
<td>17.12.73.37</td>
<td>Other - Other</td>
</tr>
<tr>
<td>17.23.11.00</td>
<td>Carbon paper, self-copy paper and other copying or transfer papers (other than those of heading 4809), duplicator stencils and offset plates, of paper, whether or not put up in boxes: - self-copy paper</td>
</tr>
</tbody>
</table>
Definition and explanation of processes and emissions covered

The CIMs define the system boundaries as follows:

“All processes which are part of the paper production process (in particular
- paper or board machine and
- connected energy conversion units (boiler/CHP) and
- direct process fuel use)
are included.

Other activities on site that are not part of this process such as
- sawmilling activities,
- woodworking activities,
- production of chemicals for sale,
- waste treatment (treating waste on site instead of offsite (drying, pelletising, incinerating, landfilling),
- PCC (precipitated calcium carbonate) production,
- treatment of odorous gases, and
- district heating
are not included.”

Emissions related to the production of the consumed electricity are excluded from the system boundaries.

The export of measurable heat (steam, hot water, etc.) is not covered by this product benchmark and might be eligible for free allocation, regardless whether heat is exported to an ETS consumer or a consumers not covered by the ETS. However, when heat is exported to a consumer covered by the ETS, the consumer will get free allocation only in case a heat benchmark is applied (allocation for heat is already covered by the product benchmark). In case of export to non-ETS consumers, the heat exporter receives free allocation and one or two heat benchmark sub-installations should be foreseen. See CIMs for a definition of measurable heat and Guidance Document 6 on Cross-Boundary Heat Flows for guidance on this topic.

Preliminary allocation

The preliminary free allocation for a product benchmark sub-installation producing coated fine paper is calculated as follows:

\[ F_p = BM_p \cdot HAL_p \]

With:

- \( F_p \) : Annual preliminary allocation for a product benchmark sub-installation producing coated fine paper (expressed in EUAs).
- \( BM_p \) : Benchmark for coated fine paper (expressed in EUAs / unit of product).
Historical activity level, i.e. the median annual production in the baseline period as determined and verified in the baseline data collection (expressed in units of product).

In integrated mills that produce both pulp and paper, a coated fine paper producing sub-installation may use excess heat from the pulp production process. This has no effect on the allocation to the coated fine paper producing sub-installation.
11 Coke

Product benchmark
0.286 allowances/tonne

Carbon leakage exposure as determined by Commission Decision 2010/2/EU for the years 2013 and 2014
Exposed

Unit of production
Tonne of dry coke

The amount of dry coke is the amount at the discharge of the coke oven or gas-works plant.

Definition and explanation of products covered
According to the CIMs this product benchmark covers:

"Coke-oven coke (obtained from the carbonization of coking coal, at high temperature) or gas-works coke (by-product of gas-works plants) expressed as tons of dry coke. Lignite coke is not covered by this benchmark."

Coking in refineries is not included but covered by the CWT methodology for refineries (see section 36)

The table below shows relevant products according to definitions in PRODCOM 2004 statistics. PRODCOM 2007 does not include a respective code for coke-oven coal.

<table>
<thead>
<tr>
<th>PRODCOM code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>23.10.10.30</td>
<td>Coke-oven coke (obtained from the carbonization of coking coal, at high temperature), gas-works coke (by-product of gas-works plants)</td>
</tr>
</tbody>
</table>

Prodcom codes can be useful in identifying and defining products. As a general guideline, the identification of the products should never solely rely on classifications in statistics.

Definition and explanation of processes and emissions covered
The CIMs define the system boundaries as follows:

"All processes directly or indirectly linked to the process units
- coke ovens,
- H2S/NH3 incineration,
- coal preheating (defreezing),
- coke gas extractor,
- desulphurization unit,
- distillation unit,
- steam generation plant,
- pressure control in batteries,
- biological water treatment,
- miscellaneous heating of by-products and
- hydrogen separator
are included.

Coke oven gas cleaning is included.

Emissions related to the production of the consumed electricity are excluded from the system boundaries.

The export of measurable heat (steam, hot water, etc.) is not covered by this product benchmark and might be eligible for free allocation, regardless whether heat is exported to an ETS consumer or a consumers not covered by the ETS. However, when heat is exported to a consumer covered by the ETS, the consumer will get free allocation only in case a heat benchmark is applied (allocation for heat is already covered by the product benchmark). In case of export to non-ETS consumers, the heat exporter receives free allocation and one or two heat benchmark sub-installations should be foreseen. See CIMs for a definition of measurable heat and Guidance Document 6 on Cross-Boundary Heat Flows for guidance on this topic.

**Preliminary allocation**

The preliminary free allocation for a product benchmark sub-installation producing coke is calculated as follows:

\[ F_p = BM_p \cdot HAL_p \]

With:
- \( F_p \): Annual preliminary allocation for a product benchmark sub-installation producing coke (expressed in EUAs).
- \( BM_p \): Benchmark for coke (expressed in EUAs / unit of product).
- \( HAL_p \): Historical activity level, i.e. the median annual production in the baseline period as determined and verified in the baseline data collection (expressed in units of product).
12 Continuous filament glass fibre products

Product benchmark
0.406 allowances/tonne

Carbon leakage exposure as determined by Commission Decision 2010/2/EU for the years 2013 and 2014
Exposed

Unit of production
Tonne of melted glass exiting the forehearth

‘Melted glass exiting the forehearth’ is to be understood as melted glass. Quantities of melted glass are calculated from the quantity of raw material input into the furnace after subtraction of the volatile gaseous emissions, i.e. CO\(_2\), SO\(_2\), H\(_2\)O, NO, etc.

Definition and explanation of products covered
According to the CIMs this product benchmark covers:

"Melted glass for the production of continuous filament glass fibre products namely chopped strands, rovings, yarns and staple glass fibre and mats (expressed as tons of melted glass exiting the forehearth).
Mineral wool products for thermal, acoustic and fire insulation are not included."

The table below shows relevant products associated with CFGF products according to definitions in PRODCOM 2007 statistics. PRODCOM products 26.14.12.10 and 26.14.12.30 could also be covered by the benchmark for mineral wool. Therefore, it needs to be carefully analysed which product benchmark applies, in particular by considering the different applications of both benchmarked products (the mineral wool benchmarks applies only to products for thermal, acoustic and fire applications, see Section 25).

<table>
<thead>
<tr>
<th>PRODCOM code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>26.14.11.10</td>
<td>Glass fibre threads cut into lengths of at least 3 mm but ≤ 50 mm (chopped strands)</td>
</tr>
<tr>
<td>26.14.11.30</td>
<td>Glass fibre filaments (including rovings)</td>
</tr>
<tr>
<td>26.14.11.50</td>
<td>Slivers; yarns and chopped strands of filaments of glass fibres (excluding glass fibre threads cut into lengths of at least 3 mm but ≤ 50 mm)</td>
</tr>
<tr>
<td>26.14.11.70</td>
<td>Staple glass fibre articles</td>
</tr>
<tr>
<td>26.14.12.10</td>
<td>Glass fibre mats (including of glass wool) (also used for Definition and explanation of products covered by the benchmark for Mineral Wool)</td>
</tr>
<tr>
<td>26.14.12.30</td>
<td>Glass fibre voiles (including of glass wool)(also used for Definition and explanation of products covered by the benchmark for Mineral Wool)</td>
</tr>
<tr>
<td>26.14.12.50</td>
<td>Non woven glass fibre webs; felts; mattresses and boards</td>
</tr>
</tbody>
</table>
The PRODCOM products listed in the table above list refer to final products, however not to molten glass, which is an intermediate material output which is further transformed in the downstream process steps. This benchmark covers the molten glass and not the final products defined by the PRODCOM codes.

PRODCOM codes can be useful in identifying and defining products. As a general guideline, the identification of the products should never solely rely on PRODCOM codes reported in statistics.

**Definition and explanation of processes and emissions covered**

The CIMs define the system boundaries as follows:

“All processes directly or indirectly linked to the production processes
- Glass melting in the furnaces and
- Glass refining in the forehearth
are included.

Downstream processes to convert the fibres into sellable products are not included in this product benchmark.”

Figure 4 gives a graphical representation of the system boundaries. Supporting processes such as material handling are regarded as utilities and are not covered by the system boundaries of this product benchmark.

![Figure 4. System boundaries; processes within the system boundaries are depicted red (dark shade) (Rule book for Continuous Filament Glass Fibre (CFGF), 2010)](image)

This product benchmark includes the following emissions in particular:
• Direct CO\textsubscript{2} emissions associated with fossil fuel combustion of the process steps:
  - Glass melting in the furnaces
  - Glass refining and distribution through the forehearth to the fiberizing bushings.
• Process CO\textsubscript{2} emissions resulting from the decarbonatation of the glass mineral raw materials during the melting process.

Emissions related to the production of the consumed electricity are excluded from the system boundaries.

The export of measurable heat (steam, hot water, etc.) is not covered by this product benchmark and might be eligible for free allocation, regardless whether heat is exported to an ETS consumer or a consumers not covered by the ETS. However, when heat is exported to a consumer covered by the ETS, the consumer will get free allocation only in case a heat benchmark is applied (allocation for heat is already covered by the product benchmark). In case of export to non-ETS consumers, the heat exporter receives free allocation and one or two heat benchmark sub-installations should be foreseen. See CIMs for a definition of measurable heat and Guidance Document 6 on Cross-Boundary Heat Flows for guidance on this topic.

**Preliminary allocation**

The preliminary free allocation for a product benchmark sub-installation producing continuous filament glass fibre products is calculated as follows:

\[ F_p = BM_p \cdot HAL_p \]

With:

- \( F_p \): Annual preliminary allocation for a product benchmark sub-installation producing continuous filament glass fibre products (expressed in EUAs).
- \( BM_p \): Benchmark for continuous filament glass fibre products (expressed in EUAs / unit of product).
- \( HAL_p \): Historical activity level, i.e. the median annual production in the baseline period as determined and verified in the baseline data collection (expressed in units of product).
13 Dolime

Product benchmark
1.072 allowances/tonne

Carbon leakage exposure as determined by Commission Decision 2010/2/EU for the years 2013 and 2014
Exposed

Unit of production
Tonne of standard pure dolime

Standard pure dolime has a free CaO content of 57.4% and a free MgO content of 38.0% (see comment on allocation methodology).

Definition and explanation of products covered
According to the CIMs this product benchmark covers:

“Dolime or calcined dolomite as mixture of calcium and magnesium oxides produced by the decarbonation of dolomite (CaCO\textsubscript{3}, MgCO\textsubscript{3}) with
- a residual CO\textsubscript{2} exceeding 0.25%,
- a free MgO content between 25% and 40% and
- a bulk density of the commercial product below 3.05 g/cm\textsuperscript{3}.
Dolime shall be expressed as "standard pure dolime" quality with a free CaO content of 57.4% and a free MgO content of 38.0%.”

The table below shows relevant 2007 PRODCOM code. The definition covers the benchmarked product dolime, but also the products ultra low carbon dolime and sintered dolime (see section 39) which have different characteristics and are not covered by this product benchmark.

<table>
<thead>
<tr>
<th>PRODCOM code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>14.12.20.50</td>
<td>Calcined and sintered dolomite, crude, roughly trimmed or merely cut into rectangular or square blocks or slabs</td>
</tr>
</tbody>
</table>

PRODCOM codes can be useful in identifying and defining products. As a general guideline, the identification of the products should never solely rely on PRODCOM codes reported in statistics.

Definition and explanation of processes and emissions covered
The CIMs define the system boundaries as follows:

“All processes directly or indirectly linked to the production of dolime are included.”
In particular, this includes:
- Fuel preparation
- Calcination/sintering
- Flue gas treatment.

Emissions related to the production of the consumed electricity are excluded from the system boundaries.

The export of measurable heat (steam, hot water, etc.) is not covered by this product benchmark and might be eligible for free allocation, regardless whether heat is exported to an ETS consumer or a consumers not covered by the ETS. However, when heat is exported to a consumer covered by the ETS, the consumer will get free allocation only in case a heat benchmark is applied (allocation for heat is already covered by the product benchmark). In case of export to non-ETS consumers, the heat exporter receives free allocation and one or two heat benchmark sub-installations should be foreseen. See CIMs for a definition of measurable heat and Guidance Document 6 on Cross-Boundary Heat Flows for guidance on this topic.

Figure 5 gives a graphical representation of the system boundaries.
**Preliminary allocation**

The preliminary free allocation for a product benchmark sub-installation producing dolime is calculated as follows:

\[ F_p = BM_p \cdot HAL_{\text{dolime,standard}} \]

With:

- \( F_p \): Annual preliminary allocation for a product benchmark sub-installation producing dolime (expressed in EUAs).
- \( BM_p \): Benchmark for dolime (expressed in EUAs / unit of product).
- \( HAL_{\text{dolime,standard}} \): Historical activity level, i.e. the median annual production in the baseline period as determined and verified in the baseline data collection (expressed in units of product).

Given the wide range of product qualities that can be achieved, the product benchmark for dolime refers to a standard composition concerning calcium oxide and magnesium oxide. The historical activity level to be used in the determination of free allocation therefore needs to be corrected for the calcium oxide and magnesium oxide content of the produced dolime:

\[
HAL_{\text{dolime,standard}} = \text{MEDIAN} \left( \frac{785 \cdot m_{\text{CaO,k}} + 1092 \cdot m_{\text{MgO,k}}}{865.6 \cdot HAL_{\text{dolime,uncorrected,k}}} \right)
\]

With:

- \( HAL_{\text{dolime,standard}} \): historical activity level for dolime production expressed in tonnes of standard pure dolime.
- \( m_{\text{CaO,k}} \): content of free CaO in the produced dolime in year \( k \) of the baseline period expressed in mass-%. Best available data should be used; in order of preference:
  1) Composition data determined in accordance with Annex I.13.3 to the MRG
  2) Conservative estimate not lower than 52% based on other data than composition data determined in accordance with Annex I.13.3 to the MRG
  3) Default value of 52%
- \( m_{\text{MgO,k}} \): content of free MgO in the produced dolime in year \( k \) of the baseline period expressed in mass-%. Best available data should be used; in order of preference:
  1) Composition data determined in accordance with Annex I.13.3 to the MRG
2) Conservative estimate not lower than 33% based on other data than composition data determined in accordance with Annex I.13.3 to the MRG

3) Default value of 33%

\[ \text{HAL}_\text{dolime,uncorrected},k \] uncorrected historical activity level for dolime production in year k expressed in tonnes of dolime

If possible, composition data should be based on applicable European standards such as EN 459-2, EN 12485 and EN ISO12677.

Conservative estimates might be determined by calculation of the content of free CaO and MgO in the product from the composition of the raw material using the carbonates method.

The content of free CaO and MgO in the produced dolime in year k of the baseline period expressed in mass-% could be calculated as follows:

\[
m_{\text{CaO},k} = \frac{A}{(100 - ((A - B \times 56,08 / 40,31) \times 44,01 / 56,08 + B \times 88,02 / 40,31 - F))) \times 100}
\]

\[
m_{\text{MgO},k} = \frac{B}{(100 - ((A - B \times 56,08 / 40,31) \times 44,01 / 56,08 + B \times 88,02 / 40,31 - F))) \times 100}
\]

With

A: total CaO content in stone (in %)

B: total MgO content in stone (in %)

F: residual CO\textsubscript{2} in burnt dolime (in %)
14 Dried secondary gypsum

Product benchmark
0.017 allowances/tonne

Carbon leakage exposure as determined by Commission Decision 2010/2/EU for the years 2013 and 2014
Not exposed

Unit of production
Tonne of dry secondary gypsum product

Definition and explanation of products covered
According to the CIMs this product benchmark covers:

“Dried secondary gypsum (synthetic gypsum produced as a recycled by-product of the power industry or recycled material from construction waste and demolition) expressed as tons of product.”

Dry secondary gypsum is an intermediate product in the production of plasters (see section 32) or plasterboard (see section 33). Dry secondary gypsum is produced by recycling:
- Secondary gypsum: a by-product of flue gas desulphurization plants (FGD or DSG) produced by the power generation industry
- Waste generated by the factory due to rejects or damage that is recycled internally by the factory and not sent to landfill;
- Any waste material returned to the factory by the building sector;
- Any waste gypsum products received from demolition of existing buildings.
- Any other recycled material processed separately by the plant

The table below shows relevant product according to definition in PRODCOM 2007 statistics. The definition of this product also covers plaster (see section 32).

<table>
<thead>
<tr>
<th>PRODCOM code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>26.53.10.00</td>
<td>Plasters consisting of calcined gypsum or calcium sulphate (including for use in building, for use in dressing woven fabrics for surfacing paper, for use in dentistry)</td>
</tr>
</tbody>
</table>

PRODCOM codes can be useful in identifying and defining products. As a general guideline, the identification of the products should never solely rely on PRODCOM codes reported in statistics.

Definition and explanation of processes and emissions covered
The CIMs define the system boundaries as follows:
"All processes directly or indirectly linked to the drying of secondary gypsum are included."

Emissions related to the production of the consumed electricity are excluded from the system boundaries.

The export of measurable heat (steam, hot water, etc.) is not covered by this product benchmark and might be eligible for free allocation, regardless whether heat is exported to an ETS consumer or a consumer not covered by the ETS. However, when heat is exported to a consumer covered by the ETS, the consumer will get free allocation only in case a heat benchmark is applied (allocation for heat is already covered by the product benchmark). In case of export to non-ETS consumers, the heat exporter receives free allocation and one or two heat benchmark sub-installations should be foreseen. See CIMs for a definition of measurable heat and Guidance Document 6 on Cross-Boundary Heat Flows for guidance on this topic.

Preliminary allocation
The preliminary free allocation for a product benchmark sub-installation producing dried secondary gypsum is calculated as follows:

\[ F_p = BM_p \cdot HAL_p \]

With:
- \( F_p \): Annual preliminary allocation for a product benchmark sub-installation producing dried secondary gypsum (expressed in EUAs).
- \( BM_p \): Benchmark for dried secondary gypsum (expressed in EUAs / unit of product).
- \( HAL_p \): Historical activity level, i.e. the median annual production in the baseline period as determined and verified in the baseline data collection (expressed in units of product).
15 EAF carbon steel

Product benchmark
0.283 allowances/tonne

Carbon leakage exposure as determined by Commission Decision 2010/2/EU for the years 2013 and 2014
Exposed

Unit of production
Tonne of crude secondary steel ex-caster

Definition and explanation of products covered
According to the CIMs this product benchmark covers:

"Steel containing less than 8% metallic alloying elements and tramp elements to such levels limiting the use to those applications where no high surface quality and processability is required."

The relatively low surface quality and processability is due to alloy elements that have been carried over from the scrap input, and which cannot be simply separated from the steel. Hence, EAF carbon steels are used for products that are relatively little sensitive to the material quality like e.g. concrete reinforcing bars.

The terms 'high surface quality' and 'processability' are further defined in section 16.

Only to the extent none of the criteria for the content of the metal alloying elements and the steel quality for high alloy steel are met, the EAF carbon steel benchmark should be applied.

The table below shows a non-exhaustive list of relevant products associated with EAF carbon steel products according to definitions in PRODCOM 2007 statistics.

<table>
<thead>
<tr>
<th>PRODCOM code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>27.10.31.10</td>
<td>Flat semi-finished products (of non-alloy steel)</td>
</tr>
<tr>
<td>27.10.31.21</td>
<td>Ingots, other primary forms and long semi-finished products for seamless tubes (of non-alloy steel)</td>
</tr>
<tr>
<td>27.10.31.22</td>
<td>Other ingots, primary forms and long semi-finished products including blanks (of non-alloy steel)</td>
</tr>
</tbody>
</table>

The PRODCOM products listed in the table above list refer to final products, however not to the product after casting, which is further transformed in the downstream
process steps. This benchmark covers the cast steel and not the final products defined by the PRODCOM codes.

PRODCOM codes can be useful in identifying and defining products. As a general guideline, the identification of the products should never solely rely on PRODCOM codes reported in statistics. Furthermore, the PRODCOM codes for the steel sector do not distinguish between primary (hot metal benchmark, see section 23) and secondary steel (EAF carbon and EAF high alloy steel) and does not allow to differentiate between carbon and high alloy steel.

**Definition and explanation of processes and emissions covered**

In their Annex I, point 2, referring to the 'definition of product benchmarks and system boundaries with consideration of exchangeability of fuel and electricity', the CIMs define the system boundaries of the EAF carbon steel product benchmark as follows:

“All processes directly or indirectly linked to the process units
- electric arc furnace
- secondary metallurgy
- casting and cutting
- post-combustion unit
- dedusting unit
- vessels heating stands
- casting ingots preheating stands
- scrap drying and
- scrap preheating
are included.
For the determination of indirect emissions, the total electricity consumption within the system boundaries shall be considered.”

Processes downstream of casting, e.g. rolling and reheating for hot rolling, are not included.

For the determination of indirect emissions from electricity consumption, the total electricity consumption within the system boundaries shall be considered. These emissions are not eligible for free allocation but are used in the calculation of free allocation (see below).

The export of measurable heat (steam, hot water, etc..) is not covered by this product benchmark and might be eligible for free allocation, regardless whether heat is exported to an ETS consumer or a consumers not covered by the ETS. However, when heat is exported to a consumer covered by the ETS, the consumer will get free allocation only in case a heat benchmark is applied (allocation for heat is already covered by the product benchmark). In case of export to non-ETS consumers, the heat exporter receives free allocation and one or two heat benchmark sub-installations should be foreseen. See

Preliminary allocation

The product benchmark for EAF carbon steel is based on total emissions since energy produced from fuels is exchangeable for energy from electricity. Allocation should however be based on direct emissions only. In order to achieve consistency between the benchmarks and the allocation, the preliminary allocation is calculated using a ratio of direct and total emissions:

\[ F_p = \frac{E_m\text{direct} + E_m\text{heat\_import}}{E_m\text{direct} + E_m\text{heat\_import} + E_m\text{indirect}} \cdot BM_p \cdot HAL_p \]

With:

- \( F_p \): Annual preliminary allocation for a product benchmark sub-installation producing EAF carbon steel (expressed in EUAs).
- \( BM_p \): Benchmark for EAF carbon steel (expressed in EUAs / unit of product).
- \( HAL_p \): Historical activity level, i.e. the median annual production in the baseline period as determined and verified in the baseline data collection (expressed in units of product).
- \( E_m\text{direct} \): Direct emissions within the system boundaries of the production of EAF carbon steel over the baseline period. The direct emissions further include the emissions due to the production of heat within the same ETS installation, that is consumed within the system boundaries of the EAF carbon steel production process. Direct emissions should (by definition) exclude any emissions from electricity generation or net heat export/import from other ETS installations or non-ETS entities.
- \( E_m\text{heat\_import} \): Emissions from any net measurable heat import from other ETS installations and non-ETS entities over the baseline period by a sub-installation producing EAF carbon steel. Irrespective of where and how the heat is produced, these emissions expressed in tonne CO\(_2\) are calculated as follows:

\[ E_m\text{heat\_import} = \text{Net Heat Import} \cdot 62.3 \]

With:
- \( \text{Net Heat Import} \): Net measurable heat import from other ETS installations and non-ETS entities over the baseline period by a sub-installation producing EAF carbon steel, expressed in TJ.
- \( E_m\text{indirect} \): Indirect emissions from electricity consumption within the system boundaries of the production of EAF carbon steel over the baseline
period. Irrespective of where and how the electricity is produced, these emissions expressed in tonne CO₂ are calculated as follows:

\[ Em_{\text{indirect}} = \text{Elec. use} \cdot 0.465 \]

With;

\textit{Elec. use}: Total electricity consumption within the system boundaries of the production of EAF carbon steel over the baseline period, expressed in MWh.
16 EAF high alloy steel

**Product benchmark**
0.352 allowances/tonne

**Carbon leakage exposure as determined by Commission Decision 2010/2/EU for the years 2013 and 2014**
Exposed

**Unit of production**
Tonne of crude secondary steel ex-caster

**Definition and explanation of products covered**
According to the CIMs this product benchmark covers:

“Steel containing 8% or more metallic alloying elements or where high surface quality and processability is required.”

According to this definition, all EAF steels with at least 8 mass-% of metallic alloying elements should be considered as 'EAF high alloy steel'. High alloy steel production needs ferro-alloys (ferro-chrome, ferro-nickel and others) as input in order to introduce the alloy elements to the product. They are introduced to improve the steel characteristics with respect to certain uses, e.g. added strength and wear resistance for tools and jet engines, weather resistance for bridges and containers, or their ferromagnetic properties for electric motors and transformers.

Furthermore, high quality steel for applications with high requirements on the 'high surface quality' (to guarantee the absence of defects) and 'processability' (for downstream processes) are covered by this product benchmark. In this context, EAF steel should be regarded as high quality steel if at least one of the following criteria is met:

- hydrogen content max 0,0003%
- sulphur content max 0,003%
- phosphorus content max 0,01%
- micro cleanliness:
  - K3 (Oxide) < 40; K4 < 50 according to DIN 50602 (or any equivalent international standard)
  - sulfide: Athin 2,0; Aheavy 1,5 according to ISO 4967
  - oxide: Bthin 1,5; Bheavy 0,5 according to ISO 4967
  - ASTME 45; procedure B,C,D max. 2
  - SEP 1920: ultrasonic examination: core examination - KSR max. 2 mm
- macro cleanliness: blue shortness: max. 2,5 mm / dm²
The alloy content criterion or the five listed criteria above must be applied to steel casts separately. Only amounts matching at least one of these criteria should be regarded as "high alloy steel" and aggregated at an annual basis for all years of the relevant baseline period. If this application of the criteria is not possible at cast level (smallest unit of production), it should be assessed at a higher level of aggregation, i.e. at the steel grade level (in this case average annual values could be considered for each grade separately).

Alternatively, steel could be regarded as of high surface quality and processability if for more than 10% of the production output one of the following technological non-destructive testing is required:

- Infrasound inspection following either ASTM E213 or EN 10246-6,7,14
- Magnetic Particles inspection following either ASTM E709 or EN 10246-12
- Dye Penetrant inspection following ASTM E165
- Electromagnetic Inspection
  a. Eddy Currents. ASTM E309
  b. Flux leakage. ASTM E570

To the extent none of the criteria for the content of the metal alloying elements and the steel quality are met, the EAF carbon steel benchmark (see section 15) should be applied.

The table below shows a non-exhausting list of relevant products associated with EAF high alloy steel products according to definitions in PRODCOM 2007 statistics.

<table>
<thead>
<tr>
<th>PRODCOM code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>27.10.33.10</td>
<td>Flat semi-finished products (of alloy steel other than of stainless steel)</td>
</tr>
<tr>
<td>27.10.33.21</td>
<td>Ingots, other primary forms and long semi-finished products for seamless tubes (of alloy steel other than of stainless steel)</td>
</tr>
<tr>
<td>27.10.33.22</td>
<td>Other ingots, primary forms and long semi-finished products including blanks (of alloy steel other than of stainless steel)</td>
</tr>
<tr>
<td>27.10.32.10</td>
<td>Flat semi-finished products (slabs) (of stainless steel)</td>
</tr>
<tr>
<td>27.10.32.21</td>
<td>Ingots, other primary forms and long semi-finished products for seamless tubes (of stainless steel)</td>
</tr>
<tr>
<td>27.10.32.22</td>
<td>Other ingots, primary forms and long semi-finished products including blanks (of stainless steel)</td>
</tr>
</tbody>
</table>

The PRODCOM products listed in the table above list refer to final products, however not to the product after casting, which is further transformed in the downstream process steps. This benchmark covers the cast steel and not the final products defined by the PRODCOM codes.

PRODCOM codes can be useful in identifying and defining products. As a general guideline, the identification of the products should never solely rely on PRODCOM codes reported in statistics. Furthermore, the PRODCOM codes for the steel sector do not distinguish between primary (hot metal benchmark, see section 23) and secondary steel
(EAF carbon and EAF high alloy steel) and does not allow to differentiate between carbon and high alloy steel.

**Definition and explanation of processes and emissions covered**

In their Annex I, point 2, referring to the ‘definition of product benchmarks and system boundaries with consideration of exchangeability of fuel and electricity’, the CIMs define the system boundaries of the EAF high alloy steel product benchmark as follows:

“All processes directly or indirectly linked to the following process units

- electric arc furnace
- secondary metallurgy
- casting and cutting
- post-combustion unit
- dedusting unit
- vessels heating stands
- casting ingots preheating stands
- slow cooling pit
- scrap drying
- scrap preheating

are included.

For the determination of indirect emissions, the total electricity consumption within the system boundaries shall be considered.”

The process units FeCr converter and cryogenic storage of industrial gases are not included. Processes downstream of casting, e.g. rolling and reheating for hot rolling, are not included either.

For crude steel produced via the EAF route, direct CO₂ emissions result from fuel and carbon from electrodes and scrap that is oxidised in the electric arc furnace. As regards the production of high alloy steels, CO₂ emissions stem from ferro-alloys rather than from scrap. (Scrap grades usually fed in the EAF for this type of production have low carbon contents.)

For the determination of indirect emissions from electricity consumption, the total electricity consumption within the system boundaries shall be considered. These emissions are not eligible for free allocation but are used in the calculation of free allocation (see below).

The export of measurable heat (steam, hot water, etc.,) is not covered by this product benchmark and might be eligible for free allocation, regardless whether heat is exported to an ETS consumer or a consumers not covered by the ETS. However, when heat is exported to a consumer covered by the ETS, the consumer will get free allocation only in case a heat benchmark is applied (allocation for heat is already covered by the product benchmark). In case of export to non-ETS consumers, the heat exporter receives free
allocation and one or two heat benchmark sub-installations should be foreseen). See CIMs for a definition of measurable heat and Guidance Document 6 on Cross-Boundary Heat Flows for guidance on this topic.

**Preliminary allocation**

The product benchmark for EAF high alloy steel is based on total emissions since energy produced from fuels is exchangeable for energy from electricity. Allocation should however be based on direct emissions only. In order to achieve consistency between the benchmarks and the allocation, the preliminary allocation is calculated using a ratio of direct and total emissions:

\[
F_p = \frac{Em_{direct} + Em_{NetHeatImport}}{Em_{direct} + Em_{NetHeatImport} + Em_{indirect}} \cdot BM_p \cdot HAL_p
\]

With:
- \(F_p\): Annual preliminary allocation for a product benchmark sub-installation producing EAF high alloy steel (expressed in EUAs).
- \(BM_p\): Benchmark for EAF high alloy steel (expressed in EUAs / unit of product).
- \(HAL_p\): Historical activity level, i.e. the median annual production in the baseline period as determined and verified in the baseline data collection (expressed in units of product).
- \(Em_{direct}\): Direct emissions within the system boundaries of the production of EAF high alloy steel over the baseline period. The direct emissions further include the emissions due to the production of heat within the same ETS installation, that is consumed within the system boundaries of the EAF high alloy steel production process. Direct emissions should (by definition) exclude any emissions from electricity generation or net heat export/import from other ETS installations or non-ETS entities.
- \(Em_{NetHeatImport}\): Emissions from any net measurable heat import from other ETS installations and non-ETS entities over the baseline period by a sub-installation producing EAF high alloy steel. Irrespective of where and how the heat is produced, these emissions expressed in tonne CO₂ are calculated as follows:

\[
Em_{NetHeatImport} = Net\ Heat\ Import \cdot 62.3
\]

With:
- \(Net\ Heat\ Import\): Net measurable heat import from other ETS installations and non-ETS entities over the baseline period by a sub-installation producing EAF high alloy steel, expressed in TJ.
- \(Em_{indirect}\): Indirect emissions from electricity consumption within the system boundaries of the production of EAF high alloy steel over the baseline period.
period. Irrespective of where and how the electricity is produced, these emissions expressed in tonne CO₂ are calculated as follows:

\[ E_{\text{indirect}} = \text{Elec. use} \cdot 0.465 \]

With:

- **Elec. use**: Total electricity consumption within the system boundaries of the production of EAF high alloy steel over the baseline period, expressed in MWh.
17 E-PVC

**Product benchmark**
0.238 allowances/tonne

**Carbon leakage exposure as determined by Commission Decision 2010/2/EU for the years 2013 and 2014**
Exposed

**Unit of production**
Tonne of E-PVC (saleable product, 100% purity)

**Definition and explanation of products covered**
According to the CIMs this product benchmark covers:

"Polyvinyl chloride; not mixed with any other substances consisting of PVC particles with a mean size between 0.1 and 3 μm."

The table below shows relevant products according to definitions in PRODCOM 2007 statistics. Note that this PRODCOM code also includes S-PVC.

<table>
<thead>
<tr>
<th>PRODCOM code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>24.16.30.10</td>
<td>Polyvinyl chloride, not mixed with any other substances, in primary forms</td>
</tr>
</tbody>
</table>

PRODCOM codes can be useful in identifying and defining products. As a general guideline, the identification of the products should never solely rely on PRODCOM codes reported in statistics.

**Definition and explanation of processes and emissions covered**
The CIMs define the system boundaries as follows:

"All processes directly or indirectly linked to the production of E-PVC are included except the production of VCM."

Emissions in the production process of E-PVC usually stem from the use of steam, cooling, and fuels (light fuel oil, natural gas).

Emissions related to the production of the consumed electricity are excluded from the system boundaries.

The export of measurable heat (steam, hot water, etc..) is not covered by this product benchmark and might be eligible for free allocation, regardless whether heat is exported to an ETS consumer or a consumers not covered by the ETS. However, when heat is
exported to a consumer covered by the ETS, the consumer will get free allocation only in case a heat benchmark is applied (allocation for heat is already covered by the product benchmark). In case of export to non-ETS consumers, the heat exporter receives free allocation and one or two heat benchmark sub-installations should be foreseen. See CIMs for a definition of measurable heat and Guidance Document 6 on Cross-Boundary Heat Flows for guidance on this topic.

**Preliminary allocation**
The preliminary free allocation for a product benchmark sub-installation producing E-PVC is calculated as follows:

\[ F_p = BM_p \cdot HAL_p \]

With:
- \( F_p \): Annual preliminary allocation for a product benchmark sub-installation producing E-PVC (expressed in EUAs).
- \( BM_p \): Benchmark for E-PVC (expressed in EUAs / unit of product).
- \( HAL_p \): Historical activity level, i.e. the median annual production in the baseline period as determined and verified in the baseline data collection (expressed in units of product).
18 Ethylene oxide (EO)/ethylene glycols (EG)

Product benchmark
0.512 allowances/tonne

Carbon leakage exposure as determined by Commission Decision 2010/2/EU for the years 2013 and 2014
Exposed

Unit of production
Tonne of EO-equivalents (EOE), defined as the amount of EO (in mass) that is embedded in one mass unit of any of the specific glycols defined under the next heading.

Definition and explanation of products covered
According to the CIMs this product benchmark covers:

"The ethylene oxide/ethylene glycol benchmark covers the products
- Ethylene oxide (EO, high purity)
- Monoethylene glycol (MEG, standard grade + fiber grade (high purity))
- Diethylene glycol (DEG)
- Triethylene glycol (TEG)

The total amount of products is expressed in terms of EO-equivalents (EOE), which are defined as the amount of EO (in mass) that is embedded in one mass unit of the specific glycol."

In installations, product ratios ranging from "EO-only" to "EG-only" can be encountered. The table below shows relevant products according to definitions in PRODCOM 2007 statistics. Other polyether alcohols covered by PRODCOM 24.16.40.15 are not covered by this benchmark.

<table>
<thead>
<tr>
<th>PRODCOM code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>24.14.63.73</td>
<td>Oxiran (ethylene oxide)</td>
</tr>
<tr>
<td>24.14.23.10</td>
<td>Ethylene glycol (ethanediol)</td>
</tr>
<tr>
<td>24.14.63.33</td>
<td>2,2-Oxydiethanol (diethylene glycol; digol)</td>
</tr>
<tr>
<td>24.16.40.15</td>
<td>Polyethylene glycols and other polyether alcohols, in primary forms</td>
</tr>
</tbody>
</table>

PRODCOM codes can be useful in identifying and defining products. As a general guideline, the identification of the products should never solely rely on PRODCOM codes reported in statistics.

Definition and explanation of processes and emissions covered
In their Annex 1, point 2, referring to the 'definition of product benchmarks and system boundaries with consideration of exchangeability of fuel and electricity', the CIMs define
the system boundaries of the ethylene oxide (EO)/ethylene glycols (EG) product benchmark as follows:

“All processes directly or indirectly linked to the process units EO production, EO purification and glycol section are included. The total electricity consumption (and the related indirect emissions) within the system boundaries is covered by this product benchmark.”

Figure 6: Inputs and outputs of EO and EG units that are covered by the benchmark. (PDC (2010), Rule Book for the Ethylene Oxide and Derivatives Sector)

The following process systems are included in the perimeter for the EO-EG benchmark\textsuperscript{34}:

Unit-1
- EO reaction
- Loop gas recycle
- CO\textsubscript{2} removal
- EO recovery (absorber/stripper)
- Crude EO condensation

\textit{also included is:}
- If the cooling water generation system is inside the EO-EG system boundary, the
- Energy use of cooling water generation allocated to UNIT-1
- Electricity consumption of air coolers
- Energy use during start-up periods (e.g., start-up boilers) allocated to UNIT-1
- EOE vent gas scrubber & residual gas recycle compressor
- Residual ethylene recovery & recompression/recycle (if such a system is present)

\textsuperscript{3} If process systems are shared with other systems (outside the EO-EG system boundary), e.g. shared cooling water systems, only their CO\textsubscript{2} emission allocated to EO-EG production is taken into account.

\textsuperscript{4} Here and below: PDC (2010), Rule Book for the Ethylene Oxide and Derivatives Sector
Unit-2
- Non-condensables removal
- Dewatering
- Finishing
- HPEO product cooling (bringing & keeping HPEO to storage conditions)

*also included is:*
- Energy use during start-up periods allocated to UNIT-2
- Electricity consumption of air coolers
- If the cooling water generation system is inside the EO-EG system boundary, the energy use of cooling water generation allocated to UNIT-UNIT-2
- Electricity consumption of a refrigeration system that produces a cold-utility to bring & to keep HPEO product at storage temperature.

Unit-3
- Reaction
- Dewatering
- Fractionation
- Glycols purification
- Work-up/handling of the EG bleed originating from UNIT-1 work-up

*also included is:*
- Energy use during start-up periods allocated to UNIT-3
- Electricity consumption of air coolers
- If the cooling water generation system is inside the EO-EG system boundary, the energy use of cooling water generation allocated to UNIT-UNIT-3

Processes included in the overall system boundary encompassing all units are:
- Direct heat flows due to "process-to-process" heat-integration between UNIT-1, UNIT-2 and/or UNIT-3
- Direct heat flows due to "process-to-process" heat-integration between the EO-EG system and an OSBL system
- Storage of end-products

The system boundary does not include:
- Direct fuel consumption for incineration
- Energy use for (waste)water treatment

For the determination of indirect emissions from electricity consumption, the total electricity consumption within the system boundaries shall be considered. These emissions are not eligible for free allocation but are used in the calculation of free allocation (see below).
The export of measurable heat (steam, hot water, etc.) is not covered by this product benchmark and might be eligible for free allocation, regardless whether heat is exported to an ETS consumer or a consumers not covered by the ETS. However, when heat is exported to a consumer covered by the ETS, the consumer will get free allocation only in case a heat benchmark is applied (allocation for heat is already covered by the product benchmark). In case of export to non-ETS consumers, the heat exporter receives free allocation and one or two heat benchmark sub-installations should be foreseen. See CIMs for a definition of measurable heat and Guidance Document 6 on Cross-Boundary Heat Flows for guidance on this topic.

**Preliminary allocation**

The product benchmark for ethylene oxide/ethylene glycols products is based on total emissions since energy produced from fuels is exchangeable for energy from electricity. Allocation should however be based on direct emissions only. In order to achieve consistency between the benchmarks and the allocation, the preliminary allocation is calculated using a ratio of direct and total emissions:

$$F_{EO/EG} = \frac{Em_{direct} + Em_{NetHeatImp} - BM_{EO/EG} \cdot HAl_{EO/EG}}{Em_{direct} + Em_{NetHeatImp} + Em_{indirect}}$$

With:

- $F_{EO/EG}$: Annual preliminary allocation for a product benchmark sub-installation producing ethylene oxide/ethylene glycols products (expressed in EUAs).
- $BM_{EO/EG}$: Benchmark for ethylene oxide/ethylene glycols products (expressed in EUAs / unit of product).
- $Em_{direct}$: Direct emissions within the system boundaries of the production of ethylene oxide/ethylene glycols products over the baseline period. The direct emissions further include the emissions due to the production of heat within the same ETS installation, that is consumed within the system boundaries of the ethylene oxide/ethylene glycols production process. Direct emissions should (by definition) exclude any emissions from electricity generation or net heat export/import from other ETS installations or non-ETS entities.
- $Em_{NetHeatImp}$: Emissions from any net measurable heat import from other ETS installations and non-ETS entities over the baseline period by a sub-installation producing ethylene oxide/ethylene glycols products. Irrespective of where and how the heat is produced, these emissions expressed in tonne CO₂ are calculated as follows:

$$Em_{NetHeatImp} = Net \ Heat \ Import \cdot 62.3$$

With;
Import Heat Import: Net import of measurable heat from other ETS installations and non-ETS entities over the baseline period by a sub-installation producing ethylene oxide/ethylene glycols products, expressed in TJ.

$Em_{\text{indirect}}$: Indirect emissions from electricity consumption within the system boundaries of the production of ethylene oxide/ethylene glycols products over the baseline period. Irrespective of where and how the electricity is produced, these emissions expressed in tonne CO$_2$ are calculated as follows:

$Em_{\text{indirect}} = Elec.\,use \cdot 0.465$

With:

$Elec.\,use$: Total electricity consumption within the system boundaries of the production of ethylene oxide/ethylene glycols products over the baseline period, expressed in MWh.

$HAL_{EO/EG}$: Historical activity level, i.e. the median annual production in the baseline period as determined and verified in the baseline data collection (expressed in units of product) (see below).

**Determination of historical activity level**

The unit of product is defined as EO-equivalents: the amount of EO (in mass) that is embedded in one mass unit of any of the specific glycols defined under the next heading. The following formula should be used to determine the historical activity level in terms of EO-equivalents:

$$HAL_{EO/EG} = \text{MEDIAN} \left( \sum_{i=1}^{n} (HAL_{i,k} \times CF_{EOE,i}) \right)$$

With:

$HAL_{EO/EG}$: Historical activity level for ethylene oxide/ethylene glycols production, expressed in tonnes of ethylene oxide equivalents.

$HAL_{i,k}$: Historical activity level for the production of ethylene oxide or glycol $i$ in year $k$ of the baseline period, expressed in tonnes.

$CF_{EOE,i}$: Conversion factor for the ethylene oxide or glycol $i$ relative to ethylene oxide. The following conversion factors need to be applied:

- Ethylene oxide: 1.000
- Monoethylene glycol: 0.710
- Diethylene glycol: 0.830
- Triethylene glycol: 0.880
19 Facing bricks

**Product benchmark**
0.139 allowances/tonne

**Carbon leakage exposure as determined by Commission Decision 2010/2/EU for the years 2013 and 2014**
Not exposed

**Unit of production**
Tonne of facing bricks

**Definition and explanation of products covered**
According to the CIMs this product benchmark covers:

“Facing bricks with a density > 1000 kg/m³ used for masonry based on EN 771-1, excluding pavers, clinker bricks and blue braised facing bricks.”

The table below shows relevant products according to definitions in PRODCOM 2007 statistics. Note that this PRODCOM code also includes products such as clay blocks that are not covered by the definition of the benchmarked product.

<table>
<thead>
<tr>
<th>PRODCOM code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>26.40.11.10</td>
<td>Non-refractory clay building bricks (excluding of siliceous fossil meals or earths)</td>
</tr>
</tbody>
</table>

PRODCOM codes can be useful in identifying and defining products. As a general guideline, the identification of the products should never solely rely on PRODCOM codes reported in statistics.

Facing bricks are used for the outer leaf of buildings with cavity walls. Facing Bricks exist in different colours.

**Definition and explanation of processes and emissions covered**
The CIMs define the system boundaries as follows:

“All processes directly or indirectly linked to the production processes
- Raw material preparation,
- Component mixing,
- Forming and shaping of ware,
- Drying of ware,
- Firing of ware,
- Product finishing and
- Flue gas cleaning,”
Emissions related to the production of the consumed electricity are excluded from the system boundaries as well as emissions related to the fuel used for lorries and other vehicles to transport the clay and other raw material.

The export of measurable heat (steam, hot water, etc.) is not covered by this product benchmark and might be eligible for free allocation, regardless whether heat is exported to an ETS consumer or a consumers not covered by the ETS. However, when heat is exported to a consumer covered by the ETS, the consumer will get free allocation only in case a heat benchmark is applied (allocation for heat is already covered by the product benchmark). In case of export to non-ETS consumers, the heat exporter receives free allocation and one or two heat benchmark sub-installations should be foreseen. See CIMs for a definition of measurable heat and Guidance Document 6 on Cross-Boundary Heat Flows for guidance on this topic.

**Preliminary allocation**

The preliminary free allocation for a product benchmark sub-installation producing facing bricks is calculated as follows:

\[ F_p = BM_p \cdot HAL_p \]

With:

- \( F_p \): Annual preliminary allocation for a product benchmark sub-installation producing facing bricks (expressed in EUAs).
- \( BM_p \): Benchmark for facing bricks (expressed in EUAs / unit of product).
- \( HAL_p \): Historical activity level, i.e. the median annual production in the baseline period as determined and verified in the baseline data collection (expressed in units of product).
20 Float glass

Product benchmark
0.453 allowances/tonne

Carbon leakage exposure as determined by Commission Decision 2010/2/EU for the years 2013 and 2014
Exposed

Unit of production
Tonnes of glass exiting the lehr.

‘Glass exiting the lehr’ is to be understood as melted glass. Quantities of melted glass are calculated from the quantity of raw material input into the furnace after subtraction of the volatile gaseous emissions, i.e. CO₂, SO₂, H₂O, NO, etc.

Definition and explanation of products covered
According to the CIMs this product benchmark covers:

“Float / ground / polish glass (as tons of glass exiting the lehr).”

The table below shows a list of relevant products associated with float glass products according to definitions in PRODCOM 2007 statistics.

<table>
<thead>
<tr>
<th>PRODCOM code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>26.11.12.14</td>
<td>Non-wired sheets of float glass and surface ground or polished glass, having an absorbent or reflective layer, of a thickness ≤ 3.5 mm</td>
</tr>
<tr>
<td>26.11.12.17</td>
<td>Non-wired sheets of float glass and surface ground or polished glass, having an absorbent or reflective layer, of a thickness ≤ 3.5 mm</td>
</tr>
<tr>
<td>26.11.12.30</td>
<td>Non-wired sheets of float glass and surface ground/polished glass, coloured throughout the mass, opacified, flashed or merely surface ground excluding horticultural sheet glass</td>
</tr>
<tr>
<td>26.11.12.80</td>
<td>Other sheets of float/ground/polished glass, n.e.c.</td>
</tr>
</tbody>
</table>

The PRODCOM products listed in the table above list refer to final products. This benchmark however covers all the melted glass exiting the lehr and not the final products defined by the PRODCOM codes which are processed from the melted glass in the downstream process steps.

PRODCOM codes can be useful in identifying and defining products. As a general guideline, the identification of the products should never solely rely on PRODCOM codes reported in statistics.
Definition and explanation of processes and emissions covered

The CIMs define the system boundaries as follows:

“All processes directly or indirectly linked to the production steps
- melter,
- refiner,
- working end,
- bath and
- lehr
are included."

In particular, the following production steps are included:
- Furnace (includes process emissions and associated pollution control equipments (incinerator, carbonate scrubber))
- Bath
- Lehr (a temperature-controlled kiln for annealing objects made of glass)
- Batch plant
- On-line coating
- Chemical reduction by fuel (DeNox)
- Oxygen generating plant
- Nitrogen and hydrogen generation plant
- Bath atmosphere plant (storage)

Finishing workshops that can be physically separated from the upstream process, such as offline coating, laminating and toughening are excluded.

Emissions related to the production of the consumed electricity are excluded from the system boundaries.

The export of measurable heat (steam, hot water, etc..) is not covered by this product benchmark and might be eligible for free allocation, regardless whether heat is exported to an ETS consumer or a consumers not covered by the ETS. However, when heat is exported to a consumer covered by the ETS, the consumer will get free allocation only in case a heat benchmark is applied (allocation for heat is already covered by the product benchmark). In case of export to non-ETS consumers, the heat exporter receives free allocation and one or two heat benchmark sub-installations should be foreseen. See CIMs for a definition of measurable heat and Guidance Document 6 on Cross-Boundary Heat Flows for guidance on this topic.

Preliminary allocation

The preliminary free allocation for a product benchmark sub-installation producing float glass is calculated as follows:

\[ F_p = BM_p \cdot HAL_p \]
With:

$F_p$: Annual preliminary allocation for a product benchmark sub-installation producing float glass (expressed in EUAs).

$BM_p$: Benchmark for float glass (expressed in EUAs / unit of product).

$HAL_p$: Historical activity level, i.e. the median annual production in the baseline period as determined and verified in the baseline data collection (expressed in units of product).
21 Grey cement clinker

Product benchmark
0.766 allowances/tonne

Carbon leakage exposure as determined by Commission Decision 2010/2/EU for the years 2013 and 2014
Exposed

Unit of production
Tonne of grey cement clinker

Definition and explanation of products covered
According to the CIMs this product benchmark covers:

"Grey cement clinker as total clinker produced"

The table below shows the relevant product according to definition in PRODCOM 2007 statistics. Note that this PRODCOM code also applies to white cement clinker (see section 53).

<table>
<thead>
<tr>
<th>PRODCOM code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>26.51.11.00</td>
<td>Cement clinker</td>
</tr>
</tbody>
</table>

PRODCOM codes can be useful in identifying and defining products. As a general guideline, the identification of the products should never solely rely on PRODCOM codes reported in statistics.

Definition and explanation of processes and emissions covered
The CIMs define the system boundaries as follows:

"All processes directly or indirectly linked to the production of grey cement clinker are included."

The emissions related to the production of grey cement clinker include the emissions from the calcination process and fuel-related emissions to provide thermal energy for the production process (including heat losses).

Emissions related to the production of the consumed electricity are excluded from the system boundaries.

The export of measurable heat (steam, hot water, etc..) is not covered by this product benchmark and might be eligible for free allocation, regardless whether heat is exported.
to an ETS consumer or a consumers not covered by the ETS. However, when heat is exported to a consumer covered by the ETS, the consumer will get free allocation only in case a heat benchmark is applied (allocation for heat is already covered by the product benchmark). In case of export to non-ETS consumers, the heat exporter receives free allocation and one or two heat benchmark sub-installations should be foreseen. See *CIMs for a definition of measurable heat and Guidance Document 6 on Cross-Boundary Heat Flows for guidance on this topic.*

**Preliminary allocation**
The preliminary free allocation for a product benchmark sub-installation producing grey cement clinker is calculated as follows:

\[ F_p = BM_p \cdot HAL_p \]

With:
- \( F_p \): Annual preliminary allocation for a product benchmark sub-installation producing grey cement clinker (expressed in EUAs).
- \( BM_p \): Benchmark for grey cement clinker (expressed in EUAs / unit of product).
- \( HAL_p \): Historical activity level, i.e. the median annual production in the baseline period as determined and verified in the baseline data collection (expressed in units of product).
22 Hydrogen

**Product benchmark**
8.85 allowances/tonne

**Carbon leakage exposure as determined by Commission Decision 2010/2/EU for the years 2013 and 2014**
Exposed

**Unit of production**
Tonne of hydrogen (100% purity as net saleable production)

**Definition and explanation of products covered**
According to the CIMs this product benchmark covers:

"Pure hydrogen and mixtures of hydrogen and carbon monoxide having a hydrogen content >=60% mole fraction of total contained hydrogen plus carbon monoxide based on the aggregation of all hydrogen- and carbon-monoxide-containing product streams exported from the sub-installation concerned expressed as 100% hydrogen."

The following products are covered by the benchmark for hydrogen:
- Pure hydrogen
- Mixtures of hydrogen and carbon monoxide having a hydrogen content >=60% mole fraction of the total amount of hydrogen plus carbon monoxide. These mixtures are called synthesis gases or syngases, and differ from each other with regards to the hydrogen share in the total synthesis gas. The total amount of hydrogen plus carbon monoxide referred to is the sum of all hydrogen and carbon monoxide in all containing product streams exported from the installation.

Other mixtures of hydrogen and carbon monoxide (i.e. mixture having a hydrogen content <60% mole fraction of the total amount of hydrogen plus carbon monoxide) are not covered by the product benchmark for hydrogen, but by the product benchmark for synthesis gas (see section 47).

The table below shows the relevant product according to definition in PRODCOM 2007 statistics.

<table>
<thead>
<tr>
<th>PRODCOM code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>24.11.11.50</td>
<td>Hydrogen</td>
</tr>
</tbody>
</table>

There is no single PRODCOM number for carbon monoxide (20.11.12.90 is inorganic oxygen compounds of non metals) or synthesis gas.
PRODCOM codes can be useful in identifying and defining products. As a general guideline, the identification of the products should never solely rely on PRODCOM codes reported in statistics.

**Definition and explanation of processes and emissions covered**

In their Annex I, point 2, referring to the 'definition of product benchmarks and system boundaries with consideration of exchangeability of fuel and electricity', the CIMs define the system boundaries of the hydrogen product benchmark as follows:

“All relevant process elements directly or indirectly linked to the production of hydrogen and the separation of hydrogen and carbon monoxide are included. These elements lie between:

a) The point(s) of entry of hydrocarbon feedstock(s) and, if separate, fuel(s)

b) The points of exit of all product streams containing hydrogen and/or carbon monoxide

c) The point(s) of entry or exit of import or export heat.

For the determination of indirect emissions from electricity consumption, the total electricity consumption within the system boundaries shall be considered.”

The system boundaries are visualised in Figure 7. In line with the above definition, following production steps should in particular be regarded as being within the system boundaries:

- Chemical conditioning of feed
- \( \text{H}_2/\text{CO} \) generation with associated combustion air fans
- Water-gas shift (if present)
- Separation & purification functions as present: cryogenic (including liquid CO recycle duty); adsorption; absorption; membrane
- Related cooling and process water pumping duty.
Indirect emissions from electricity consumption are not eligible for free allocation but are used in the calculation of free allocation (see below).

The export of measurable heat (steam, hot water, etc.,) is not covered by this product benchmark and might be eligible for free allocation, regardless whether heat is exported to an ETS consumer or a consumers not covered by the ETS. However, when heat is exported to a consumer covered by the ETS, the consumer will get free allocation only in case a heat benchmark is applied (allocation for heat is already covered by the product benchmark). In case of export to non-ETS consumers, the heat exporter receives free allocation and one or two heat benchmark sub-installations should be foreseen. See CIMs for a definition of measurable heat and Guidance Document 6 on Cross-Boundary Heat Flows for guidance on this topic.

Preliminary allocation
The product benchmark for hydrogen is based on total emissions since energy produced from fuels is exchangeable for energy from electricity. Allocation should however be based on direct emissions only. In order to achieve consistency between the benchmarks and the allocation, the preliminary allocation is calculated using a ratio of direct and total emissions:

\[
F_{H2} = \frac{E_{\text{direct}} + E_{\text{NetHeatImp}}}{E_{\text{direct}} + E_{\text{NetHeatImp}} + E_{\text{indirect}}} \cdot \frac{BM_{H2}}{HAL_{H2}}
\]
With:

- $F_{H2}$: Annual preliminary allocation for a product benchmark sub-installation producing hydrogen (expressed in EUAs).
- $BM_{H2}$: Benchmark for hydrogen (expressed in EUAs/unit of product).
- $Em_{direct}$: Direct emissions within the system boundaries of the production of hydrogen over the baseline period. The direct emissions further include the emissions due to the production of heat within the same ETS installation, that is consumed within the system boundaries of the hydrogen production process. Direct emissions should (by definition) exclude any emissions from electricity generation or net heat export/import from other ETS installations or non-ETS entities.
- $Em_{netHeatImp}$: Emissions from any net measurable heat import from other ETS installations and non-ETS entities over the baseline period by a sub-installation producing hydrogen. Irrespective of where and how the heat is produced, these emissions expressed in tonne CO$_2$ are calculated as follows:

$$Em_{netHeatImp} = NetHeatImport \cdot 62.3$$

With:

- $NetHeatImport$: Net import of measurable heat from other ETS installations and non-ETS entities over the baseline period by a sub-installation producing hydrogen, expressed in TJ.
- $Em_{indirect}$: Indirect emissions from electricity consumption within the system boundaries of the production of hydrogen over the baseline period. Irrespective of where and how the electricity is produced, these emissions expressed in tonne CO$_2$ are calculated as follows:

$$Em_{indirect} = Elec.use \cdot 0.465$$

With:

- $Elec.use$: Total electricity consumption within the system boundaries of the production of hydrogen over the baseline period, expressed in MWh.
- $HAL_{H2}$: Historical activity level, i.e. the median annual production in the baseline period as determined and verified in the baseline data collection (expressed in units of product) (see below).

**Determination of historical activity level**

In order to ensure a level playing field for the production of hydrogen in refineries and chemical plants, the free allocation of emission allowances for the production of hydrogen has been brought in line with the CWT approach for refineries by referring to
a defined volumetric concentration of hydrogen. The historical activity level to be used in the determination of free allocation should be determined as follows:

\[
HAL_{H2} = MEDIAN\left( HAL_{H2+CO,k} \cdot \left( 1 - \frac{1 - VF_{H2,k}}{0.4027} \right) \cdot 0.00008987 \right)
\]

With

- \(HAL_{H2}\): historical activity level for hydrogen production referred to 100% hydrogen
- \(HAL_{H2+CO,k}\): historical activity level for hydrogen production referred to historical hydrogen content expressed in norm cubic meters per year referring to 0°C and 101.325 kPa in year \(k\) of the baseline period
- \(VF_{H2,k}\): historical production volume fraction of pure hydrogen in year \(k\) of the baseline period
23 Hot metal

Product benchmark
1.328 allowances/tonne

Carbon leakage exposure as determined by Commission Decision 2010/2/EU for the years 2013 and 2014
Exposed

Unit of product
Tonne of hot metal

Definition and explanation of products covered
According to the CIMs this product benchmark covers:

“Liquid iron saturated with carbon for further processing.”

The liquid iron is considered as product of blast furnaces. With the given system boundaries it also covered indirectly steel produced by the blast furnace route. Similar products such as ferroalloys are not covered by this product benchmark.

Definition and explanation of processes and emissions covered
The CIMs define the system boundaries as follows:

“All processes directly or indirectly linked to the process units
- Blast furnace,
- Hot metal treatment units,
- Blast furnace blowers,
- Blast furnace hot stoves,
- Basic oxygen furnace,
- Secondary metallurgy units,
- Vacuum ladles,
- Casting units (including cutting),
- Slag treatment unit,
- Burden preparation,
- Blast furnace gas treatment unit,
- Dedusting units,
- Scrap pre-heating,
- Coal drying for pulverized coal injection (PCI),
- Vessels preheating stands,
- Casting ingots preheating stands,
- Compressed air production,
- Dust treatment unit (briquetting),
- Sludge treatment unit (briquetting),
- Steam injection in blast furnace unit,
- Steam generation plant,
- Converter basic oxygen furnace (BOF) gas cooling and
  Miscellaneous

are included."

Emissions related to the production of the consumed electricity are excluded from the system boundaries.

The export of measurable heat (steam, hot water, etc.) is not covered by this product benchmark and might be eligible for free allocation, regardless whether heat is exported to an ETS consumer or a consumers not covered by the ETS. However, when heat is exported to a consumer covered by the ETS, the consumer will get free allocation only in case a heat benchmark is applied (allocation for heat is already covered by the product benchmark). In case of export to non-ETS consumers, the heat exporter receives free allocation and one or two heat benchmark sub-installations should be foreseen). See CIMs for a definition of measurable heat and Guidance Document 6 on Cross-Boundary Heat Flows for guidance on this topic.

**Preliminary allocation**
The preliminary free allocation for a product benchmark sub-installation producing hot metal is calculated as follows:

$$F_p = BM_p \cdot HAL_p$$

With:
- \( F_p \): Annual preliminary allocation for a product benchmark sub-installation producing hot metal (expressed in EUAs).
- \( BM_p \): Benchmark for hot metal (expressed in EUAs / unit of product).
- \( HAL_p \): Historical activity level, i.e. the median annual production in the baseline period as determined and verified in the baseline data collection (expressed in units of product).
24 Iron casting

Product benchmark
0.325 allowances/tonne

Carbon leakage exposure as determined by Commission Decision 2010/2/EU for the years 2013 and 2014
Exposed

Unit of production
Tonne of liquid iron

Definition and explanation of products covered
According to the CIMs this product benchmark covers:

"Casted iron as liquid iron ready alloyed, skinned, and ready for casting."

This product benchmark refers to the intermediate product liquid iron and not to the final products of the casting process which are included in the NACE groups 27.21 and 27.51. Therefore, no Prodcom codes are available for the benchmarked product. However, the PRODCOM 2007 codes listed in the table below might help to identify processes using the benchmarked intermediate product.

<table>
<thead>
<tr>
<th>PRODCOM code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>27.21.10.00</td>
<td>Tubes, pipes and hollow profiles of cast iron excluding tubes, pipes, hollow profiles made into identifiable parts of articles, such as sections of central heating radiators and machinery parts</td>
</tr>
<tr>
<td>27.21.20.33</td>
<td>Tubes or pipe fittings of non-malleable cast iron of a kind used in pressure systems</td>
</tr>
<tr>
<td>27.21.20.35</td>
<td>Tubes or pipe fittings of non-malleable cast iron (excluding of a kind used in pressure systems)</td>
</tr>
<tr>
<td>27.21.20.50</td>
<td>Tubes or pipe fittings of malleable cast iron</td>
</tr>
<tr>
<td>27.21.20.70</td>
<td>Tubes or pipe fittings of cast steel</td>
</tr>
<tr>
<td>27.51.11.10</td>
<td>Malleable iron castings for land vehicles excluding for locomotives or rolling stock, construction industry vehicles</td>
</tr>
<tr>
<td>27.51.11.30</td>
<td>Malleable iron castings for bearing housings and plain shaft bearings (excluding for bearing housings incorporating ball or roller bearings)</td>
</tr>
<tr>
<td>27.51.11.40</td>
<td>Other parts of piston engines and mechanical engineering (malleable iron casting)</td>
</tr>
<tr>
<td>27.51.11.50</td>
<td>Malleable iron castings for machinery and mechanical appliances excluding for piston engines, lifting or handling machinery, construction industry machinery/vehicles</td>
</tr>
<tr>
<td>27.51.11.90</td>
<td>Parts for other utilisation (malleable iron casting)</td>
</tr>
<tr>
<td>27.51.12.10</td>
<td>Parts of land vehicles (nodular iron castings)</td>
</tr>
<tr>
<td>27.51.12.20</td>
<td>Ductile iron castings for transmission shafts, crankshafts, camshafts and cranks</td>
</tr>
<tr>
<td>27.51.12.30</td>
<td>Ductile iron castings for bearing housings and plain shaft bearings (excluding for bearing housings incorporating ball or roller bearings)</td>
</tr>
<tr>
<td>27.51.12.40</td>
<td>Other parts of piston engines and mechanical engineering (nodular iron castings)</td>
</tr>
<tr>
<td>Code</td>
<td>Description</td>
</tr>
<tr>
<td>----------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>27.51.12.50</td>
<td>Ductile iron castings for machinery and mechanical appliances excluding for piston engines</td>
</tr>
<tr>
<td>27.51.12.90</td>
<td>Ductile iron castings for locomotives/rolling stock/parts, use other than in land vehicles, bearing housings, plain shaft bearings, piston engines, gearing, pulleys, clutches, machinery</td>
</tr>
<tr>
<td>27.51.13.10</td>
<td>Grey iron castings for land vehicles excluding for locomotives or rolling stock, construction industry vehicles</td>
</tr>
<tr>
<td>27.51.13.20</td>
<td>Grey iron castings for transmission shafts, crankshafts, camshafts and cranks</td>
</tr>
<tr>
<td>27.51.13.30</td>
<td>Grey iron castings for bearing housings and plain shaft bearings (excluding bearing housings incorporating ball or roller bearings)</td>
</tr>
<tr>
<td>27.51.13.40</td>
<td>Other parts of piston engines and mechanical engineering (cast iron: not ductile)</td>
</tr>
<tr>
<td>27.51.13.50</td>
<td>Grey iron castings for machinery and mechanical appliances excluding for piston engines</td>
</tr>
<tr>
<td>27.51.13.90</td>
<td>Grey iron castings for locomotives/rolling stock/parts, use other than in land vehicles, bearing housings, plain shaft bearings, piston engines, gearing, pulleys, clutches, machinery</td>
</tr>
</tbody>
</table>

**Definition and explanation of processes and emissions covered**

In their Annex I, point 2, referring to the 'definition of product benchmarks and system boundaries with consideration of exchangeability of fuel and electricity', the CIMs define the system boundaries of the iron casting product benchmark as follows:

"All processes directly or indirectly linked to the process steps
- melting shop
- casting shop
- core shop and
- finishing
are included.

For the determination of indirect emissions, only the electricity consumption of melting processes within the system boundaries shall be considered."

The process step 'finishing' refers to operations like fettling and not general machining, heat treatment or painting which are not covered by the system boundaries of this product benchmark.

The emissions related to 'melting electricity' are not eligible for free allocation but are used in the calculation of free allocation (see below).

The export of measurable heat (steam, hot water, etc..) is not covered by this product benchmark and might be eligible for free allocation, regardless whether heat is exported to an ETS consumer or a consumers not covered by the ETS. However, when heat is exported to a consumer covered by the ETS, the consumer will get free allocation only in case a heat benchmark is applied (allocation for heat is already covered by the product benchmark). In case of export to non-ETS consumers, the heat exporter receives free
allocation and one or two heat benchmark sub-installations should be foreseen. See CIMs for a definition of measurable heat and Guidance Document 6 on Cross-Boundary Heat Flows for guidance on this topic.

Preliminary allocation
The product benchmark for iron casting is based on total emissions since energy produced from fuels is exchangeable for energy from electricity. Allocation should however be based on direct emissions only. In order to achieve consistency between the benchmarks and the allocation, the preliminary allocation is calculated using a ratio of direct and total emissions:

\[
F_p = \frac{E_{\text{direct}} + E_{\text{NetHeatImport}}}{E_{\text{direct}} + E_{\text{NetHeatImport}} + E_{\text{indirect}}} \cdot BM_p \cdot HAL_p
\]

With:
- \(F_p\): Annual preliminary allocation for a product benchmark sub-installation casting iron (expressed in EUAs).
- \(BM_p\): Benchmark for iron casting (expressed in EUAs / unit of product).
- \(HAL_p\): Historical activity level, i.e. the median annual production in the baseline period as determined and verified in the baseline data collection (expressed in units of product).
- \(E_{\text{direct}}\): Direct emissions within the system boundaries of iron casting over the baseline period. The direct emissions further include the emissions due to the production of heat within the same ETS installation, that is consumed within the system boundaries of the iron casting production process. Direct emissions should (by definition) exclude any emissions from electricity generation or net heat export/import from other ETS installations or non-ETS entities.
- \(E_{\text{NetHeatImport}}\): Emissions from any net measurable heat import from other ETS installations and non-ETS entities over the baseline period by a sub-installation for iron casting. Irrespective of where and how the heat is produced, these emissions expressed in tonne CO\(_2\) are calculated as follows:

\[
E_{\text{NetHeatImport}} = \text{Net Heat Import} \cdot 62.3
\]

With;
- \(\text{Net Heat Import}\): Net import of measurable heat from both ETS installations and non-ETS entities over the baseline period by a sub-installation casting iron, expressed in TJ.
- \(E_{\text{indirect}}\): Indirect emissions from melting electricity consumption within the system boundaries of iron casting over the baseline period. Irrespective
of where and how the electricity is produced, these emissions expressed in tonne CO₂ are calculated as follows:

\[ E_{\text{em,indirect}} = \text{Elec. use} \cdot 0.465 \]

With:

\text{Elec. use} :  \quad \text{Consumption of melting electricity within the system boundaries of iron casting over the baseline period, expressed in MWh. Note from the definition of system boundaries and processes covered that only the electricity consumption of melting processes within the system boundaries should be considered.}
25 Mineral wool

Product benchmark
0.682 allowances/tonne

Carbon leakage exposure as determined by Commission Decision 2010/2/EU for the years 2013 and 2014
Not exposed

Unit of production
Tonne of mineral wool (saleable product)

Definition and explanation of products covered
According to the CIMs this product benchmark covers:

"Mineral wool insulation products for thermal, acoustic and fire applications manufactured using glass, rock or slag."

The table below shows relevant products according to definitions in PRODCOM 2007 statistics. PRODCOM products 26.14.12.10 and 26.14.12.30 could also be covered by the benchmark for Continuous Filament Glass Fibre benchmark. Therefore, it needs to be carefully analysed which product benchmark applies, in particular by considering the different applications of both benchmarked products (the mineral wool benchmarks applies only to products for thermal, acoustic and fire applications).

<table>
<thead>
<tr>
<th>PRODCOM code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>26.14.12.10</td>
<td>Glass fibre mats (including of glass wool)</td>
</tr>
<tr>
<td>26.14.12.30</td>
<td>Glass fibre voiles (including of glass wool)</td>
</tr>
<tr>
<td>26.82.16.10</td>
<td>Slag wool, rock wool and similar mineral wool and mixtures thereof, in bulk, sheets or rolls</td>
</tr>
</tbody>
</table>

PRODCOM codes can be useful in identifying and defining products. As a general guideline, the identification of the products should never solely rely on PRODCOM codes reported in statistics.

Definition and explanation of processes and emissions covered
In their Annex I, point 2, referring to the 'definition of product benchmarks and system boundaries with consideration of exchangeability of fuel and electricity', the CIMs define the system boundaries of the mineral wool product benchmark as follows:

"All processes directly or indirectly linked to the production steps
  - melting
  - fiberizing and injection of binders"
- curing and drying and
- forming
are included.

For the determination of indirect emissions, the total electricity consumption within the system boundaries shall be considered."

The latter emissions are not eligible for free allocation but are used in the calculation of free allocation (see below).

The export of measurable heat (steam, hot water, etc.) is not covered by this product benchmark and might be eligible for free allocation, regardless whether heat is exported to an ETS consumer or a consumer not covered by the ETS. However, when heat is exported to a consumer covered by the ETS, the consumer will get free allocation only in case a heat benchmark is applied (allocation for heat is already covered by the product benchmark). In case of export to non-ETS consumers, the heat exporter receives free allocation and one or two heat benchmark sub-installations should be foreseen. See CIMs for a definition of measurable heat and Guidance Document 6 on Cross-Boundary Heat Flows for guidance on this topic.

**Preliminary allocation**

The product benchmark for mineral wool is based on total emissions since energy produced from fuels is exchangeable for energy from electricity. Allocation should however be based on direct emissions only. In order to achieve consistency between the benchmarks and the allocation, the preliminary allocation is calculated using a ratio of direct and total emissions:

\[
F_P = \frac{Em_{direct} + Em_{NetHeatImp}}{Em_{direct} + Em_{NetHeatImp} + Em_{indirect}} \cdot BM_p \cdot HAL_P
\]

With:

- \( F_P \): Annual preliminary allocation for a product benchmark sub-installation producing mineral wool (expressed in EUAs).
- \( BM_p \): Benchmark for mineral wool (expressed in EUAs/unit of product).
- \( HAL_P \): Historical activity level, i.e. the median annual production in the baseline period as determined and verified in the baseline data collection (expressed in units of product).
- \( Em_{direct} \): Direct emissions within the system boundaries of the production of mineral wool over the baseline period. The direct emissions further include the emissions due to the production of heat within the same ETS installation, that is consumed within the system boundaries of the mineral wool production process. Direct emissions should (by definition)
exclude any emissions from electricity generation or net heat export/import from other ETS installations or non-ETS entities.

\[ Em_{NetHeatImport} : \text{Emissions from any net measurable heat import from other ETS installations and non-ETS entities over the baseline period by a sub-installation producing mineral wool. Irrespective of where and how the heat is produced, these emissions expressed in tonne CO}_2 \text{ are calculated as follows:} \]

\[ Em_{NetHeatImport} = NetHeatImport \cdot 62.3 \]

With;
- \( NetHeatImport \): Net import of measurable heat from other ETS installations and non-ETS entities over the baseline period by a sub-installation producing mineral wool, expressed in TJ.

\[ Em_{indirect} : \text{Indirect emissions from electricity consumption within the system boundaries of the production of mineral wool over the baseline period. These emissions expressed in tonne CO}_2 \text{ are calculated as follows:} \]

\[ Em_{indirect} = Elec.use \cdot 0.465 \]

With;
- \( Elec.use \): Total electricity consumption within the system boundaries of the production of mineral wool over the baseline period, expressed in MWh.
26 Lime

Product benchmark
0.954 allowances/tonne

Carbon leakage exposure as determined by Commission Decision 2010/2/EU for the years 2013 and 2014
Exposed

Unit of production
Tonne of standard pure lime

The reference product standard pure lime is defined as lime with a free CaO content of 94.5% (see comment on allocation methodology).

Definition and explanation of products covered
According to the CIMs this product benchmark covers:

“Quicklime: calcium oxide (CaO) produced by the decarbonation of limestone (CaCO₃) as “standard pure” lime with a free CaO content of 94.5%.

Lime produced and consumed in the same installation for purification processes is not covered by this product benchmark.”

This product benchmark only covers quicklime which is sold on the market or used for other purposes than purification processes. Therefore, the production of lime for purification processes (e.g. in the sugar sector) is not covered by this product benchmark.

The internal lime production of the pulp sector is already covered by the respective pulp benchmarks and is therefore not eligible for additional allocation based on the lime benchmark.

The table below shows relevant products according to definitions in PRODCOM 2007 statistics.

<table>
<thead>
<tr>
<th>PRODCOM code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>26.52.10.33</td>
<td>Quicklime (or lime): Calcium oxide (CaO) produced by decarbonising limestone (CaCO₃)</td>
</tr>
</tbody>
</table>

PRODCOM codes can be useful in identifying and defining products. As a general guideline, the identification of the products should never solely rely on PRODCOM codes reported in statistics.
**Definition and explanation of processes and emissions covered**

The CIMs define the system boundaries as follows:

“All processes directly or indirectly linked to the production of lime are included.”

Emissions related to the production of the consumed electricity are excluded from the system boundaries.

The export of measurable heat (steam, hot water, etc.) is not covered by this product benchmark and might be eligible for free allocation, regardless whether heat is exported to an ETS consumer or a consumers not covered by the ETS. However, when heat is exported to a consumer covered by the ETS, the consumer will get free allocation only in case a heat benchmark is applied (allocation for heat is already covered by the product benchmark). In case of export to non-ETS consumers, the heat exporter receives free allocation and one or two heat benchmark sub-installations should be foreseen. See *CIMs for a definition of measurable heat and Guidance Document 6 on Cross-Boundary Heat Flows for guidance on this topic.*

Figure 8 gives a graphical representation of the system boundaries.

![Diagram of system boundaries](image)

_Figure 8. System boundaries (Sector Rule book for the development of CO₂ benchmarks for the European lime sector, 2010)_
**Preliminary allocation**

The preliminary free allocation for a product benchmark sub-installation producing lime is calculated as follows:

\[ F_p = BM_p \cdot HAL_{lime, \text{standard}} \]

With:
- \( F_p \): Annual preliminary allocation for a product benchmark sub-installation producing lime (expressed in EUAs).
- \( BM_p \): Benchmark for lime (expressed in EUAs / unit of product).
- \( HAL_{lime, \text{standard}} \): Historical activity level, i.e. the median annual production in the baseline period as determined and verified in the baseline data collection (expressed in units of product).

Given the wide range of product qualities that can be achieved, the product benchmark for lime refers to a standard composition concerning calcium oxide and magnesium oxide. The historical activity level to be used in the determination of free allocation therefore needs to be corrected for the calcium oxide and magnesium oxide content of the produced lime:

\[ HAL_{lime, \text{standard}} = \text{MEDIAN} \left( \frac{785 \cdot m_{CaO,k} + 1092 \cdot m_{MgO,k} \cdot HAL_{lime, \text{uncorrected},k}}{751.7} \right) \]

With
- \( HAL_{lime, \text{standard}} \): historical activity level for lime production expressed in tonnes of standard pure lime
- \( m_{CaO,k} \): content of free CaO in the produced lime in year \( k \) of the baseline period expressed in mass-%; Best available data should be used; in order of preference:
  1) Composition data determined in accordance with Annex I.13.3 to the MRG
  2) Conservative estimate not lower than 85% based on other data than composition data determined in accordance with Annex I.13.3 to the MRG
  3) Default value of 85%
- \( m_{MgO,k} \): content of free MgO in the produced lime in year \( k \) of the baseline period expressed in mass-%; Best available data should be used; in order of preference:
  1) Composition data determined in accordance with Annex I.13.3 to the MRG
2) Conservative estimate not lower than 0.5% based on other data than composition data determined in accordance with Annex I.13.3 to the MRG

3) Default value of 0.5%

If possible, composition data should be based on applicable European standards such as EN 459-2, EN 12485 and EN ISO 12677.

Conservative estimates might be determined by calculation of the content of free CaO and MgO in the product from the composition of the raw material using the carbonates method.

The content of free CaO and MgO in the produced lime in year k of the baseline period expressed in mass-% could be calculated as follows:

\[ m_{\text{CaO,k}} = \frac{A}{100 - ((A - B \times 56.08 / 40.31) \times 44.01 / 56.08 + B \times 88.02 / 40.31 - F))} \times 100 \]

\[ m_{\text{MgO,k}} = \frac{B}{100 - ((A - B \times 56.08 / 40.31) \times 44.01 / 56.08 + B \times 88.02 / 40.31 - F))} \times 100 \]

With

A: total CaO content in stone (in %)
B: total MgO content in stone (in %)
F: residual CO\textsubscript{2} in burnt lime (in %)
27 Long fibre kraft pulp

Product benchmark
0.06 allowances/tonne

Carbon leakage exposure as determined by Commission Decision 2010/2/EU for the years 2013 and 2014
Exposed

Unit of production
Net saleable production in Adt (Air Dried Tonnes).

The production of a mill is defined as the net saleable production of air dried metric tons (Adt) measured at the end of the production process. In case of pulp production, the production is defined as the total pulp produced including both pulp for internal delivery to a paper mill and market pulp. Air dry metric tonne of pulp meaning dry solids content of 90%.

Definition and explanation of products covered
According to the CIMs this product benchmark covers:

“Long fibre kraft pulp is a wood pulp produced by the sulphate chemical process using cooking liquor, characterised by fibre lengths of 3 – 3.5 mm, which is mainly used for products for which strength is important, as packaging paper expressed as net saleable production in Adt (Air Dried Tonnes).”

The product group encompasses the production of both bleached and unbleached (brown) pulp. Bleached pulp is particularly used for graphic papers, tissue and carton boards. Unbleached pulp is commonly used in liner for corrugated board, wrappings, sack and bag papers, envelopes and other unbleached speciality papers.

Short fibre kraft pulp is not included in this benchmark (see section 38).

The tables below show relevant products according to definitions in PRODCOM 2007 statistics, PRODCOM 2008 and Common Nomenclature (CN) statistics. The codes also cover short fibre kraft pulp (see section 38).

These classifications can be useful in identifying and defining products. As a general guideline, the identification of the products should never solely rely on classifications in statistics.
### PRODCOM 2007 code | Description
---|---
21.11.12.13 | Unbleached coniferous chemical wood pulp, soda or sulphate (excluding dissolving grades)
21.11.12.15 | Semi-bleached or bleached coniferous chemical wood pulp, soda or sulphate (excluding dissolving grades)
21.11.12.53 | Unbleached non-coniferous chemical wood pulp, soda or sulphate (excluding dissolving grades)
21.11.12.55 | Semi-bleached or bleached non-coniferous chemical wood pulp, soda or sulphate (excluding dissolving grades)

| Can be covered by CN code/trade code | Can be covered by PRODCOM 2008 code |
---|---
4703.11 - Chemical wood pulp, soda or sulphate, other than dissolving grades unbleached coniferous | 17.11.12.00
4703.19 - Chemical wood pulp, soda or sulphate, other than dissolving grades unbleached non-coniferous | 17.11.12.00
4703.21 - Chemical wood pulp, soda or sulphate, other than dissolving grades semi-bleached or bleached coniferous | 17.11.12.00
4703.29 - Chemical wood pulp, soda or sulphate, other than dissolving grades semi-bleached or bleached non-coniferous | 17.11.12.00

A pulp producing sub-installation may transfer heat to other sub-installations. This is typically the case in integrated mills that produce both pulp and paper. Whenever this happens, the product related historical activity level should only take into account pulp that is placed on the market and not processed into paper in the same or other technically connected installations.\(^5\)

Example: hence if a pulp mill produces 100 tonne of pulp and only 1 Adt (Air Dried Tonne) is sold on the market, than only 1 Adt is eligible for free allocation under this benchmark.

#### Definition and explanation of processes and emissions covered

The CIMs define the system boundaries as follows:

“All processes which are part of the pulp production process (in particular:
- the pulp mill,
- recovery boiler,
- pulp drying section,”

\(^5\) Where an installation encompasses sub-installations producing pulp (short fibre kraft pulp, long fibre kraft pulp, thermomechanical pulp and mechanical pulp, sulphite pulp or other pulp not covered by a product benchmark) exporting measurable heat to other technically connected sub-installations, the preliminary total amount of emission allowances allocated free of charge shall, without prejudice to the preliminary annual number of emission allowances allocated free of charge for other sub-installations of the installation concerned, only take into account the preliminary annual number of emission allowances allocated free of charge to the extent that pulp products produced by this sub-installation are placed on the market and not processed into paper in the same or other technically connected installations. (Commission Decision determining transitional Union-wide rules for the harmonized free allocation of emission allowances pursuant to Article 10e of Directive 2003/87/EC Art. 10(7))
- lime kiln and
- connected energy conversion units (boiler/CHP))

are included.

Other activities on site that are not part of this process such as
- sawmilling activities,
- woodworking activities,
- production of chemicals for sale,
- waste treatment (treating waste onsite instead of offsite (drying, pelletising, incinerating, landfilling),
- PCC (precipitated calcium carbonate) production,
- treatment of odorous gases, and
- district heating

are not included."

Emissions related to the production of the consumed electricity are excluded from the system boundaries.

With possibly a single exemption, unbleached Kraft pulp production is always integrated with kraftliner production. Care should therefore be taken that no double allocation occurs (see introduction).

The export of measurable heat (steam, hot water, etc.) is not covered by this product benchmark and might be eligible for free allocation, regardless whether heat is exported to an ETS consumer or a consumers not covered by the ETS. However, when heat is exported to a consumer covered by the ETS, the consumer will get free allocation only in case a heat benchmark is applied (allocation for heat is already covered by the product benchmark). In case of export to non-ETS consumers, the heat exporter receives free allocation and one or two heat benchmark sub-installations should be foreseen). See **CIMs for a definition of measurable heat and Guidance Document 6 on Cross-Boundary Heat Flows for guidance on this topic.**

**Preliminary allocation**

The preliminary free allocation for a product benchmark sub-installation producing long fibre kraft pulp is calculated as follows:

\[ F_p = BM_p \cdot HAL_p \]

With:

- \( F_p \): Annual preliminary allocation for a product benchmark sub-installation producing long fibre kraft pulp (expressed in EUAs).
- \( BM_p \): Benchmark for long fibre kraft pulp (expressed in EUAs / unit of product).
$HAL_P$: Historical activity level, i.e. the median annual production in the baseline period as determined and verified in the baseline data collection (expressed in units of product).
28 Newsprint

Product benchmark
0.298 allowances/tonne

Carbon leakage exposure as determined by Commission Decision 2010/2/EU for the years 2013 and 2014
Exposed

Unit of production
Net saleable production in Adt (Air Dried Tonnes)

The production is defined as the net saleable production of air dried metric tons (Adt) measured at the end of the production process. Air dry metric tonne of paper is defined as paper with 6% moisture content.

Definition and explanation of products covered
According to the CIMs this product benchmark covers:

“Specific paper grade (in rolls or sheets) expressed as net saleable production in Adt used for printing newspapers produced from groundwood and/or mechanical pulp or recycled fibres or any percentage of combinations of these two.
Weights usually range from 40 to 52 g/m² but can be as high as 65 g/m². Newsprint is machine-finished or slightly calendered, white or slightly coloured and is used in reels for letterpress, offset or flexo-printing.”

The tables below show relevant products according to definitions in PRODCOM 2007 statistics, PRODCOM 2008 and Common Nomenclature (CN) statistics.

These classifications can be useful in identifying and defining products. As a general guideline, the identification of the products should never solely rely on classifications in statistics.

<table>
<thead>
<tr>
<th>PRODCOM 2007 code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>21.12.11.50</td>
<td>Newsprint in rolls or sheets</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Can be covered by CN code/trade code</th>
<th>Can be covered by PRODCOM 2008 code</th>
</tr>
</thead>
<tbody>
<tr>
<td>4801 - Newsprint, in rolls or sheets</td>
<td>17.12.11.00</td>
</tr>
</tbody>
</table>
Definition and explanation of processes and emissions covered

The CIMs define the system boundaries as follows:

"All processes which are part of the paper production process (in particular  
- paper or board machine and 
- connected energy conversion units (boiler/CHP) and  
- direct process fuel use) 
are included.

Other activities on site that are not part of this process such as 
- sawmilling activities,  
- woodworking activities,  
- production of chemicals for sale,  
- waste treatment (treating waste onsite instead of offsite (drying, pelletising, incinerating, landfilling),  
- PCC (precipitated calcium carbonate) production,  
- treatment of odorous gases, and  
- district heating
are not included."

Emissions related to the production of the consumed electricity are excluded from the system boundaries.

The export of measurable heat (steam, hot water, etc..) is not covered by this product benchmark and might be eligible for free allocation, regardless whether heat is exported to an ETS consumer or a consumers not covered by the ETS. However, when heat is exported to a consumer covered by the ETS, the consumer will get free allocation only in case a heat benchmark is applied (allocation for heat is already covered by the product benchmark). In case of export to non-ETS consumers, the heat exporter receives free allocation and one or two heat benchmark sub-installations should be foreseen. See CIMs for a definition of measurable heat and Guidance Document 6 on Cross-Boundary Heat Flows for guidance on this topic.

Preliminary allocation

The preliminary free allocation for a product benchmark sub-installation producing newsprint is calculated as follows:

\[ F_p = BM_p \cdot HAL_p \]

With:

\( F_p \): Annual preliminary allocation for a product benchmark sub-installation producing newsprint (expressed in EUAs).

\( BM_p \): Benchmark for newsprint (expressed in EUAs / unit of product).
$HAL_{p}$

Historical activity level, i.e. the median annual production in the baseline period as determined and verified in the baseline data collection (expressed in units of product).

In integrated mills that produce both pulp and paper, a newsprint producing sub-installation may use excess heat from the pulp production process. This has no effect on the allocation to the newsprint producing sub-installation.
29 Nitric acid

**Product benchmark**
0.302 allowances/tonne

This benchmark value is based on a GWP factor for N₂O of 310.

**Carbon leakage exposure as determined by Commission Decision 2010/2/EU for the years 2013 and 2014**
Exposed

**Unit of production**
Tonne of HNO₃ of 100% purity

Nitric acid is produced in different concentrations:
- weak acid 30-65 mass-% HNO₃
- strong acid 70 mass-% or more

The production needs to be divided by nitric acid content in mass-% to obtain the production to be used in the determination of the historical activity level.

**Definition and explanation of products covered**
According to the CIMs this product benchmark covers:

"Nitric acid (HNO₃), to be recorded in tons HNO₃ (100%)."

The table below shows relevant the product according to definition in PRODCOM 2007 statistics. The PRODCOM product only matches with the definition of the benchmarked product insofar it covers nitric acid.

<table>
<thead>
<tr>
<th>PRODCOM code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>24.15.10.50</td>
<td>Nitric acid; sulphonitric acids</td>
</tr>
</tbody>
</table>

PRODCOM codes can be useful in identifying and defining products. As a general guideline, the identification of the products should never solely rely on PRODCOM codes reported in statistics.

**Definition and explanation of processes and emissions covered**
The CIMs define the system boundaries as follows:

"All processes directly or indirectly linked to the production of the benchmarked product as well as the N₂O destruction process are included except the production of ammonia."
The production of ammonia as well as the production of the consumed electricity are excluded from the system boundaries.

No additional allocation must be granted for the export or use of heat stemming from the nitric acid production.

**Preliminary allocation**

The preliminary free allocation for a product benchmark sub-installation producing nitric acid is calculated as follows:

\[ F_p = BM_p \cdot HAL_p \]

With:

- \( F_p \): Annual preliminary allocation for a product benchmark sub-installation producing nitric acid (expressed in EUAs).
- \( BM_p \): Benchmark for nitric acid (expressed in EUAs/unit of product).
- \( HAL_p \): Historical activity level, i.e., the median annual production in the baseline period as determined and verified in the baseline data collection (expressed in units of product).

A special situation exists if a sub-installation receives measurable heat from sub-installations producing nitric acid\(^6\). In that case, the preliminary allocation to the heat receiving sub-installation needs to be reduced by:

\[ \text{Reduction in preliminary allocation} = BM_{H\text{HeatFromNitricAcid}} \cdot HAL_{H\text{HeatFromNitricAcid}} \]

where:

- \( BM_{H\text{HeatFromNitricAcid}} \): heat benchmark (expressed in EUAs/TJ)
- \( HAL_{H\text{HeatFromNitricAcid}} \): annual historical import from a sub-installation producing nitric acid during the baseline period

\(^6\) "The preliminary annual number of emission allowances allocated free of charge for sub-installations that received measurable heat from sub-installations producing products covered by the nitric acid benchmarks referred to in Annex I shall be reduced by the annual historical consumption of that heat during the baseline period referred to in Article 9(1) multiplied by the value of the heat benchmark for this measurable heat as referred to in Annex I." (Commission Decision determining transitional Union-wide rules for the harmonized free allocation of emission allowances pursuant to Article 10a of Directive 2003/87/EC Art. 10(6))
30 Pavers

**Product benchmark**
0.192 allowances/tonne

**Carbon leakage exposure as determined by Commission Decision 2010/2/EU for the years 2013 and 2014**
Not exposed

**Unit of production**
Tonne of pavers as (net) saleable production

**Definition and explanation of products covered**
According to the CIMs this product benchmark covers:

"Clay bricks used for flooring according to EN 1344."

Pavers exist in different colours such as red, yellow, and blue braised. They are all covered by this product benchmark.

The table below shows relevant products according to definitions in PRODCOM 2007 statistics. The PRODCOM product also covers roof tiles which are covered by as separate benchmark (see section 37).

<table>
<thead>
<tr>
<th>PRODCOM code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>26.40.11.30</td>
<td>Non-refractory clay flooring blocks, support or filler tiles and the like (excluding of siliceous fossil meals or earths)</td>
</tr>
</tbody>
</table>

PRODCOM codes can be useful in identifying and defining products. As a general guideline, the identification of the products should never solely rely on PRODCOM codes reported in statistics.

**Definition and explanation of processes and emissions covered**
The CIMs define the system boundaries as follows:

“All processes directly or indirectly linked to the production processes
- raw material preparation,
- component mixing,
- forming and shaping of ware,
- drying of ware,
- firing of ware,
- product finishing, and
- flue gas cleaning"
are included.”

Emissions related to the production of the consumed electricity are excluded from the system boundaries.

The export of measurable heat (steam, hot water, etc.) is not covered by this product benchmark and might be eligible for free allocation, regardless whether heat is exported to an ETS consumer or a consumers not covered by the ETS. However, when heat is exported to a consumer covered by the ETS, the consumer will get free allocation only in case a heat benchmark is applied (allocation for heat is already covered by the product benchmark). In case of export to non-ETS consumers, the heat exporter receives free allocation and one or two heat benchmark sub-installations should be foreseen. See CIMs for a definition of measurable heat and Guidance Document 6 on Cross-Boundary Heat Flows for guidance on this topic.

Preliminary allocation
The preliminary free allocation for a product benchmark sub-installation producing pavers is calculated as follows:

\[ F_p = BM_p \cdot HAL_p \]

With:
- \( F_p \): Annual preliminary allocation for a product benchmark sub-installation producing pavers (expressed in EUAs).
- \( BM_p \): Benchmark for pavers (expressed in EUAs / unit of product).
- \( HAL_p \): Historical activity level, i.e. the median annual production in the baseline period as determined and verified in the baseline data collection (expressed in units of product).
31 Phenol/acetone

Product benchmark
0.266 allowances/tonne

Carbon leakage exposure as determined by Commission Decision 2010/2/EU for the years 2013 and 2014
Exposed

Unit of production
Tonne of phenol, acetone and the byproduct alphamethyl styrene (saleable product, 100% purity)

Definition and explanation of products covered
According to the CIMs this product benchmark covers:

“Sum of phenol, acetone and the byproduct alphamethyl styrene as total production.”

Phenol and acetone are covered by the 2007 PRODCOM code listed in the table below. The production of phenol salts are not covered by this benchmark.

<table>
<thead>
<tr>
<th>PRODCOM code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>24.14.24.15</td>
<td>Phenol (hydroxybenzene) and its salts</td>
</tr>
<tr>
<td>24.14.62.11</td>
<td>Acetone</td>
</tr>
</tbody>
</table>

PRODCOM codes can be useful in identifying and defining products. As a general guideline, the identification of the products should never solely rely on PRODCOM codes reported in statistics.

Definition and explanation of processes and emissions covered
The CIMs define the system boundaries as follows:

“All processes directly or indirectly linked to the production of phenol and acetone are included, in particular:
- Air compression
- Hydroperoxidation
- Cumene recovery from spent air
- Concentration & cleavage
- Production fractionation & purification
- Tar cracking
- Acetophenone recovery & purification
- AMS recovery for export
- AMS hydrogenation for ISB recycle
- Initial waste water purification (1st waste water stripper)
- Cooling water generation (e.g., cooling towers)
- Cooling water utilisation (circulation pumps)
- Flare & incinerators (even if physically located OSB) as well as
- Any support fuel consumption.”

Emissions related to the production of the consumed electricity are excluded from the system boundaries.

The export of measurable heat (steam, hot water, etc.,) is not covered by this product benchmark and might be eligible for free allocation, regardless whether heat is exported to an ETS consumer or a consumers not covered by the ETS. However, when heat is exported to a consumer covered by the ETS, the consumer will get free allocation only in case a heat benchmark is applied (allocation for heat is already covered by the product benchmark). In case of export to non-ETS consumers, the heat exporter receives free allocation and one or two heat benchmark sub-installations should be foreseen). See CIMs for a definition of measurable heat and Guidance Document 6 on Cross-Boundary Heat Flows for guidance on this topic.

**Preliminary allocation**

The preliminary free allocation for a product benchmark sub-installation producing phenol/acetone is calculated as follows:

\[ F_p = BM_p \cdot HAL_p \]

With:

- \( F_p \): Annual preliminary allocation for a product benchmark sub-installation producing phenol/acetone (expressed in EUAs).
- \( BM_p \): Benchmark for phenol/acetone (expressed in EUAs / unit of product).
- \( HAL_p \): Historical activity level, i.e. the median annual production in the baseline period as determined and verified in the baseline data collection (expressed in units of product).
32 Plaster

Product benchmark
0.048 allowances/tonne

Carbon leakage exposure as determined by Commission Decision 2010/2/EU for the years 2013 and 2014
Not exposed

Unit of production
Tonne of stucco (saleable production)

Stucco also known as ‘Plaster of Paris’ is hemi-hydrate plaster (CaSO$_4$.1/2H$_2$O) produced by heating (‘calcining’) raw gypsum at 150°C to 165°C thereby removing three-quarters of chemically combined water.

Definition and explanation of products covered
According to the CIMs this product benchmark covers:

“Plasters consisting of calcined gypsum or calcium sulphate (including for use in building, for use in dressing woven fabrics or surfacing paper, for use in dentistry, for use inland remediation) in tonnes of stucco.
Alpha plaster is not covered by this product benchmark.”

Plaster that is further processed to plasterboard is not covered by this benchmark but by the plasterboard benchmark (see next chapter).

The table below shows relevant products according to definitions in PRODCOM 2007 statistics. The definition of these products does not necessarily coincide with the product definition for the purpose of this benchmark: a benchmarked product may be covered by more than one PRODCOM codes and vice versa.

<table>
<thead>
<tr>
<th>PRODCOM code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>14.12.10.30</td>
<td>Gypsum and anhydrite</td>
</tr>
<tr>
<td>26.53.10.00</td>
<td>Plasters consisting of calcined gypsum or calcium sulphate (including for use in building, for use in dressing woven fabrics or surfacing paper, for use in dentistry)</td>
</tr>
<tr>
<td>26.64.10.00</td>
<td>Factory made mortars</td>
</tr>
</tbody>
</table>

PRODCOM codes can be useful in identifying and defining products. As a general guideline, the identification of the products should never solely rely on PRODCOM codes reported in statistics.
**Definition and explanation of processes and emissions covered**

The CIMs define the system boundaries as follows:

“All processes directly or indirectly linked to the production steps
- Milling,
- Drying, and
- Calcining
are included.”

The plaster benchmark covers the same activities as the plasterboard benchmark (see next chapter), except board drying. The production of the intermediate product dried secondary gypsum (see section 14) is not covered by the plaster benchmark.

Emissions related to the production of the consumed electricity are excluded from the system boundaries.

The export of measurable heat (steam, hot water, etc.) is not covered by this product benchmark and might be eligible for free allocation, regardless whether heat is exported to an ETS consumer or a consumers not covered by the ETS. However, when heat is exported to a consumer covered by the ETS, the consumer will get free allocation only in case a heat benchmark is applied (allocation for heat is already covered by the product benchmark). In case of export to non-ETS consumers, the heat exporter receives free allocation and one or two heat benchmark sub-installations should be foreseen. See *CIMs for a definition of measurable heat and Guidance Document 6 on Cross-Boundary Heat Flows for guidance on this topic.*

**Preliminary allocation**

The preliminary free allocation for a product benchmark sub-installation producing plaster is calculated as follows:

\[ F_p = BM_p \cdot HAL_p \]

With:
- \( F_p \): Annual preliminary allocation for a product benchmark sub-installation producing plaster (expressed in EUAs).
- \( BM_p \): Benchmark for plaster (expressed in EUAs / unit of product).
- \( HAL_p \): Historical activity level, i.e. the median annual production in the baseline period as determined and verified in the baseline data collection (expressed in units of product).
33 Plasterboard

Product benchmark
0.131 allowances/tonne

Carbon leakage exposure as determined by Commission Decision 2010/2/EU for the years 2013 and 2014
Not exposed

Unit of product
Tonne of stucco (saleable production)

Stucco also known as ‘Plaster of Paris’ is hemi-hydrate plaster (CaSO₄·1/2H₂O) produced by heating (‘calcining’) raw gypsum at 150°C to 165°C thereby removing three-quarters of chemically combined water.

Definition and explanation of products covered
According to the CIMs this product benchmark covers:

“The benchmark covers boards, sheets, panels, tiles, similar articles of plaster/compositions based on plaster, (not) faced/reinforced with paper/paperboard only, excluding articles agglomerated with plaster, ornamented (in tonnes of stucco). High-density gypsum fibreboards not covered by this product benchmark.”

The benchmark covers the products of based on plaster. The benchmark covers both faced and non faced products, both reinforced and non-reinforced products, such as:
- Boards
- Sheets
- Panels
- Tiles,
- Similar articles of plaster/compositions
- Plasterboard
- Glass Reinforced Plasterboard
- Gypsum Blocks
- Gypsum Coving
- Gypsum Ceiling Tiles.

The benchmark excludes
- Articles agglomerated with plaster ornamented
- High-density fibreboards
The table below shows relevant products according to definitions in PRODCOM 2007 statistics.

<table>
<thead>
<tr>
<th>PRODCOM code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>26.62.10.50</td>
<td>Boards, sheets, panels, tiles, similar articles of plaster/compositions based on plaster, faced/reinforced with paper/paperboard only, excluding articles agglomerated with plaster, ornamented</td>
</tr>
<tr>
<td>26.62.10.90</td>
<td>Boards, sheets, panels, tiles, similar articles of plaster/compositions based on plaster, not faced/reinforced with paper/paperboard only, excluding articles agglomerated with plaster, ornamented</td>
</tr>
</tbody>
</table>

PRODCOM codes can be useful in identifying and defining products. As a general guideline, the identification of the products should never solely rely on PRODCOM codes reported in statistics.

The tonnes of stucco used to make the final product can be verified by using one or more of the following methods:

1. Measurement of the weight of stucco going into the mixer from the weigh belt feeding the mixer (in the gypsum industry the weigh belt is a highly calibrated measuring device with an accuracy of +/- 0.5%);
2. Calculation of the amount of stucco used to make the board from recipe data used to make each individual plasterboard product;
3. Measurement of the amount of stucco made in the separate calcination step;
4. Back calculation to the amount of raw gypsum material entering the plant (this is used for verification of the plant’s mass balance).

**Definition and explanation of processes and emissions covered**

In their Annex I, point 2, referring to the ‘definition of product benchmarks and system boundaries with consideration of exchangeability of fuel and electricity’, the CIMS define the system boundaries of the plasterboard product benchmark as follows:

“All processes directly or indirectly linked to the production steps
- milling,
- drying,
- calcining, and
- board drying
are included.

For the determination of indirect emissions, only the electricity consumption of heat pumps applied in the drying stage shall be considered.”

The plasterboard benchmark covers the same activities as the plaster benchmark, but covers board drying as an additional production step. The production of the intermediate product dried secondary gypsum (see section 14) is not covered by the plasterboard benchmark.
For the determination of indirect emissions, only the electricity consumption of heat pumps applied in the drying stage shall be considered. These emissions are not eligible for free allocation but are used in the calculation of free allocation (see below).

The export of measurable heat (steam, hot water, etc.) is not covered by this product benchmark and might be eligible for free allocation, regardless whether heat is exported to an ETS consumer or a consumers not covered by the ETS. However, when heat is exported to a consumer covered by the ETS, the consumer will get free allocation only in case a heat benchmark is applied (allocation for heat is already covered by the product benchmark). In case of export to non-ETS consumers, the heat exporter receives free allocation and one or two heat benchmark sub-installations should be foreseen. See CIMs for a definition of measurable heat and Guidance Document 6 on Cross-Boundary Heat Flows for guidance on this topic.

**Preliminary allocation**

The product benchmark for plasterboard is based on total emissions since energy produced from fuels is exchangeable for energy from electricity. Allocation should however be based on direct emissions only. In order to achieve consistency between the benchmarks and the allocation, the preliminary allocation is calculated using a ratio of direct and total emissions:

\[
F_p = \frac{E_{\text{direct}} + E_{\text{NetHeatImp}}}{E_{\text{direct}} + E_{\text{NetHeatImp}} + E_{\text{indirect}}} \cdot BM_p \cdot HAL_p
\]

With:

- \( F_p \): Annual preliminary allocation for a product benchmark sub-installation producing plasterboard (expressed in EUAs).
- \( BM_p \): Benchmark for plasterboard (expressed in EUAs / unit of product).
- \( HAL_p \): Historical activity level, i.e. the median annual production in the baseline period as determined and verified in the baseline data collection (expressed in units of product).
- \( E_{\text{direct}} \): Direct emissions within the system boundaries of the production of plasterboard over the baseline period. The direct emissions further include the emissions due to the production of heat within the same ETS installation, that is consumed within the system boundaries of the plasterboard production process. Direct emissions should (by definition) exclude any emissions from electricity generation or net heat export/import from other ETS installations or non-ETS entities.
- \( E_{\text{NetHeatImp}} \): Emissions from any net measurable heat import from other ETS installations and non-ETS entities over the baseline period by a sub-installation producing plasterboard. Irrespective of where and how the heat is produced, these emissions expressed in tonne CO\(_2\) are calculated as follows:
$$Em_{NetHeatImport} = Net Heat Import \cdot 62.3$$

With:

$Net Heat Import$:
Net import of measurable heat from both ETS installations and non-ETS entities over the baseline period by a sub-installation producing plasterboard, expressed in TJ.

$Em_{indirect}$:
Indirect emissions from electricity consumption of heat pumps applied in the drying stage over the baseline period. Irrespective of where and how the electricity is produced, these emissions expressed in tonne CO$_2$ are calculated as follows:

$$Em_{indirect} = Elec. use \cdot 0.465$$

With:

$Elec. use$:
Electricity consumption of heat pumps applied in the drying stage over the baseline period, expressed in MWh.
34 Pre-bake anode

**Product benchmark**
0.324 allowances/tonne

**Carbon leakage exposure as determined by Commission Decision 2010/2/EU for the years 2013 and 2014**
Exposed

**Unit of production**
Tonne of pre-bake anode

**Definition and explanation of products covered**
According to the CIMs this product benchmark covers:

"Anodes for aluminium electrolysis use consisting of petrol coke, pitch and normally recycled anodes, which are formed to shape specifically intended for a particular smelter and baked in anode baking ovens to a temperature of around 1150°C"

Söderberg anodes are not covered by this product benchmark as the production of these anodes should be covered by fall-back approaches.

*No PRODCOM code for pre-baked anodes nor any other industry standard or classification number for the product is available.*

**Definition and explanation of processes and emissions covered**
The CIMs define the system boundaries as follows:

"All processes directly or indirectly linked to the production of pre-bake anodes are included."

Emissions related to the production of the consumed electricity are excluded from the system boundaries.

The export of measurable heat (steam, hot water, etc.) is not covered by this product benchmark and might be eligible for free allocation, regardless whether heat is exported to an ETS consumer or a consumers not covered by the ETS. However, when heat is exported to a consumer covered by the ETS, the consumer will get free allocation only in case a heat benchmark is applied (allocation for heat is already covered by the product benchmark). In case of export to non-ETS consumers, the heat exporter receives free allocation and one or two heat benchmark sub-installations should be foreseen. See CIMs for a definition of measurable heat and Guidance Document 6 on Cross-Boundary Heat Flows for guidance on this topic.
Preliminary allocation

The preliminary free allocation for a product benchmark sub-installation producing pre-baked anode is calculated as follows:

\[ F_p = B_{MP} \cdot H_{AL_p} \]

With:
- \( F_p \): Annual preliminary allocation for a product benchmark sub-installation producing pre-baked anode (expressed in EUAs).
- \( B_{MP} \): Benchmark for pre-baked anode (expressed in EUAs / unit of product).
- \( H_{AL_p} \): Historical activity level, i.e. the median annual production in the baseline period as determined and verified in the baseline data collection (expressed in units of product).
35 Recovered paper pulp

Product benchmark
0.039 allowances/tonne

Carbon leakage exposure as determined by Commission Decision 2010/2/EU for the years 2013 and 2014
Exposed

Unit of production
Net saleable production in Adt (Air Dried Tonnes).

The production of an installation is defined as the net saleable production of air dried metric tons (Adt) measured at the end of the production process. Air dry metric tonne of pulp meaning dry solids content of 90%.

In case of pulp production, the production is defined as the total pulp produced including both pulp for internal delivery to a paper mill and market pulp. The produced recovered paper pulp will in most cases be transported from the pulper to the paper machine in the form of a slurry. It has to be calculated back to Adt. The production amount can either be defined by measuring the amount of pulp from the pulper (if meters in place) or by calculation from the recovered paper input minus impurities removed or from a full mass balance.

Definition and explanation of products covered
According to the CIMs this product benchmark covers:

“Pulps of fibres derived from recovered (waste and scrap) paper or paperboard or of other fibrous cellulosic material expressed as net saleable production in Adt.”

The table below shows relevant products according to definitions in PRODCOM 2008 statistics.

<table>
<thead>
<tr>
<th>Can be covered by CN code/trade code</th>
<th>Can be covered by PRODCOM 2008 code</th>
</tr>
</thead>
<tbody>
<tr>
<td>4706 - Pulps of fibres derived from recovered (waste and scrap) paper or paperboard or of other fibrous cellulosic material</td>
<td>17.11.14.00</td>
</tr>
</tbody>
</table>

These classifications can be useful in identifying and defining products. As a general guideline, the identification of the products should never solely rely on classifications in statistics.
Both deinked and non-deinked recycled pulp are covered by the benchmark.
**Definition and explanation of processes and emissions covered**

The CIMs define the system boundaries as follows:

“All processes which are part of the production of pulp from recovered paper and connected energy conversion units (boiler/CHP) are included. Other activities on site that are not part of this process such as
- sawmilling activities,
- woodworking activities,
- production of chemicals for sale,
- waste treatment (treating waste onsite instead of offsite (drying, pelletising, incinerating, landfilling),
- PCC (precipitated calcium carbonate) production,
- treatment of odorous gases, and
- district heating
are not included.”

Emissions related to the production of the consumed electricity are excluded from the system boundaries.

The export of measurable heat (steam, hot water, etc.) is not covered by this product benchmark and might be eligible for free allocation, regardless whether heat is exported to an ETS consumer or a consumers not covered by the ETS. However, when heat is exported to a consumer covered by the ETS, the consumer will get free allocation only in case a heat benchmark is applied (allocation for heat is already covered by the product benchmark). In case of export to non-ETS consumers, the heat exporter receives free allocation and one or two heat benchmark sub-installations should be foreseen. See CIMs for a definition of measurable heat and Guidance Document 6 on Cross-Boundary Heat Flows for guidance on this topic.

**Preliminary allocation**

The preliminary free allocation for a product benchmark sub-installation producing recovered paper pulp is calculated as follows:

\[ F_p = BM_p \cdot HAL_p \]

With:

- \( F_p \): Annual preliminary allocation for a product benchmark sub-installation producing recovered paper pulp (expressed in EUAs).
- \( BM_p \): Benchmark for recovered paper pulp (expressed in EUAs / unit of product).
- \( HAL_p \): Historical activity level, i.e. the median annual production in the baseline period as determined and verified in the baseline data collection (expressed in units of product).
Refinery products

Product benchmark
0.0295 allowances/CO₂ weighted tonne

Carbon leakage exposure as determined by Commission Decision 2010/2/EU for the years 2013 and 2014
Exposed

Unit of production
CO₂ weighted tonne (CWT)

Definition and explanation of products covered
According to the CIMs this product benchmark covers:

“Mix of refinery products with more than 40% light products (motor spirit (gasoline) including aviation spirit, spirit type (gasoline type) jet fuel, other light petroleum oils/ light preparations, kerosene including kerosene type jet fuel, gas oils) expressed as CO₂ weighted tonne (CWT).”

Refineries with other product mixes (so-called atypical sites producing e.g. mainly lubricants or bitumen) are not covered by this product benchmark. For these cases, the allocation will be based on fall-back approaches.

The table below shows relevant products according to definitions in PRODCOM 2004 statistics. PODCOM 2007 does not include a respective code for coke-oven coal.

<table>
<thead>
<tr>
<th>PRODCOM code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>23.20.11.40</td>
<td>Aviation gasoline</td>
</tr>
<tr>
<td>23.20.11.50</td>
<td>Motor gasoline, unleaded</td>
</tr>
<tr>
<td>23.20.11.70</td>
<td>Motor gasoline, leaded</td>
</tr>
<tr>
<td>23.20.12.00</td>
<td>Gasoline type jet fuel</td>
</tr>
<tr>
<td>23.20.13.50</td>
<td>Light naphtha</td>
</tr>
<tr>
<td>23.20.16.50</td>
<td>Medium naphtha</td>
</tr>
<tr>
<td>23.20.13.70</td>
<td>White spirit, industrial spirit</td>
</tr>
<tr>
<td>23.20.14.00</td>
<td>Kerosene-type jet fuel and other kerosene</td>
</tr>
<tr>
<td>23.20.15.50</td>
<td>Derv fuel (diesel)</td>
</tr>
<tr>
<td>23.20.15.70</td>
<td>Heating gas-oil</td>
</tr>
</tbody>
</table>

PRODCOM codes can be useful in identifying and defining products. As a general guideline, the identification of the products should never solely rely on PRODCOM codes reported in statistics.
Definition and explanation of processes and emissions covered

In their Annex I, point 2, referring to the 'definition of product benchmarks and system boundaries with consideration of exchangeability of fuel and electricity', the CIMs define the system boundaries of the refinery products product benchmark as follows:

“All processes of a refinery matching the definition of one of the CWT process units as well as ancillary non-process facilities operating inside the refinery fence-line such as tankage, blending, effluent treatment, etc. are included. For the determination of indirect emissions, the total electricity consumption within the system boundaries shall be considered.”

Lube oils and bitumen processing units located in mainstream refineries are also included in the refinery CWT and emissions envelope. CWT units are defined in the section in the chapter on the determination of historical activity level.

Process units pertaining to other sectors, such as petrochemicals, are sometimes physically integrated with the refinery. Such process units and their emissions are excluded from the CWT approach. Instead, the allocation for these process units should be determined on the basis of other product benchmark (if available) or fall-back approaches (heat benchmark, fuel benchmark or process emissions approach).

In particular, steam cracker complexes are not included in the scope of the CWT methodology as they are handled as part of the chemical sector. Whenever a steam cracker is physically integrated into a refinery it does not give rise to any CWT contribution while the corresponding CO₂ emissions are subtracted from the amount of refineries emissions used in the CWT methodology.

For the determination of indirect emissions, the total electricity consumption within the system boundaries shall be considered. These emissions are not eligible for free allocation but are used in the calculation of free allocation (see below).

The export of measurable heat (steam, hot water, etc.) is not covered by this product benchmark and might be eligible for free allocation, regardless whether heat is exported to an ETS consumer or a consumers not covered by the ETS. However, when heat is exported to a consumer covered by the ETS, the consumer will get free allocation only in case a heat benchmark is applied (allocation for heat is already covered by the product benchmark). In case of export to non-ETS consumers, the heat exporter receives free allocation and one or two heat benchmark sub-installations should be foreseen. See CIMs for a definition of measurable heat and Guidance Document 6 on Cross-Boundary Heat Flows for guidance on this topic.

Preliminary allocation

The product benchmark for refineries is based on total emissions since energy produced from fuels is exchangeable for energy from electricity. Allocation should however be
based on direct emissions only. In order to achieve consistency between the benchmarks and the allocation, the preliminary allocation is calculated using a ratio of direct and total emissions:

\[ F_p = \frac{Em_{direct} + Em_{NetHeatImport,ETS}}{Em_{direct} + Em_{NetHeatImport} + Em_{Elec}} \cdot BM_{CWT} \cdot HAL_{CWT} \]

With:

- \( F_p \): Annual preliminary allocation for a refinery (expressed in EUAs).
- \( BM_{CWT} \): Benchmark for refineries (expressed in EUAs / CWT).
- \( HAL_{CWT} \): Historical activity level, i.e. the median annual production in the baseline period as (expressed in units of product) (see next section).
- \( Em_{direct} \): Direct emissions of CWT units over the baseline period (see next section).
- The direct emissions further include the emissions due to the production of heat within the same ETS installation, that is consumed by CWT units (see next section). Direct emissions should (by definition) exclude any emissions from electricity generation or net heat export/import from other ETS installations or non-ETS entities.
- \( Em_{NetHeatImport} \): Emissions from any net measurable heat import by CWT units (see next section) from other ETS installations and non-ETS entities over the baseline period. Irrespective of where and how the heat is produced, these emissions expressed in tonne CO\(_2\) are calculated as follows:

\[ Em_{NetHeatImport} = Net Heat Import \cdot 62.3 \]

With:

- \( Net Heat Import \): Net measurable heat import by CWT units (see next section) from other ETS installations and non-ETS entities over the baseline period, expressed in TJ

- \( Em_{Elec} \): Indirect emissions from electricity consumption by CWT units (see next section) over the baseline period. Irrespective of where and how the electricity is produced, these emissions expressed in tonne CO\(_2\) are calculated as follows:

\[ Em_{Elec} = Elec. use \cdot 0.465 \]

With:

- \( Elec. use \): Total electricity consumption by CWT units (see next section) over the baseline period, expressed in MWh.
**Determination of historical activity level**

Although all refineries process crude oil to make a broadly similar range of products (LPG, gasolines, and kerosene, gasoil/diesel and fuels oils), they are all different in terms of types of process units, relative and absolute size. A refinery will use different routes with different CO\(_2\) footprints to make a certain product, and production routes and products are interdependent, i.e. a refinery cannot produce only gasoline. Also, refineries with a relatively simple configuration unable to process certain heavy fractions being part of their output, ship these substances to more complex refineries for further processing. As a result, energy consumption and CO\(_2\) emissions do not readily correlate with simple indicators such as crude throughput, final product mix or the like.

The concept of CO\(_2\) Weighted Tonne (CWT) overcomes this difficulty by defining the activity of a refinery not simply as input or output, but as a function of activity levels of the process units that are part of the refinery. Thereby the single product of the refinery is the CWT and its production has been calculated on the basis of defined generic process unit each of which has been weighted with an emission factor relative to crude distillation. That factor is denoted as the CWT factor and is representative of the CO\(_2\) emission intensity at an average level of energy efficiency, for the same standard fuel type for each process unit for production, and for average process emissions of the process units. Additional corrections are applied for so-called off-sites\(^7\) and electricity production/consumption.

The historical activity level in terms of CWT should be determined according to the formula below:

\[
HA_{\text{CWT}} = \text{MEDIAN} \left( 1.0183 \sum_{i=1}^{n} (TP_{i,k} \cdot CWT_i) + 298 + 0.315 \cdot TP_{AD,k} \right)
\]

with:
- \(TP_{i,k}\): historical activity level of process unit \(i\) in year \(k\) of the baseline period as defined for the purpose of the CWT approach (see and Table 5)
- \(CW\text{WT}_i\): CWT factor for process unit \(i\) as defined by for the purpose of the CWT approach (see and Table 5)
- \(TP_{AD,k}\): Throughput of the Atmospheric Crude Distillation in year \(k\) of the baseline period defined as fresh feed (kt) per year.

Table 4 provides a calculation of the basic historical activity level. The yellow cells require input data. Process units for the purpose of the CWT approach are called CWT ‘functions’. Since not all CWT functions will be performed on a single refinery, the majority of yellow fields will have the value zero. It is recommended to use the

\(^7\) Off-sites are ancillary non-process facilities operating inside the refinery fence-line such as tankage, blending, effluent treatment, etc.
calculation tool provided by Concawe for the benchmark data collection exercise and to copy the results into the general data collection template provided by the European Commission.

The appropriate measures of activity for a CWT function are shown in Table 4 and Table 5. With some exceptions, the activity is entered in kilotonnes per annum (kt/a) of either fresh feed (F) or product (P). Fresh feed is to be understood as water free and excluding slops processing.

The reported throughput must be the actual figure for the year, even if the unit was not in operation during the whole year (e.g. new unit started-up during the year, unit idle during part of the year). Figures must be generated from either actual flow measurements and/or refinery material balance records.

Accuracy
In order to meet the desired accuracy for CWT, throughputs must be entered in kt/a with a certain number of decimals depending on the magnitude of the CWT factor:

- For factors up to 1.99: 0 decimals
- For factors between 2.00 and 19.99: 1 decimal
- For factors between 20.00 and 99.99: 2 decimals
- For factors above 100.00: 3 decimals

The following accuracy must be adhered to in the calculation of parameters that may be necessary to calculate direct and indirect emissions of the (sub)installation:

- Steam flows: ±5%
- Electricity production: ±5%
- Steam conditions: for steam enthalpies an accuracy of ±10 GJ/t is sufficient which is consistent with conditions accurate within ± 5 ºC and ± 5 bar. Note that these conditions are not used in the calculation in this document, but may nevertheless be used in the calculation of the amount of imported and exported steam.
Table 4. Calculation of basic historic activity level in year k

<table>
<thead>
<tr>
<th>CWT function</th>
<th>Historical level of activity</th>
<th>CWT factor</th>
<th>CWT (kt in year k)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Atmospheric Crude Distillation</td>
<td>F</td>
<td>×</td>
<td>1.00</td>
</tr>
<tr>
<td>Vacuum Distillation</td>
<td>F</td>
<td>×</td>
<td>0.85</td>
</tr>
<tr>
<td>Solvent Deasphaltizing</td>
<td>F</td>
<td>×</td>
<td>2.45</td>
</tr>
<tr>
<td>Visbreaking</td>
<td>F</td>
<td>×</td>
<td>1.40</td>
</tr>
<tr>
<td>Thermal Cracking</td>
<td>F</td>
<td>×</td>
<td>2.70</td>
</tr>
<tr>
<td>Delayed Coking</td>
<td>F</td>
<td>×</td>
<td>2.20</td>
</tr>
<tr>
<td>Fluid Coking</td>
<td>F</td>
<td>×</td>
<td>7.60</td>
</tr>
<tr>
<td>Flexicoking</td>
<td>F</td>
<td>×</td>
<td>16.60</td>
</tr>
<tr>
<td>Coke Calcining</td>
<td>P</td>
<td>×</td>
<td>12.75</td>
</tr>
<tr>
<td>Fluid Catalytic Cracking</td>
<td>F</td>
<td>×</td>
<td>5.50</td>
</tr>
<tr>
<td>Other Catalytic Cracking</td>
<td>F</td>
<td>×</td>
<td>4.10</td>
</tr>
<tr>
<td>Distillate/Gasoil Hydrocracking</td>
<td>F</td>
<td>×</td>
<td>2.85</td>
</tr>
<tr>
<td>Residual Hydrocracking</td>
<td>F</td>
<td>×</td>
<td>3.75</td>
</tr>
<tr>
<td>Naphtha/Gasoline Hydrotreating</td>
<td>F</td>
<td>×</td>
<td>1.10</td>
</tr>
<tr>
<td>Kerosene/Diesel Hydrotreating</td>
<td>F</td>
<td>×</td>
<td>0.90</td>
</tr>
<tr>
<td>Residual Hydrotreating</td>
<td>F</td>
<td>×</td>
<td>1.55</td>
</tr>
<tr>
<td>VGO Hydrotreating</td>
<td>F</td>
<td>×</td>
<td>0.90</td>
</tr>
<tr>
<td>Hydrogen Production</td>
<td>P</td>
<td>×</td>
<td>300.00</td>
</tr>
<tr>
<td>Catalytic Reforming</td>
<td>F</td>
<td>×</td>
<td>4.95</td>
</tr>
<tr>
<td>Allylation</td>
<td>P</td>
<td>×</td>
<td>7.25</td>
</tr>
<tr>
<td>C4 Isomerisation</td>
<td>R</td>
<td>×</td>
<td>3.25</td>
</tr>
<tr>
<td>CS/CG Isomerisation</td>
<td>R</td>
<td>×</td>
<td>2.85</td>
</tr>
<tr>
<td>Oxygenate Production</td>
<td>P</td>
<td>×</td>
<td>5.60</td>
</tr>
<tr>
<td>Propylene Production</td>
<td>F</td>
<td>×</td>
<td>3.45</td>
</tr>
<tr>
<td>Asphalt Manufacture</td>
<td>P</td>
<td>×</td>
<td>2.10</td>
</tr>
<tr>
<td>Polymer-Modified Asphalt Blending</td>
<td>P</td>
<td>×</td>
<td>0.55</td>
</tr>
<tr>
<td>Sulphur Recovery</td>
<td>P</td>
<td>×</td>
<td>18.60</td>
</tr>
<tr>
<td>Aromatic Solvent Extraction</td>
<td>F</td>
<td>×</td>
<td>5.25</td>
</tr>
<tr>
<td>Hydrodealkylation</td>
<td>F</td>
<td>×</td>
<td>2.45</td>
</tr>
<tr>
<td>TDP/TDA</td>
<td>F</td>
<td>×</td>
<td>1.85</td>
</tr>
<tr>
<td>Cyclohexane production</td>
<td>P</td>
<td>×</td>
<td>3.00</td>
</tr>
<tr>
<td>Xylene Isomerisation</td>
<td>F</td>
<td>×</td>
<td>1.85</td>
</tr>
<tr>
<td>Paraxylene Production</td>
<td>P</td>
<td>×</td>
<td>6.40</td>
</tr>
<tr>
<td>Metaxylene production</td>
<td>P</td>
<td>×</td>
<td>11.10</td>
</tr>
<tr>
<td>Phthalic anhydride production</td>
<td>P</td>
<td>×</td>
<td>14.40</td>
</tr>
<tr>
<td>Maleic anhydride production</td>
<td>P</td>
<td>×</td>
<td>20.80</td>
</tr>
<tr>
<td>Ethylene production</td>
<td>P</td>
<td>×</td>
<td>1.55</td>
</tr>
<tr>
<td>Cumene production</td>
<td>P</td>
<td>×</td>
<td>5.00</td>
</tr>
<tr>
<td>Phenol production</td>
<td>P</td>
<td>×</td>
<td>1.15</td>
</tr>
<tr>
<td>Lube solvent extraction</td>
<td>F</td>
<td>×</td>
<td>2.10</td>
</tr>
</tbody>
</table>
### Table 4. Calculation of basic historic activity level in year k (continued)

<table>
<thead>
<tr>
<th>CWT function</th>
<th>Historical level of activity Basis</th>
<th>CWT factor</th>
<th>CWT (kt in year k)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lube solvent dewaxing</td>
<td>F</td>
<td>×</td>
<td>4.55</td>
</tr>
<tr>
<td>Catalytic Wax Isomerisation</td>
<td>F</td>
<td>×</td>
<td>1.60</td>
</tr>
<tr>
<td>Lube Hydrocdracking</td>
<td>F</td>
<td>×</td>
<td>2.50</td>
</tr>
<tr>
<td>Wax Distillation</td>
<td>P</td>
<td>×</td>
<td>12.00</td>
</tr>
<tr>
<td>Lub &amp; Wax Hydrotreating</td>
<td>F</td>
<td>×</td>
<td>1.15</td>
</tr>
<tr>
<td>Solvent Hydrotreating</td>
<td>F</td>
<td>×</td>
<td>1.25</td>
</tr>
<tr>
<td>Solvent Fractionation</td>
<td>F</td>
<td>×</td>
<td>0.90</td>
</tr>
<tr>
<td>Mol sieve for C10+ paraffins</td>
<td>P</td>
<td>×</td>
<td>1.85</td>
</tr>
<tr>
<td>Partial Oxidation of Residual Feeds (POX) for fuel</td>
<td>SG</td>
<td>×</td>
<td>8.20</td>
</tr>
<tr>
<td>Partial Oxidation of Residual Feeds (POX) for Hydrogen or Methanol</td>
<td>SG</td>
<td>×</td>
<td>44.00</td>
</tr>
<tr>
<td>Methanol from syngas</td>
<td>P</td>
<td>×</td>
<td>-36.20</td>
</tr>
<tr>
<td>Air Separation</td>
<td>P (kNm³O₂)</td>
<td>×</td>
<td>8.80</td>
</tr>
<tr>
<td>Fractionation for purchased NGL</td>
<td>F</td>
<td>×</td>
<td>1.00</td>
</tr>
<tr>
<td>Flue gas treatment</td>
<td>F (MNm³)</td>
<td>×</td>
<td>0.10</td>
</tr>
<tr>
<td>Treatment and Compression of Fuel Gas for Product Sales</td>
<td>Elec. consumption (kW)</td>
<td>×</td>
<td>0.15</td>
</tr>
<tr>
<td>Seawater Desalination</td>
<td>P (km³)</td>
<td>×</td>
<td>1.15</td>
</tr>
</tbody>
</table>

**Sum**

**Historical activity level (HAL)**

\[HAL = 1.0183 \times HA_{base} + 0.315 \times TP_{AD} + 298\]  
(for TD see first line in table)

**HAL**

* Measure for activity level: net fresh feed (F), reactor feed (R, includes recycle), product feed (P), Synthesis gas production for POX units (SG)
<table>
<thead>
<tr>
<th>Process Unit</th>
<th>Solomon Process ID</th>
<th>Solomon Process Type</th>
<th>Activity basis</th>
<th>CWT factor</th>
<th>Description</th>
<th>Typical feed(s)</th>
<th>Typical product(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Atmospheric Crude Distillation</td>
<td>CDU</td>
<td></td>
<td>Fresh feed</td>
<td>1.00</td>
<td>Primary atmospheric distillation of crude oil and other feedstocks. The factor includes ancillary equipment such as crude desalter, naphtha splitting, gas plant and wet treatment of light streams for mercaptan removal. Some units may have more than one main distillation column.</td>
<td>Crude oil, other feedstocks</td>
<td>Full range of distillates from light gases to heavy gasoil, atmospheric residue</td>
</tr>
<tr>
<td>Mild Crude Unit</td>
<td>MCU</td>
<td></td>
<td>Fresh feed</td>
<td>1.00</td>
<td>The classification between MCU and SCU unit depends on the TBP cut point of the bottom product. The unit is classified as an SCU if this cutpoint is &gt;350°C, otherwise it is classified as an MCU.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Standard Crude Unit</td>
<td>SCU</td>
<td></td>
<td>Fresh feed</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vacuum Distillation</td>
<td>VAC</td>
<td></td>
<td>Fresh feed</td>
<td>0.85</td>
<td>Distillation of atmospheric residues under vacuum. The process line up must include a heater. Some units may have more than one main distillation column. VAC and MVU represent different levels of vacuum. VFR is typically used for lube production and include a higher level of fractionation between distillate products.</td>
<td>Atmospheric residue</td>
<td>Vacuum gasoils, vacuum residue</td>
</tr>
<tr>
<td>Mild Vacuum Fractionation</td>
<td>MVU</td>
<td></td>
<td>Fresh feed</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Standard Vacuum Column</td>
<td>VAC</td>
<td></td>
<td>Fresh feed</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vacuum Fractionating Column</td>
<td>VFR</td>
<td></td>
<td>Fresh feed</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vacuum Flasher Column</td>
<td>VFL</td>
<td></td>
<td>n.c.</td>
<td>n.c.</td>
<td>Normally associated with a visbreaker (VBR) or a thermal cracker (TCR). It does not include a heater. Its contribution is included in the CWT factor of the VBR and TCR units.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Heavy Feed Vacuum Unit</td>
<td>HFV</td>
<td></td>
<td>n.c.</td>
<td>n.c.</td>
<td>Additional column taking feed from the bottom of an MVU. Its contribution is included in the generic CWT factor for VAC.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Solvent Desphalting</td>
<td>SDA</td>
<td></td>
<td>Fresh feed</td>
<td>2.45</td>
<td>Separation of the lighter fraction of a vacuum or cracked residue by means of a solvent such as propane, butane or heavier.</td>
<td>Vacuum or cracked residue</td>
<td>Desphalting oil (DAO), asphalt</td>
</tr>
<tr>
<td>Conventional Solvent</td>
<td>CONV</td>
<td></td>
<td>Fresh feed</td>
<td>2.45</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supercritical Solvent</td>
<td>SCRT</td>
<td></td>
<td>Fresh feed</td>
<td>2.45</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Visbreaking</td>
<td>VBR</td>
<td></td>
<td>Fresh feed</td>
<td>1.40</td>
<td>Mild thermal cracking of residual feedstocks to produce some distillates and reduce the viscosity of the cracked residue. The different types represent different feedstocks and process configurations. May include a vacuum flasher (VFL).</td>
<td>Atmospheric or vacuum residue, asphalt</td>
<td>Full range of cracked distillates from light gases to heavy gasoil, cracked residue</td>
</tr>
<tr>
<td>Process Unit</td>
<td>Solomon Process ID</td>
<td>Solomon Process Type</td>
<td>Activity basis</td>
<td>CWT factor</td>
<td>Description</td>
<td>Typical feed(s)</td>
<td>Typical product(s)</td>
</tr>
<tr>
<td>------------------------------</td>
<td>--------------------</td>
<td>----------------------</td>
<td>----------------</td>
<td>------------</td>
<td>-----------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Thermal Cracking</td>
<td>TCR</td>
<td>Fresh feed</td>
<td>2.70</td>
<td></td>
<td>Thermal cracking of distillate feedstocks. May include a vacuum flasher (VF)</td>
<td>Virgin vacuum or cracked gasolins</td>
<td>Full range of cracked distillates from light gases to heavy distillate</td>
</tr>
<tr>
<td>Coking</td>
<td>COK</td>
<td>Fresh feed</td>
<td>2.00</td>
<td></td>
<td>Severe thermal cracking of residual feed stocks producing coke as an</td>
<td>Vacuum residue, asphalt</td>
<td>Full range of cracked distillates from light gases to heavy gasoil, coke or low BTU gas</td>
</tr>
<tr>
<td>Delayed Cracking</td>
<td>DC</td>
<td>Fresh feed</td>
<td>2.20</td>
<td></td>
<td>Semi-continuous process, similar in line-up to a VBR, where the heat of</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fluid Cracking</td>
<td>FC</td>
<td>Fresh feed</td>
<td>7.60</td>
<td></td>
<td>Proprietary continuous process where the fluidized powder-like coke is</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flexicoking</td>
<td>FX</td>
<td>Fresh feed</td>
<td>16.60</td>
<td></td>
<td>Proprietary process incorporating a fluid coke and where the surplus coke</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coke calcining</td>
<td>CALCIN</td>
<td>Product</td>
<td>12.75</td>
<td></td>
<td>Process whereby so-called &quot;green coke&quot; from a DC is stripped of residual</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vertical-Axis Hearth</td>
<td>HRTH</td>
<td></td>
<td></td>
<td></td>
<td>light hydrocarbons by heating in a kiln to produce calcined coke</td>
<td></td>
<td></td>
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<tr>
<td>Horizontal-Axis Rotary Kiln</td>
<td>KILN</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fluid Catalytic Cracking</td>
<td>FCC</td>
<td>Fresh feed</td>
<td>5.5</td>
<td></td>
<td>Cracking of vacuum gasoil and residual feedstocks over a catalyst. The</td>
<td>Vacuum gasolins, asphalt residues, deasphalted oil</td>
<td>Full range of cracked distillates from light gases to heavy cracked distillate</td>
</tr>
<tr>
<td>Fluid Catalytic Cracking</td>
<td>FCC</td>
<td></td>
<td></td>
<td></td>
<td>finely divided catalyst is circulated in a fluidized state from the reactor</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mild Residuum Catalytic Cracking</td>
<td>MRCC</td>
<td></td>
<td></td>
<td></td>
<td>where it becomes coated with coke to the regenerator where coke is</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residua Catalytic Cracking</td>
<td>RCC</td>
<td></td>
<td></td>
<td></td>
<td>burned off. The hot regenerated catalyst returning to the reactor supplies</td>
<td></td>
<td></td>
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<tr>
<td>Other catalytic cracking</td>
<td>HCC</td>
<td>Fresh feed</td>
<td>4.1</td>
<td></td>
<td>Splitting of the gasoline product has been included in the FCC CWT factor.</td>
<td></td>
<td></td>
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<tr>
<td>TNC</td>
<td></td>
<td></td>
<td></td>
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<td>Process Unit</td>
<td>Solomon Process ID</td>
<td>Solomon Process Type</td>
<td>Activity basis</td>
<td>CWT factor</td>
<td>Description</td>
<td>Typical feed(s)</td>
<td>Typical product(s)</td>
</tr>
<tr>
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<td>----------------------</td>
<td>----------------</td>
<td>------------</td>
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<td>----------------</td>
<td>-------------------</td>
</tr>
<tr>
<td>Distillate/gasoil Hydrocracking</td>
<td>HYC</td>
<td>HMD</td>
<td>Fresh feed</td>
<td>2.85</td>
<td>Cracking of vacuum gasoils and cracked heavy distillates over a fixed catalyst bed, at high pressure and in the presence of hydrogen. The process combines cracking and hydrogenation reactions. HMD and HSD represent different severities resulting in different levels of conversion and hydrogen consumption. Higher severity generally requires higher operating pressures. In order to qualify for the HMD (or HSD) status a plant needs to comply with both of the following criteria: • Total operating reactor pressure: ≥ 70 barg • Conversion (defined as the % of feed material boiling over 350°C that is upgraded to lighter products): ≥ 20% mass on feed</td>
<td>Vacuum gasoils and cracked heavy distillates, deasphaltered oils, hydrogen</td>
<td>Full range of hydrocracked distillates from gasoil, hydrocracked bottoms</td>
</tr>
<tr>
<td>Mild Hydrocracking</td>
<td></td>
<td>HMD</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Severe Hydrocracking</td>
<td></td>
<td>HSD</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Naphtha Hydrocracking</td>
<td>HNP</td>
<td></td>
<td></td>
<td></td>
<td>Special hydrocracking process for converting naphtha into C3-C4 hydocarbons.</td>
<td>Naphtha, hydrogen</td>
<td>Saturated C3-C4 hydrocarbons</td>
</tr>
<tr>
<td>Residual Hydrocracking</td>
<td>HOL</td>
<td></td>
<td></td>
<td>3.75</td>
<td>Hydrocracking of residual feedstocks. Different Proprietary processes involve continuous or semi-continuous catalyst replenishment. The HCY unit must be designed to process feed containing at least 50% mass of vacuum residue (defined as boiling over 550°C) for it to qualify as a Residue HC unit (I-Oil, LC-Finning or Hycon).</td>
<td>Atmospheric or vacuum residues, hydrogen</td>
<td>Full range of hydrocracked distillates from light gases to vacuum gasoil, unconverted residue</td>
</tr>
<tr>
<td>Naphtha/Gasoline Hydrotreating</td>
<td>NHYT</td>
<td></td>
<td>Fresh feed</td>
<td>1.10</td>
<td>A number of processes involving treating and upgrading of naphtha/gasoline and lighter streams.</td>
<td>Various gasoline blending components</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benzenes Saturation</td>
<td>BSAT</td>
<td></td>
<td>Fresh feed</td>
<td></td>
<td>Selective hydrogenation of benzenes in gasolines streams over a fixed catalyst bed at moderate pressure.</td>
<td>Various gasoline streams, hydrogen</td>
<td></td>
</tr>
<tr>
<td>Desulfurization of C4-C6 Feeds</td>
<td>C4CS</td>
<td></td>
<td></td>
<td></td>
<td>Desulfurisation of light naphtha over a fixed catalyst bed, at moderate pressure and in the presence of hydrogen.</td>
<td>Light naphtha, hydrogen</td>
<td></td>
</tr>
<tr>
<td>Conventional Naphtha H/T</td>
<td>CONV</td>
<td></td>
<td></td>
<td></td>
<td>Desulfurisation of virgin and cracked naphtha over a fixed catalyst bed at moderate pressure and in the presence of hydrogen. For cracked naphtha also involves saturation of olefins.</td>
<td>Virgin and cracked naphtha/gasolines, hydrogen</td>
<td></td>
</tr>
<tr>
<td>Diolefins to Olefin Saturation</td>
<td>DIO</td>
<td></td>
<td></td>
<td></td>
<td>Selective saturation of diolefins over a fixed catalyst bed, at moderate pressure and in the presence of hydrogen, to improve stability of thermally cracked and coker gasolines.</td>
<td>Thermally cracked or coker gasolines</td>
<td></td>
</tr>
<tr>
<td>Diolefins to Olefin Saturation of Alkylation Feed</td>
<td>DIO</td>
<td></td>
<td></td>
<td></td>
<td>Selective saturation of diolefins in C4 streams for alkylation over a fixed catalyst bed, at moderate pressure and in the presence of hydrogen.</td>
<td>Thermally cracked or coker LPG streams, hydrogen</td>
<td></td>
</tr>
<tr>
<td>Process Unit</td>
<td>Solomon Process ID</td>
<td>Solomon Process Type</td>
<td>Activity basis</td>
<td>CWT factor</td>
<td>Description</td>
<td>Typical feed(s)</td>
<td>Typical product(s)</td>
</tr>
<tr>
<td>--------------------------------------------------------</td>
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<td>------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
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<td>---------------------</td>
</tr>
<tr>
<td>Naphtha/Gasoline Hydrotreating (continued)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FCC gasoline hydrotreating with minimum octane loss</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Selective desulphurisation of FCC gasoline cuts with minimum olefins saturation, over a fixed catalyst bed, at moderate pressure and in the presence of hydrogen.</td>
<td>FCC gasoline cuts, hydrogen</td>
<td></td>
</tr>
<tr>
<td>Olefins Alkylation of Thiols</td>
<td></td>
<td>OATS</td>
<td></td>
<td></td>
<td>A gasoline desulphurisation process in which thiophenes and mercaptans are catalytically reacted with olefins to produce higher-boiling sulphur compounds removable by distillation. Does not involve hydrogen.</td>
<td>FCC gasoline cuts</td>
<td></td>
</tr>
<tr>
<td>S-Zorb™ Process</td>
<td></td>
<td>ZORB</td>
<td></td>
<td></td>
<td>Desulphurisation of naphtha/gasoline streams using a proprietary flush-bed hydrogenation adsorption process in the presence of hydrogen.</td>
<td>Various naphthas/gasolines</td>
<td></td>
</tr>
<tr>
<td>Selective H/T of Pygas/Naphtha</td>
<td></td>
<td>PYGC</td>
<td></td>
<td></td>
<td>Selective or non-selective desulphurisation of pyrolysis gasoline (by-product of light olefins production) and other streams over a fixed catalyst bed, at moderate pressure and in the presence of hydrogen.</td>
<td>Pyrolysis gasoline, hydrogen</td>
<td></td>
</tr>
<tr>
<td>Reactor for Selective Hydrotreating</td>
<td>RXST</td>
<td></td>
<td>n.e.</td>
<td>n.e.</td>
<td>Special configuration where a distillation/fractionation column containing a solid catalyst that converts diolefins in FCC gasoline to olefins, when the catalyst bed is a preheat train reactor vessel in front of the column. Contribution for this configuration is included in the generic NHYT CWT factor.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kerosene/Diesel Hydrotreating</td>
<td></td>
<td></td>
<td>Fresh feed</td>
<td>0.90</td>
<td>A number of processes involving treating and upgrading of kerosene and gasoil streams.</td>
<td>Kerosene, hydrogen</td>
<td>Kerosene blending components</td>
</tr>
<tr>
<td>Kerosene Hydrotreating</td>
<td>KHYT</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aromatic Saturation</td>
<td>ASAT</td>
<td></td>
<td></td>
<td></td>
<td>Saturatation of aromatic rings over a fixed catalyst bed at low or medium pressure and in the presence of hydrogen. This process includes the desulphurisation step which should therefore not be accounted for separately.</td>
<td></td>
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<tr>
<td>Conventional H/T</td>
<td>CONV/KUS</td>
<td></td>
<td></td>
<td></td>
<td>Desulphurisation of virgin kerosene over a fixed catalyst bed at low or medium pressure and in the presence of hydrogen.</td>
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<tr>
<td>Solvent aromatics hydrogenation</td>
<td></td>
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<td></td>
<td>Aromatics saturation of kerosene cuts over a fixed catalyst bed at low or medium pressure and in the presence of hydrogen for solvent manufacture.</td>
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<tr>
<td>Process Unit</td>
<td>Solomon Process ID</td>
<td>Activity basis</td>
<td>CWT factor</td>
<td>Description</td>
<td>Typical feed(s)</td>
<td>Typical product(s)</td>
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<tr>
<td>Kerosene/Diesel Hydrotreating (continued)</td>
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<tr>
<td>Diesel Hydrotreating</td>
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<tr>
<td>Aromatic Saturation</td>
<td>ASAT</td>
<td></td>
<td></td>
<td>Saturating of aromatic rings over a fixed catalyst bed at low or medium pressure and in the presence of hydrogen. This process includes the desulfurization step which should therefore not be accounted for separately.</td>
<td>Virgin and cracked gasolks, hydrogen</td>
<td>Gasoil blending components, small quantities of naphtha and lighter products</td>
<td></td>
</tr>
<tr>
<td>Conv. Distillate H/T</td>
<td>CONV</td>
<td></td>
<td></td>
<td>Desulfurization of virgin and cracked gasolks over a fixed catalyst bed in the presence of hydrogen. CONV, DHS and DUS correspond to different depths of desulfurisation.</td>
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<tr>
<td>High Severity Distillate H/T</td>
<td>DHS</td>
<td></td>
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<tr>
<td>Ultra-High Severity H/T</td>
<td>DUS</td>
<td></td>
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<tr>
<td>Middle Distillate Dewaxing</td>
<td>MDDW</td>
<td></td>
<td></td>
<td>Cracking of long paraffinic chains in gasolks to improve cold flow properties over a fixed catalyst bed at low or medium pressure and in the presence of hydrogen. This process includes the desulfurization step which should therefore not be accounted for separately.</td>
<td></td>
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<tr>
<td>Selective Hydrotreating of Distillates</td>
<td>DIST</td>
<td></td>
<td></td>
<td>Hydrotreating of distillates for conversion of diesel to olefins</td>
<td></td>
<td></td>
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<tr>
<td>Residual Hydrotreating</td>
<td></td>
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<tr>
<td>Desulfurization of Atmospheric Resid</td>
<td>DAR</td>
<td>Fresh feed</td>
<td>1.55</td>
<td>Desulfurization of residues over a fixed catalyst bed at high pressure and in the presence of hydrogen. Results in a limited degree of conversion of the residue feed into lighter products.</td>
<td>Atmospheric and vacuum residues, hydrogen</td>
<td>Desulfurized residue and relatively small quantities of lighter hydrocarbon liquids and fuel gas</td>
<td></td>
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<tr>
<td>Desulfurization of Vacuum Resid</td>
<td>DVR</td>
<td>Fresh feed</td>
<td></td>
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<tr>
<td>VGO Hydrotreating (or cracking feed Hydrotreating)</td>
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<tr>
<td>Hydrodesulfurization/denitification</td>
<td>VHDN</td>
<td>Fresh feed</td>
<td>0.90</td>
<td>Desulfurization of vacuum gasolks usually destined to be used as FCC feed, over a fixed catalyst bed at medium or high pressure and in the presence of hydrogen. Although these processes involve some conversion of the VGO feed to lighter products, they generally operate at lower pressure, consume less hydrogen, require less sophisticated fractionation equipment and therefore are much less energy intensive than hydrotreaters.</td>
<td>Vacuum gasolks</td>
<td>Desulfurized vacuum gasolks and relatively small quantities of lighter hydrocarbon liquids and fuel gas</td>
<td></td>
</tr>
<tr>
<td>Hydrodesulfurization</td>
<td>VHDS</td>
<td>Fresh feed</td>
<td></td>
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<tr>
<td>Process Unit</td>
<td>Solomon Process ID</td>
<td>Solomon Process Type</td>
<td>Activity basis</td>
<td>CWT factor</td>
<td>Description</td>
<td>Typical feed(s)</td>
<td>Typical product(s)</td>
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<tr>
<td>Hydrogen production</td>
<td>HYG</td>
<td></td>
<td>Product</td>
<td>300.00</td>
<td>Hydrogen production from light hydrocarbons through either steam reforming or partial oxidation. Includes hydrogen purification.</td>
<td>C1 to C4 hydrocarbons</td>
<td>Hydrogen, CO2</td>
</tr>
<tr>
<td>Gas feeds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Hydrogen production by steam reforming of naphtha.</td>
<td></td>
<td></td>
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<tr>
<td>Steam Methane Reforming</td>
<td>HSM</td>
<td>POX</td>
<td></td>
<td></td>
<td>Naphtha</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Partial Oxidation Units of Light Feeds</td>
<td></td>
<td>HSN</td>
<td></td>
<td></td>
<td>Partial Oxidation Units of Light Feeds</td>
<td></td>
<td></td>
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<tr>
<td>Steam Naphtha Reforming</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Partial Oxidation Units of Light Feeds</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hydrogen Purification</td>
<td>H2PURE</td>
<td>CR10</td>
<td></td>
<td>n.c.</td>
<td>Purification of hydrogen-rich streams for use in hydrogen-consuming units. These processes are not associated with a hydrogen-producing unit. The contribution of these processes is included in the affixes CWT.</td>
<td>Naphtha</td>
<td></td>
</tr>
<tr>
<td>Cryogenic Unit</td>
<td></td>
<td>PRSM</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Membrane Separation Unit</td>
<td></td>
<td>PSA</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Pressure Swing Absorption Unit</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Catalytic Reforming (inc. AROMAX)</td>
<td>REF</td>
<td>RCR</td>
<td>Fresh feed</td>
<td>4.95</td>
<td>Improvement of the octane rating of naphtha by hydrogenation of napthenic rings and paraffin isomerisation over a noble metal catalyst at low pressure and high temperature. The process also produces hydrogen. The CWT factor includes contribution for special fractionation linked with reforming (naphtha and reformate splitters, DIP etc.) on an average EU-27 basis.</td>
<td>Desulfurized naphtha</td>
<td>Reformate for gasoline blending or aromatics production, hydrogen</td>
</tr>
<tr>
<td>Continuous Regeneration</td>
<td></td>
<td>RCY</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cyclic</td>
<td></td>
<td>RSR</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Semi-Regenerative</td>
<td>U60</td>
<td></td>
<td></td>
<td></td>
<td>Special application of catalytic reforming for the specific purpose of producing light aromatics.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AROMAX</td>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Alylation/Polymerisation/Dimerol</td>
<td>ALK</td>
<td>AHI</td>
<td>Product</td>
<td>7.25</td>
<td>A range of processes transforming C3/C4 molecules into C7/C8 molecules over an acidic catalyst. CWT factor includes contribution for special fractionation linked with such processes and acid regeneration where applicable on an average EU-27 basis.</td>
<td>C3 and C4 olefins, iso-butane</td>
<td>C6 to C8 high octane gasoline blending components</td>
</tr>
<tr>
<td>Alylation with HF Acid</td>
<td></td>
<td>ASIA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alylation with Sulphuric Acid</td>
<td></td>
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<tr>
<td>Polymerisation C3 Olefin Feed</td>
<td>POLY</td>
<td>PC3</td>
<td></td>
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<tr>
<td>Polymerisation C3/C4 Feed</td>
<td></td>
<td>PMIX</td>
<td></td>
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<tr>
<td>Dimerol</td>
<td>DIM</td>
<td></td>
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<tr>
<td>Sulphuric Acid Regeneration</td>
<td>ACID</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>C4 Isomerisation</td>
<td>C4ISOM</td>
<td></td>
<td>Reactor feed inc. recycle</td>
<td>3.25</td>
<td>Conversion of normal butane into iso-butane over a fixed catalyst bed and in the presence of hydrogen at low to moderate pressure. CWT factor includes contribution for special fractionation linked with C4 isomerisation on an average EU-27 basis.</td>
<td>n-butane, hydrogen</td>
<td>iso-butane</td>
</tr>
<tr>
<td>Process Unit</td>
<td>Solomon Process ID</td>
<td>Solomon Process Type</td>
<td>Activity basis</td>
<td>CWT factor</td>
<td>Description</td>
<td>Typical feed(s)</td>
<td>Typical product(s)</td>
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</tr>
<tr>
<td>C5/C6 Isomerisation</td>
<td>CSISOM</td>
<td>Reactor</td>
<td>Reactor feed inc. recycle</td>
<td>2.85</td>
<td>Conversion of normal paraffins into isoparaffins over a fixed catalyst bed and in the presence of hydrogen at low to moderate pressure. CWT factor applies to both once-through and recycle units and includes contribution for molecular separation and special fractionation linked with C5/C6 isomerisation on an average EU-27 basis.</td>
<td>Light virgin naphtha, hydrogen</td>
<td>Isomerate for gasoline blending</td>
</tr>
<tr>
<td>Mol sieve separation</td>
<td>U18</td>
<td>ISO/SIV</td>
<td>n.c.</td>
<td>n.c.</td>
<td>Contribution included in CSISOM</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oxygenate production</td>
<td></td>
<td>MTBE</td>
<td>Product</td>
<td>5.60</td>
<td>Production of ethers by reacting an alcohol with olefins</td>
<td>Methanol, isobutene</td>
<td>Oxygenates for gasoline blending</td>
</tr>
<tr>
<td>MBT Distillation Units</td>
<td></td>
<td>ETBE</td>
<td>Product</td>
<td>5.60</td>
<td>Production of ethers by reacting an alcohol with olefins</td>
<td>Ethanol, isobutene</td>
<td></td>
</tr>
<tr>
<td>MTBE Extractive Units</td>
<td></td>
<td>TAME</td>
<td>Product</td>
<td>5.60</td>
<td>Production of ethers by reacting an alcohol with olefins</td>
<td>Methanol, isobutene</td>
<td></td>
</tr>
<tr>
<td>Isooctene Production</td>
<td>UOCT</td>
<td>Product</td>
<td>5.60</td>
<td>Production of ethers by reacting an alcohol with olefins</td>
<td>Ethanol, isobutene</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Propylene Production</td>
<td></td>
<td>C3S</td>
<td>Fresh</td>
<td>3.45</td>
<td>Separation of propylene from other mostly olefinic C3/C4 molecules generally produced in an FCC. &quot;Chemical&quot; and &quot;polymer&quot; are two grades with different purities.</td>
<td>C3/C4 FCC cut</td>
<td>Propylene</td>
</tr>
<tr>
<td>Chemical Grade</td>
<td></td>
<td>CHEM POLY</td>
<td></td>
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<td></td>
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<td></td>
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<tr>
<td>Polymer grade</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Asphalt &amp; Bitumen Manufacture</td>
<td>ASP</td>
<td>Product</td>
<td>2.10</td>
<td>This CWT function represents the equipment and processing required to produce asphalts and bitumens, including bitumen oxidation (mostly for road paving). Asphalt binder modified with polymers is included.</td>
<td>Vacuum and cracked residuae</td>
<td>Asphalts and bitumens</td>
<td></td>
</tr>
<tr>
<td>Polymer-Modified Asphalt Blending</td>
<td>U77</td>
<td>Product</td>
<td>0.55</td>
<td>Additional asphalt processing step to produce special polymer-modified grades. This CWT function is in addition to the previous one.</td>
<td>Asphalt, polymers</td>
<td>Polymer modified asphalt</td>
<td></td>
</tr>
<tr>
<td>Sulphur Recovery</td>
<td>SRU</td>
<td>Product</td>
<td>18.00</td>
<td>Partialisation of hydrogen sulphide into elemental sulphur. This CWT function represents the main process (Claus) and the tail gas units for enhanced recovery. It also includes hydrogen sulphide separation from refinery sour gas process streams using amines and amine regeneration.</td>
<td>Refinery sour gas process streams</td>
<td>Sulphur</td>
<td></td>
</tr>
<tr>
<td>Process Unit</td>
<td>Solomon Process ID</td>
<td>Activity basis</td>
<td>CWT factor</td>
<td>Description</td>
<td>Typical feed(s)</td>
<td>Typical product(s)</td>
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<tr>
<td><strong>AROMATICs</strong></td>
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<tr>
<td>Aromatics Solvent Extraction</td>
<td>ASE: Extraction Distillation</td>
<td>Fresh feed</td>
<td>5.25</td>
<td>Extraction of light aromatics from reformate and/or hydrotreated pyrolysis gasoline by means of a solvent. The CWT factor for this refinery function includes all columns and associated equipment required to purify individual aromatic products as well as solvent regeneration.</td>
<td>Reformate, hydrotreated pyrolysis gasoline</td>
<td>Mixed aromatics or purified benzene, toluene, mixed xylenes, C9+ aromatics, paraffinic raffinate</td>
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<tr>
<td></td>
<td>ASE: Liquid/Liquid Distillation</td>
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<tr>
<td></td>
<td>ASE: Liquid/Liquid Extraction</td>
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<tr>
<td></td>
<td>ASE: Liquid/Liquid Extraction with Extr. Distillation</td>
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<td></td>
<td>Aromatics Solvent Extraction</td>
<td>Fresh feed</td>
<td>5.25</td>
<td>Extraction of light aromatics from reformate and/or hydrotreated pyrolysis gasoline by means of a solvent. The CWT factor for this refinery function includes all columns and associated equipment required to purify individual aromatic products as well as solvent regeneration.</td>
<td>Reformate, hydrotreated pyrolysis gasoline</td>
<td>Mixed aromatics or purified benzene, toluene, mixed xylenes, C9+ aromatics, paraffinic raffinate</td>
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<td></td>
<td>Toluene Column</td>
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<tr>
<td></td>
<td>Xylene Rerun Column</td>
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<tr>
<td></td>
<td>Heavy Aromatic Column</td>
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<tr>
<td></td>
<td>Aromatics Solvent Extraction</td>
<td>Fresh feed</td>
<td>5.25</td>
<td>Extraction of light aromatics from reformate and/or hydrotreated pyrolysis gasoline by means of a solvent. The CWT factor for this refinery function includes all columns and associated equipment required to purify individual aromatic products as well as solvent regeneration.</td>
<td>Reformate, hydrotreated pyrolysis gasoline</td>
<td>Mixed aromatics or purified benzene, toluene, mixed xylenes, C9+ aromatics, paraffinic raffinate</td>
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<td>Toluene Column</td>
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<td></td>
<td>Xylene Rerun Column</td>
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<td>Heavy Aromatic Column</td>
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<td></td>
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<tr>
<td>Hydrodealkylation</td>
<td>HDA</td>
<td>Fresh feed</td>
<td>2.45</td>
<td>Dealkylation of toluene and xylene into benzene over a fixed catalyst bed and in the presence of hydrogen at low to moderate pressure.</td>
<td>Toluene, Xylenes, hydrogen</td>
<td>Benzene</td>
<td></td>
</tr>
<tr>
<td>Toluene Disproportionation / Dealkylation</td>
<td>TDP</td>
<td>Fresh feed</td>
<td>1.85</td>
<td>Fixed-bed catalytic process for the conversion of toluene to benzene and xylene in the presence of hydrogen.</td>
<td>Toluene, Xylenes, hydrogen</td>
<td>Benzene</td>
<td></td>
</tr>
<tr>
<td>Cyclohexane production</td>
<td>CYC6</td>
<td>Product</td>
<td>3.00</td>
<td>Hydrogenation of benzene to cyclohexane over a catalyst at high pressure.</td>
<td>Benzene, hydrogen</td>
<td>Cyclohexane</td>
<td></td>
</tr>
<tr>
<td>Xylene isomerisation</td>
<td>XYXOM</td>
<td>Fresh feed</td>
<td>1.85</td>
<td>Isomerisation of mixed xylenes to paraxylenes.</td>
<td>Mixed xylenes</td>
<td>Paraxylen-rich mixed xylenes</td>
<td></td>
</tr>
<tr>
<td>Paraxylene Production</td>
<td>PXYL</td>
<td>Product</td>
<td>6.40</td>
<td>Physical separation of paraxylene from mixed xylenes.</td>
<td>Paraxylene-rich mixed xylenes</td>
<td>Paraxylene, other mixed xylenes</td>
<td></td>
</tr>
<tr>
<td>Paraxylene Adsorption</td>
<td>PXYL</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Paraxylene Crystallization</td>
<td>PXYL</td>
<td></td>
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</tr>
<tr>
<td>Xylene Splitter</td>
<td>XYLS</td>
<td>Product</td>
<td>11.10</td>
<td>Production of metaxylene from mixed xylenes</td>
<td>Mixed xylenes</td>
<td>Metaxylene</td>
<td></td>
</tr>
<tr>
<td>Orthoxylene Rerun Column</td>
<td>U82</td>
<td>Product</td>
<td>14.40</td>
<td>Production of phthalic anhydride from orthoxylene and naphthalene</td>
<td>Orthoxylene, naphthalene</td>
<td>Phthalic anhydride</td>
<td></td>
</tr>
<tr>
<td>Maleic anhydride production</td>
<td></td>
<td>Product</td>
<td>1.55</td>
<td>Production of benzene from n-butane or benzene</td>
<td>Benzene, ethylene</td>
<td>Ethylbenzene</td>
<td></td>
</tr>
<tr>
<td>Ethylbenzene production</td>
<td>EBZ</td>
<td>Product</td>
<td>1.55</td>
<td>Production of benzene from ethylene</td>
<td>Benzene, ethylene</td>
<td>Ethylbenzene</td>
<td></td>
</tr>
<tr>
<td>Process Unit</td>
<td>Solomon Process ID</td>
<td>Solomon Process Type</td>
<td>Activity basis</td>
<td>CWT factor</td>
<td>Description</td>
<td>Typical feed(s)</td>
<td>Typical product(s)</td>
</tr>
<tr>
<td>------------------------------</td>
<td>--------------------</td>
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<td>----------------</td>
<td>------------</td>
<td>------------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------</td>
<td>----------------------------------</td>
</tr>
<tr>
<td>Ethylbenzene Distillation</td>
<td>EBZD</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cumene production</td>
<td>CUM</td>
<td>Product</td>
<td>5.00</td>
<td></td>
<td>Allylation of benzene with propylene</td>
<td>Benzene, propylene</td>
<td>Cumene</td>
</tr>
<tr>
<td>Phenol production</td>
<td></td>
<td>Product</td>
<td>1.15</td>
<td></td>
<td>Production of phenol from benzene and propylene</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**LUBRICANTS AND WAXES**

| Lube Solvent Extraction       | SOLVEX             |                      | Fresh feed    | 2.10       | Solvent extraction of aromatic compounds from intermediate streams in the manufacture of base luboils. Includes solvent regeneration. Different proprietary processes use different solvents. | Various luboil intermediate streams | Dearomatized intermediate luboil streams, aromatic extract |
| Solvent & Furfural           |                    |                      |                |            |                                                                              |                                                                                  |                                  |
| Solvent & NMP                |                    |                      |                |            |                                                                              |                                                                                  |                                  |
| Solvent & Phenol             |                    |                      |                |            |                                                                              |                                                                                  |                                  |
| Solvent & SO2                |                    |                      |                |            |                                                                              |                                                                                  |                                  |
| Lube Solvent Dewaxing        | SDWAX              |                      | Fresh feed    | 4.55       | Solvent removal of long paraffinic chains (wax) from intermediate streams in the manufacture of luboils. Includes solvent regeneration. Different proprietary processes use different solvents. | Various luboil intermediate streams | Dewaxed intermediate luboil streams, wax |
| Solvent & Chlorocarbon       |                    |                      |                |            |                                                                              |                                                                                  |                                  |
| Solvent & MEK/Toluene        |                    |                      |                |            |                                                                              |                                                                                  |                                  |
| Solvent & MEK/MBK            |                    |                      |                |            |                                                                              |                                                                                  |                                  |
| Solvent & Propane            |                    |                      |                |            |                                                                              |                                                                                  |                                  |
| Catalytic Wax Isomerisation  | CDWAX              |                      | Fresh feed    | 1.60       | Catalytic breakdown of long paraffinic chains in intermediate streams in the manufacture of luboils. | Various luboil intermediate streams | Deswaxed intermediate luboil streams |
| Catalytic Wax Isomerisation  |                    |                      |                |            |                                                                              |                                                                                  |                                  |
| and Dewaxing                 |                    |                      |                |            |                                                                              |                                                                                  |                                  |
| Selective Wax Cracking       |                    |                      |                |            |                                                                              |                                                                                  |                                  |
| Lube Hydrocracker            | LHYC               |                      | Fresh feed    | 2.50       | Hydrocracking of heavy feedstocks for the manufacture of luboils              | Vacuum Gas Oil                    | Full range of hydrotreated products from light gases to gasoil luboil intermediate streams |
| Lube Hydrocracker w/ Multi-Fraction Distillation | | | | | |
| Lube Hydrocracker w/ Vacuum Stripper | | | | | |
| Lube H/F w/ Vacuum Stripper  |                    |                      |                |            |                                                                              |                                                                                  |                                  |
| Lube H/T w/ Multi-Fraction Distillation | | | | | |
| Lube H/T w/ Vacuum Stripper  |                    |                      |                |            |                                                                              |                                                                                  |                                  |

130
<table>
<thead>
<tr>
<th>Process</th>
<th>Solomon Process ID</th>
<th>Solomon Process Type</th>
<th>Activity basis</th>
<th>CWT factor</th>
<th>Description</th>
<th>Typical feed(s)</th>
<th>Typical product(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wax Deoiling</td>
<td>WDOIL</td>
<td></td>
<td>Product</td>
<td>12.00</td>
<td>Solvent removal of lighter hydrocarbons from wax obtained from lube dewaxing (SDWAX)</td>
<td>Raw wax</td>
<td>Deoiled wax, light oil</td>
</tr>
<tr>
<td>Lube /Wax Hydrotreating</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lube H/T w/ Vacuum Stripper</td>
<td>LHYFT</td>
<td>Fresh feed</td>
<td>1.15</td>
<td>Hydrotreating of luboil fractions and wax for quality improvement</td>
<td>Luboil intermediate streams, wax, hydrogen</td>
<td>Hydrotreated luboil fractions, wax</td>
<td></td>
</tr>
<tr>
<td>Lube H/T w/ Multi-Fraction Distillation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wax H/T w/ Vacuum Stripper</td>
<td>WHYFT</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wax H/T w/ Multi-Fraction Distillation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wax H/T w/ Vacuum Stripper</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SOLVENTS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Solvent Hydrotreating</td>
<td>U1</td>
<td>Fresh feed</td>
<td>1.25</td>
<td>Hydrotreating of various distillate cuts for solvent manufacture</td>
<td>Distillate cuts, hydrogen</td>
<td>Hydrotreated solvent cuts</td>
<td></td>
</tr>
<tr>
<td>Solvent Fractionation</td>
<td>SOLVF</td>
<td>Fresh feed</td>
<td>0.90</td>
<td>Fractionation of various distillate cuts for solvent manufacture</td>
<td>Distillate cuts</td>
<td>Solvent cuts</td>
<td></td>
</tr>
<tr>
<td>Moisieve for C10+ n-paraffins</td>
<td>U88</td>
<td>Product</td>
<td>1.85</td>
<td>Separation of heavy paraffins from kerosene/light gasoil cuts for solvent manufacture</td>
<td>Kerosene/light gasoils</td>
<td>Solvent cuts</td>
<td></td>
</tr>
<tr>
<td>RESID GASIFICATION</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>POX Syngas for Fuel</td>
<td>U73</td>
<td>Syngas</td>
<td>8.20</td>
<td>Production of synthesis gas by gasification (partial oxidation) of heavy residues. Includes syngas clean-up.</td>
<td>Heavy residues, hydrogen</td>
<td>Syngas, CO2</td>
<td></td>
</tr>
<tr>
<td>POX Syngas for Hydrogen or Methanol</td>
<td>U72</td>
<td>Syngas</td>
<td>44.00</td>
<td>Production of hydrogen by gasification of heavy residues and conversion of syngas to hydrogen via the shift reaction. Includes syngas clean-up and CO2 separation.</td>
<td>Heavy residues, oxygen, steam, CO2</td>
<td>Hydrogen, CO2. Also, CO if methanol synthesis occurs downstream.</td>
<td></td>
</tr>
<tr>
<td>Methanol</td>
<td>U70</td>
<td>Product</td>
<td>-36.20</td>
<td>Recombination of CO2 and hydrogen for methanol synthesis. This factor can only be applied in combination with U72 above.</td>
<td>Hydrogen, CO, CO2</td>
<td>Methanol</td>
<td></td>
</tr>
<tr>
<td>Process Unit</td>
<td>Solomon Process ID</td>
<td>Solomon Process Type</td>
<td>Activity basis</td>
<td>CWT factor</td>
<td>Description</td>
<td>Typical feed(s)</td>
<td>Typical product(s)</td>
</tr>
<tr>
<td>----------------------</td>
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<td>-----------------</td>
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<td>------------------------------------------------------------------------------</td>
<td>----------------</td>
<td>--------------------</td>
</tr>
<tr>
<td>Air Separation</td>
<td>U79</td>
<td></td>
<td>Oxygen</td>
<td>8.80</td>
<td>Separation of air into its components including oxygen. Usually cryogenic but factor applies to all processes.</td>
<td>Air</td>
<td>Oxygen, other air components</td>
</tr>
</tbody>
</table>

**MISCELLANEOUS**

<table>
<thead>
<tr>
<th>Fractionation of Purchased NGL</th>
<th>Purchased Fresh feed</th>
<th>CWT factor</th>
<th>Description</th>
<th>Typical feed(s)</th>
<th>Typical product(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>De-ethaniser</td>
<td>n.c.</td>
<td>n.c.</td>
<td>The CWT factor refers to fresh NGL feed, therefore no separate contribution from individual columns</td>
<td>NGL</td>
<td>Various light fractions</td>
</tr>
<tr>
<td>De-propaniser</td>
<td>n.c.</td>
<td>n.c.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>De-butaneiser</td>
<td>n.c.</td>
<td>n.c.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Special Fractionation**

<p>| Deethanizer                  |                      |            |              |                 |                    |
| De-propanizer                |                      |            |              |                 |                    |
| Deisobutanizer               | DIB                  |            |              |                 |                    |
| Debutanizer                  | DIB                  |            |              |                 |                    |
| Deisopentanizer              | DIP                  |            |              |                 |                    |
| Depentanizer                 |                      |            |              |                 |                    |
| Deisoheptanizer              |                      |            |              |                 |                    |
| Dehexanizer                  |                      |            |              |                 |                    |
| Deisohexanizer               |                      |            |              |                 |                    |
| Naphtha Splitter             |                      |            |              |                 |                    |
| Conventional Splitter        | CONV                 |            |              |                 |                    |
| Splitter with single Heartcut| HC1                 |            |              |                 |                    |
| Splitter with two Heartcuts  | HC2                 |            |              |                 |                    |
| Standard Column with Heartcut Draw | HCD         |            |              |                 |                    |
| Alkylation Splitter          |                      |            |              |                 |                    |
| Conventional Splitter        | CONV                 |            |              |                 |                    |</p>
<table>
<thead>
<tr>
<th>Process Unit</th>
<th>Solomon Process ID</th>
<th>Activity basis</th>
<th>CWT factor</th>
<th>Description</th>
<th>Typical feed(s)</th>
<th>Typical product(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special Fractionation (continued)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Splitter with single Heatcut</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Splitter with two Heartcuts</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Standard Column with Heartcut Draw</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reformate Splitter</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conventional Splitter</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Splitter with single Heatcut</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Splitter with two Heartcuts</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Standard Column with Heartcut Draw</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flue gas treatment</td>
<td>U35/U89</td>
<td>MNm$^3$/a</td>
<td>0.10</td>
<td>Desulphurisation and clean-up of flue gases from refinery heaters and boilers. Includes all such processes.</td>
<td>Refinery flue gases</td>
<td>Cleaned flue gases</td>
</tr>
<tr>
<td>Treatment and Compression of Fuel Gas for Sales</td>
<td>U31</td>
<td>Compress or power consumption (kW)</td>
<td>0.15</td>
<td>Treatment and compression of refinery fuel gas for sale to third party.</td>
<td>Refinery fuel gas</td>
<td>Treated refinery fuel gas</td>
</tr>
<tr>
<td>Seawater Desalination</td>
<td>DESAL</td>
<td>Product (Water)</td>
<td>1.15</td>
<td>Desalination of seawater. Includes all such processes.</td>
<td>Sea water</td>
<td>Desalinated water</td>
</tr>
</tbody>
</table>
37 Roof tiles

Product benchmark
0.144 allowances/tonne

Carbon leakage exposure as determined by Commission Decision 2010/2/EU for the years 2013 and 2014
Not exposed

Unit of production
Tonne of roof tiles (saleable production)

Definition and explanation of products covered
According to the CIMs this product benchmark covers:

“Clay roofing tiles as defined in EN 1304:2005 excluding blue braised roof tiles and accessories.”

The table below shows relevant products according to definitions in PRODCOM 2007 statistics. Accessories defined by PRODCOM 2007 code 26 40 12 70 should be excluded.

<table>
<thead>
<tr>
<th>PRODCOM 2007 code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>26.40.12.50</td>
<td>Non-refractory clay roofing tiles</td>
</tr>
<tr>
<td>Excluding: 26 40 12 70</td>
<td>Non-refractory clay constructional products (including chimneypots, cowls, chimney liners and flue-blocks, architectural ornaments, ventilator grills, clay-lath, excluding pipes, guttering and the like)</td>
</tr>
</tbody>
</table>

PRODCOM codes can be useful in identifying and defining products. As a general guideline, the identification of the products should never solely rely on PRODCOM codes reported in statistics.

Definition and explanation of processes and emissions covered
The CIMs define the system boundaries as follows:

“All processes directly or indirectly linked to the production processes
- raw material preparation
- component mixing
- forming and shaping of ware
- drying of ware
- firing of ware
- product finishing and
- flue gas cleaning
are included.”

Emissions related to the production of the consumed electricity are excluded from the system boundaries.

The export of measurable heat (steam, hot water, etc..) is not covered by this product benchmark and might be eligible for free allocation, regardless whether heat is exported to an ETS consumer or a consumers not covered by the ETS. However, when heat is exported to a consumer covered by the ETS, the consumer will get free allocation only in case a heat benchmark is applied (allocation for heat is already covered by the product benchmark). In case of export to non-ETS consumers, the heat exporter receives free allocation and one or two heat benchmark sub-installations should be foreseen. See CIMs for a definition of measurable heat and Guidance Document 6 on Cross-Boundary Heat Flows for guidance on this topic.

**Preliminary allocation**
The preliminary free allocation for a product benchmark sub-installation producing roof tiles is calculated as follows:

$$F_p = BM_p \cdot HAL_p$$

With:
- $F_p$: Annual preliminary allocation for a product benchmark sub-installation producing roof tiles (expressed in EUAs).
- $BM_p$: Benchmark for roof tiles (expressed in EUAs / unit of product).
- $HAL_p$: Historical activity level, i.e. the median annual production in the baseline period as determined and verified in the baseline data collection (expressed in units of product).
38 Short fibre kraft pulp

**Product benchmark**
0.12 allowances/tonne

**Carbon leakage exposure as determined by Commission Decision 2010/2/EU for the years 2013 and 2014**
Exposed

**Unit of production**
Net saleable production in Adt (Air Dried Tonnes)

The production of an installation is defined as the net saleable production of air dried metric tons (Adt) measured at the end of the production process. In case of pulp production, the production is defined as the total pulp produced including both pulp for internal delivery to a paper mill and market pulp. Air dry metric tonne of pulp meaning dry solids content of 90%.

**Definition and explanation of products covered**
According to the CIMs this product benchmark covers:

"**Short fibre kraft pulp is a wood pulp produced by the sulphate chemical process using cooking liquor, characterised by fibre lengths of 1 – 1,5 mm, which is mainly used for products which require specific smoothness and bulk, as tissue and printing paper**"

Long fibre kraft pulp is not included in this benchmark (see section 27)

The tables below show relevant products according to definitions in PRODCOM 2007 statistics, PRODCOM 2008 and Common Nomenclature (CN) statistics. The codes also cover long fibre kraft pulp (see section 27).

These classifications can be useful in identifying and defining products. As a general guideline, the identification of the products should never solely rely on classifications in statistics.

<table>
<thead>
<tr>
<th>PRODCOM code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>21.11.12.13</td>
<td>Unbleached coniferous chemical wood pulp, soda or sulphate (excluding dissolving grades)</td>
</tr>
<tr>
<td>21.11.12.15</td>
<td>Semi-bleached or bleached coniferous chemical wood pulp, soda or sulphate (excluding dissolving grades)</td>
</tr>
<tr>
<td>21.11.12.53</td>
<td>Unbleached non-coniferous chemical wood pulp, soda or sulphate (excluding dissolving grades)</td>
</tr>
<tr>
<td>21.11.12.55</td>
<td>Semi-bleached or bleached non-coniferous chemical wood pulp, soda or sulphate (excluding dissolving grades)</td>
</tr>
</tbody>
</table>
A pulp producing sub-installation may transfer heat to other sub-installations. This is typically the case in integrated mills that produce both pulp and paper. Whenever this happens, the product related historical activity level should only take into account pulp that is placed on the market and not processed into paper in the same or other technically connected installations.\(^8\)

Example: if a pulp mill produces 100 tonne of pulp and only 1 Adt (Air Dried Tonne) is sold on the market, than only 1 Adt is eligible for free allocation under this benchmark.

**Definition and explanation of processes and emissions covered**

The CIMs define the system boundaries as follows:

"All processes which are part of the pulp production process (in particular
- the pulp mill,
- recovery boiler,
- pulp drying section,
- lime kiln and
- Connected energy conversion units (boiler/CHP)
are included.

Other activities on site that are not part of this process such as
- sawmilling activities,
- woodworking activities,
- production of chemicals for sale,

\(^8\) Where an installation encompasses sub-installations producing pulp (short fibre kraft pulp, long fibre kraft pulp, thermo-mechanical pulp and mechanical pulp, sulphite pulp or other pulp not covered by a product benchmark) exporting measurable heat to other technically connected sub-installations, the preliminary total annual amount of emission allowances allocated free of charge shall, without prejudice to the preliminary annual number of emission allowances allocated free of charge for other sub-installations of the installation concerned, only take into account the preliminary annual number of emission allowances allocated free of charge to the extent that pulp products produced by this sub-installation are placed on the market and not processed into paper in the same or other technically connected installations. (Commission Decision determining transitional Union-wide rules for the harmonised free allocation of emission allowances pursuant to Article 10a of Directive 2003/87/EC Art. 10(7))"
- waste treatment (treating waste onsite instead of offsite (drying, pelletising, incinerating, landfilling)),
- PCC (precipitated calcium carbonate) production,
- treatment of odorous gases, and
- district heating

are not included."

Emissions related to the production of the consumed electricity are excluded from the system boundaries.

The export of measurable heat (steam, hot water, etc.) is not covered by this product benchmark and might be eligible for free allocation, regardless whether heat is exported to an ETS consumer or a consumers not covered by the ETS. However, when heat is exported to a consumer covered by the ETS, the consumer will get free allocation only in case a heat benchmark is applied (allocation for heat is already covered by the product benchmark). In case of export to non-ETS consumers, the heat exporter receives free allocation and one or two heat benchmark sub-installations should be foreseen. See CIMs for a definition of measurable heat and Guidance Document 6 on Cross-Boundary Heat Flows for guidance on this topic.

**Preliminary allocation**

The preliminary free allocation for a product benchmark sub-installation producing short fibre kraft pulp is calculated as follows:

\[ F_p = B_{p} \cdot H_{AL_p} \]

With:

- \( F_p \): Annual preliminary allocation for a product benchmark sub-installation producing short fibre kraft pulp (expressed in EUAs).
- \( B_{p} \): Benchmark for short fibre kraft pulp (expressed in EUAs / unit of product).
- \( H_{AL_p} \): Historical activity level, i.e. the median annual production in the baseline period as determined and verified in the baseline data collection (expressed in units of product).
39 Sintered dolime

Product benchmark
1.449 allowances/tonne

Carbon leakage exposure as determined by Commission Decision 2010/2/EU for the years 2013 and 2014
Exposed

Unit of production
Tonne of sintered dolime (as saleable product)

Definition and explanation of products covered
According to the CIMs this product benchmark covers:

“Mixture of calcium and magnesium oxides used solely for the production of refractory bricks and other refractory products with a minimum bulk density of 3.05 g/cm³.”

This weight density threshold is used to distinguish Sintered dolime from Dolime. For sintered dolime no correction for the CaO and MgO contents is needed.

The table below shows the relevant 2007 PRODCOM code. The definition covers the benchmarked product sintered dolime, but also the products ultra low carbon dolime and ordinary dolime (see section 13) which have different characteristics and are not covered by this product benchmark.

<table>
<thead>
<tr>
<th>PRODCOM code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>14.12.20.50</td>
<td>Calcined and sintered dolomite, crude, roughly trimmed or merely cut into rectangular or square blocks or slabs</td>
</tr>
</tbody>
</table>

PRODCOM codes can be useful in identifying and defining products. As a general guideline, the identification of the products should never solely rely on PRODCOM codes reported in statistics.

Definition and explanation of processes and emissions covered
The CIMs define the system boundaries as follows:

“All processes directly or indirectly linked to the production of sintered dolime are included.”

Emissions related to the production of the consumed electricity are excluded from the system boundaries.
The export of measurable heat (steam, hot water, etc.) is not covered by this product benchmark and might be eligible for free allocation, regardless whether heat is exported to an ETS consumer or a consumer not covered by the ETS. However, when heat is exported to a consumer covered by the ETS, the consumer will get free allocation only in case a heat benchmark is applied (allocation for heat is already covered by the product benchmark). In case of export to non-ETS consumers, the heat exporter receives free allocation and one or two heat benchmark sub-installations should be foreseen. See CIMs for a definition of measurable heat and Guidance Document 6 on Cross-Boundary Heat Flows for guidance on this topic.

Figure 9 gives a graphical representation of the system boundaries.

**Figure 9. System boundaries (Sector Rule book for the development of CO₂ benchmarks for the European lime sector, 2010)**

**Preliminary allocation**

The preliminary free allocation for a product benchmark sub-installation producing sintered dolime is calculated as follows:

\[ F_p = BM_p \cdot HAL_p \]

With:
$F_p$ : Annual preliminary allocation for a product benchmark sub-installation producing sintered dolime (expressed in EUAs).

$BM_p$ : Benchmark for sintered dolime (expressed in EUAs/unit of product).

$HAL_p$ : Historical activity level, i.e. the median annual production in the baseline period as determined and verified in the baseline data collection (expressed in units of product).
40 Sintered ore

**Product benchmark**
0.171 allowances/tonne

**Carbon leakage exposure as determined by Commission Decision 2010/2/EU for the years 2013 and 2014**
Exposed

**Unit of production**
Tonne of sintered ore

**Definition and explanation of products covered**
According to the CIMs this product benchmark covers:

"Agglomerated iron-bearing product containing iron ore fines, fluxes and iron-containing recycling materials with the chemical and physical properties such as the level of basicity, mechanical strength and permeability required to deliver iron and necessary flux materials into iron ore reduction processes."

Reference product is merchant sinter sent to blast furnace as leaving the sinter plant. In case a significant screening operation is carried out at the blast furnace, this volume may be corrected to take account of the screening ratio after the bunkers.

The table below shows relevant products according to definitions in PRODCOM 2007 statistics.

<table>
<thead>
<tr>
<th>PRODCOM code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>13.10.10.50</td>
<td>Agglomerated iron ores and concentrates (excluding roasted iron pyrites)</td>
</tr>
</tbody>
</table>

PRODCOM codes can be useful in identifying and defining products. As a general guideline, the identification of the products should never solely rely on PRODCOM codes reported in statistics.

According to the NACE methodology, companies are classified under the code of their main activity. For this reason, activities such as sintering, coking of coal, casting, etc. are registered under NACE 27.10 when carried out in a steel plant.

**Definition and explanation of processes and emissions covered**
The CIMs define the system boundaries as follows:

"All processes directly or indirectly linked to the process units:
- sinter strand,"
- ignition,
- feedstock preparation units,
- hot screening unit,
- sinter cooling unit,
- cold screening unit and
- steam generation

are included.”

Emissions related to the production of the consumed electricity are excluded from the system boundaries.

The export of measurable heat (steam, hot water, etc..) is not covered by this product benchmark and might be eligible for free allocation, regardless whether heat is exported to an ETS consumer or a consumers not covered by the ETS. However, when heat is exported to a consumer covered by the ETS, the consumer will get free allocation only in case a heat benchmark is applied (allocation for heat is already covered by the product benchmark). In case of export to non-ETS consumers, the heat exporter receives free allocation and one or two heat benchmark sub-installations should be foreseen). See CIMs for a definition of measurable heat and Guidance Document 6 on Cross-Boundary Heat Flows for guidance on this topic.

**Preliminary allocation**

The preliminary free allocation for a product benchmark sub-installation producing sintered ore is calculated as follows:

\[ F_p = BM_p \cdot HAL_p \]

With:

- \( F_p \): Annual preliminary allocation for a product benchmark sub-installation producing sintered ore (expressed in EUAs).
- \( BM_p \): Benchmark for sintered ore (expressed in EUAs / unit of product).
- \( HAL_p \): Historical activity level, i.e. the median annual production in the baseline period as determined and verified in the baseline data collection (expressed in units of product).
41 Soda ash

Product benchmark
0.843 allowances/tonne

Carbon leakage exposure as determined by Commission Decision 2010/2/EU for the years 2013 and 2014
Exposed

Unit of production
Tonne of soda ash (as total gross production)

Definition and explanation of products covered
According to the CIMs this product benchmark covers:

“Disodium carbonate as total gross production except dense soda ash obtained as by-product in a caprolactam production network.”

The table below shows relevant products according to definitions in PRODCOM 2007 statistics.

<table>
<thead>
<tr>
<th>PRODCOM code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>24.13.33.10</td>
<td>Disodium carbonate</td>
</tr>
</tbody>
</table>

PRODCOM codes can be useful in identifying and defining products. As a general guideline, the identification of the products should never solely rely on PRODCOM codes reported in statistics.

Definition and explanation of processes and emissions covered
The CIMs define the system boundaries as follows:

“All processes directly or indirectly linked to the process units
- brine purification,
- limestone calcination and milk of lime production,
- absorption of ammonia,
- precipitation of NaHCO₃,
- filtration or separation of NaHCO₃ crystals from mother liquor,
- decomposition of NaHCO₃ to Na₂CO₃,
- recovery of ammonia and
- densification or production of dense soda ash
are included.”
Emissions related to the production of the consumed electricity are excluded from the system boundaries.

The export of measurable heat (steam, hot water, etc.) is not covered by this product benchmark and might be eligible for free allocation, regardless whether heat is exported to an ETS consumer or a consumers not covered by the ETS. However, when heat is exported to a consumer covered by the ETS, the consumer will get free allocation only in case a heat benchmark is applied (allocation for heat is already covered by the product benchmark). In case of export to non-ETS consumers, the heat exporter receives free allocation and one or two heat benchmark sub-installations should be foreseen. See CIMs for a definition of measurable heat and Guidance Document 6 on Cross-Boundary Heat Flows for guidance on this topic.

**Preliminary allocation**
The preliminary free allocation for a product benchmark sub-installation producing soda ash is calculated as follows:

\[ F_p = B_{MP} \cdot H_{AL_p} \]

With:

- \( F_p \): Annual preliminary allocation for a product benchmark sub-installation producing soda ash (expressed in EUAs).
- \( B_{MP} \): Benchmark for soda ash (expressed in EUAs / unit of product).
- \( H_{AL_p} \): Historical activity level, i.e. the median annual production in the baseline period as determined and verified in the baseline data collection (expressed in units of product).
42 Spray dried powder

Product benchmark
0.076 allowances/tonne

Carbon leakage exposure as determined by Commission Decision 2010/2/EU for the years 2013 and 2014
Exposed

Unit of production
Tonne of powder produced

Definition and explanation of products covered
According to the CIMs this product benchmark covers:

“Spray-dried powder for the production of dry-pressed wall and floor tiles.”

In this context, dry-pressed wall and floor tiles (Prodcom code 2007 is 26.30.10) are understood as thin slabs made from clay and/or other inorganic raw materials, generally used as coverings for floor and walls, glazed or unglazed.

There are no codified standards for this intermediate product.

Definition and explanation of processes and emissions covered
The CIMs define the system boundaries as follows:

“All processes directly or indirectly linked to the production of spray-dried powder are included.”

Emissions related to the production of the consumed electricity are excluded from the system boundaries.

The export of measurable heat (steam, hot water, etc..) is not covered by this product benchmark and might be eligible for free allocation, regardless whether heat is exported to an ETS consumer or a consumers not covered by the ETS. However, when heat is exported to a consumer covered by the ETS, the consumer will get free allocation only in case a heat benchmark is applied (allocation for heat is already covered by the product benchmark). In case of export to non-ETS consumers, the heat exporter receives free allocation and one or two heat benchmark sub-installations should be foreseen). See CIMs for a definition of measurable heat and Guidance Document 6 on Cross-Boundary Heat Flows for guidance on this topic.
Preliminary allocation
The preliminary free allocation for a product benchmark sub-installation producing spray dried powder is calculated as follows:

\[ F_p = BM_p \cdot HAL_p \]

With:
- \( F_p \): Annual preliminary allocation for a product benchmark sub-installation producing spray dried powder (expressed in EUAs).
- \( BM_p \): Benchmark for spray dried powder (expressed in EUAs / unit of product).
- \( HAL_p \): Historical activity level, i.e. the median annual production in the baseline period as determined and verified in the baseline data collection (expressed in units of product).
43 S-PVC

Product benchmark
0.085 allowances/tonne

Carbon leakage exposure as determined by Commission Decision 2010/2/EU for the years 2013 and 2014
Exposed

Unit of production
Tonne of S-PVC (saleable product, 100% purity)

Definition and explanation of products covered
According to the CIMs this product benchmark covers:

“Polyvinyl chloride; not mixed with any other substances consisting of PVC particles with a mean size between 50 and 200 μm.”

The table below shows the relevant product according to definition in PRODCOM 2007 statistics. This PRODCOM product also covers E-PVC.

<table>
<thead>
<tr>
<th>PRODCOM code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>24.16.30.10</td>
<td>Polyvinyl chloride, not mixed with any other substances, in primary forms.</td>
</tr>
</tbody>
</table>

PRODCOM codes can be useful in identifying and defining products. As a general guideline, the identification of the products should never solely rely on PRODCOM codes reported in statistics.

Definition and explanation of processes and emissions covered
The CIMs define the system boundaries as follows:

“All processes directly or indirectly linked to the production of S-PVC are included except the production of VCM.”

Emissions related to the production of the consumed electricity are excluded from the system boundaries.

The export of measurable heat (steam, hot water, etc..) is not covered by this product benchmark and might be eligible for free allocation, regardless whether heat is exported to an ETS consumer or a consumers not covered by the ETS. However, when heat is exported to a consumer covered by the ETS, the consumer will get free allocation only in case a heat benchmark is applied (allocation for heat is already covered by the product benchmark). In case of export to non-ETS consumers, the heat exporter receives free allocation and one or
two heat benchmark sub-installations should be foreseen. See CIMs for a definition of measurable heat and Guidance Document 6 on Cross-Boundary Heat Flows for guidance on this topic.

**Preliminary allocation**
The preliminary free allocation for a product benchmark sub-installation producing S-PVC is calculated as follows:

$$ F_p = B_M \cdot H_A L_p $$

With:

- $F_p$: Annual preliminary allocation for a product benchmark sub-installation producing S-PVC (expressed in EUAs).
- $B_M$: Benchmark for S-PVC (expressed in EUAs / unit of product).
- $H_A L_p$: Historical activity level, i.e. the median annual production in the baseline period as determined and verified in the baseline data collection (expressed in units of product).
44 Steam cracking (high value chemicals)

Product benchmark
0.702 allowances/tonne

Carbon leakage exposure as determined by Commission Decision 2010/2/EU for the years 2013 and 2014
Exposed

Unit of production
Tonne of acetylene, ethylene, propylene, butadiene, benzene and hydrogen

Definition and explanation of products covered
According to the CIMs this product benchmark covers:

“Mix of high value chemicals (HVC) expressed as total mass of acetylene, ethylene, propylene, butadiene, benzene and hydrogen excluding HVC from supplemental feed (hydrogen, ethylene, other HVC) with an ethylene content in the total product mix of at least 30 mass-percent and a content of HVC, fuel gas, butenes and liquid hydrocarbons of together at least 50 mass-percent of the total product mix.”

In other words, following chemicals can be part of the mix of high value chemicals (HVC):
- Acetylene
- Ethylene
- Propylene
- Butadiene
- Benzene
- Hydrogen (chemical grade hydrogen, that is separate from CH₄)

A product mix of these chemicals only matches the definition of this product benchmark if two conditions are fulfilled:
1. The ethylene content is at least 30 mass-percent of the total product mix
2. The product mix has a content of HVC, fuel gas, butenes and liquid hydrocarbons of together at least 50 mass-percent of the total product mix.

The benchmark excludes HVC from supplemental feed (hydrogen, ethylene, other HVC) that receive allocation on specific emission factors (see calculation of the preliminary allocation below).

---

9 This does not refer to the total HVC.
Definition and explanation of processes and emissions covered

In their Annex I, point 2, referring to the ‘definition of product benchmarks and system boundaries with consideration of exchangeability of fuel and electricity’, the CIMs define the system boundaries of the steam cracking (HVC) product benchmark as follows:

“All processes directly or indirectly linked to the production of high value chemicals (HVC) as purified product or intermediate product with concentrated content of the respective HVC in the lowest tradable form (raw C4, unhydrogenated pygas) are included except C4 extraction (butadiene plant), C4-hydrogenation, hydrotreating of pyrolysis gasoline & aromatics extraction and logistics/storage for daily operation. For the determination of indirect emissions, the total electricity consumption within the system boundaries shall be considered.”

All processes directly or indirectly linked to the production of the following products are included:

- High value chemicals as purified product
- Intermediate product with concentrated content of the respective HVC in the lowest tradable form (raw C4, unhydrogenated pygas)

Included in the benchmarking are all equipments, which are necessary to produce the HVC as purified product or intermediate product with concentrated content of the respective HVC in the lowest tradable form (raw C4, unhydrogenated pygas), in particular:

- Acetylene hydrogenation or if installed, acetylene extraction
- Ethylene splitter
- Propylene splitter
- Hydrogen (pressure swing adsorption)
- Cooling water tower & cooling pumps
- Continuous gas to cracker flare is included. Flaring is considered as a safety device, only fuels needed to operate continuously the pilot flare will be taken into account in the CO2 emissions of the site.

- Metathesis add-on units
- Cracking furnace
- Primary fractionator
- Quench

The following processes are excluded:

- C4 extraction (butadiene plant)
- C4-hydrogenation
- Hydrotreating of pyrolysis gasoline & aromatics extraction
- Logistics/storage for daily operation

For the determination of indirect emissions, the total electricity consumption within the system boundaries shall be considered. These emissions are not eligible for free allocation but are used in the calculation of free allocation (see below).
Figure 10 gives a graphical representation of the covered processes.

![Schematic view of cracker perimeter (system boundary)](image)

**Figure 10. System boundaries of steam cracking benchmark (Rule book for Steam Cracking, 2010)**

The export of measurable heat (steam, hot water, etc..) is not covered by this product benchmark and might be eligible for free allocation, regardless whether heat is exported to an ETS consumer or a consumers not covered by the ETS. However, when heat is exported to a consumer covered by the ETS, the consumer will get free allocation only in case a heat benchmark is applied (allocation for heat is already covered by the product benchmark). In case of export to non-ETS consumers, the heat exporter receives free allocation and one or two heat benchmark sub-installations should be foreseen. See CIMs for a definition of

Preliminary allocation

The product benchmark for steam cracking is based on total emissions since energy produced from fuels is exchangeable for energy from electricity. Allocation should however be based on direct emissions only. In order to achieve consistency between the benchmarks and the allocation, the preliminary allocation is calculated using a ratio of direct and total emissions.

The steam cracking benchmark does not cover the products made from so-called supplemental feed (high value chemicals that are not produced in the main process) as well as the related emissions. HVC products from supplemental feed are however considered for free allocation using specific emission factors.

Considering the above, the preliminary allocation for steam cracking should be determined by using the following specific formula:

\[
F_p = \frac{Em_{\text{direct}} + Em_{\text{NetHeatImport}}}{Em_{\text{direct}} + Em_{\text{NetHeatImport}} + Em_{\text{direct}}} \cdot BM_{\text{SteamCracking}} \cdot \text{MEDIAN}(HAL_{\text{total}} - HSF_{H,k} - HSF_{E,k} - HSF_{O,k}) + \ldots + 1.78 \cdot \text{MEDIAN}(HSF_{H,k}) + 0.24 \cdot \text{MEDIAN}(HSF_{E,k}) + 0.16 \cdot \text{MEDIAN}(HSF_{O,k})
\]

With:

- \(F_p\): Annual preliminary allocation for a product benchmark sub-installation performing the process of steam cracking (expressed in EUAs).
- \(BM_p\): Benchmark for steam cracking (expressed in EUAs/ unit of product).
- \(Em_{\text{direct}}\): Direct emissions within the system boundaries of steam cracking over the baseline period. The direct emissions further include the emissions due to the production of heat within the same ETS installation, that is consumed within the system boundaries of the steam cracking process. Direct emissions should (by definition) exclude any emissions from electricity generation or net heat export/import from other ETS installations or non-ETS entities.
- \(Em_{\text{NetHeatImport}}\): Emissions from any net measurable heat import from other ETS installations and non-ETS entities over the baseline period by a sub-installation producing HVC. Irrespective of where and how the heat is produced, these emissions expressed in tonne CO\(_2\) are calculated as follows:

\[
Em_{\text{NetHeatImport}} = \text{Net Heat Import} \cdot 62.3
\]

With:

- \(\text{Net Heat Import}\): Net import of measurable heat from both ETS installations and non-ETS entities over the baseline...
period by a sub-installation performing the process of steam cracking, expressed in TJ.

\( E_{\text{indirect}} \): Indirect emissions from electricity consumption within the system boundaries of steam cracking over the baseline period. Irrespective of where and how the electricity is produced, these emissions expressed in tonne CO\(_2\) are calculated as follows:

\[
E_{\text{indirect}} = E_{\text{use}} \cdot 0.465
\]

With;

- \( E_{\text{use}} \): Total electricity consumption within the system boundaries of steam cracking over the baseline period, expressed in MWh.
- \( H_AI_{\text{HVC total},k} \): Historical activity level for total high value chemicals production in year \( k \) of the baseline period expressed in tonnes of HVC.
- \( HSF_{H,k} \): Historical production of hydrogen from supplemental feed in year \( k \) of the baseline period expressed in tonnes of hydrogen.
- \( HSF_{E,k} \): Historical production of ethylene from supplemental feed in year \( k \) of the baseline period expressed in tons of ethylene.
- \( HSF_{O,k} \): Historical production of other high value chemicals from supplemental feed in year \( k \) of the baseline period expressed in tonnes of HVC. In this context, other high value chemicals are understood as the sum of acetylene, propylene, butadiene and benzene.
45 Styrene

Product benchmark
0.527 allowances/tonne

Carbon leakage exposure as determined by Commission Decision 2010/2/EU for the years 2013 and 2014
Exposed

Unit of production
Tonne of styrene (saleable product)

Definition and explanation of products covered
According to the CIMs this product benchmark covers:

“Styrene monomer (vinyl benzene, CAS number: 100-42-5)”

The table below shows relevant products according to definitions in PRODCOM 2007 statistics.

<table>
<thead>
<tr>
<th>PRODCOM code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>24.14.12.50</td>
<td>Styrene</td>
</tr>
</tbody>
</table>

PRODCOM codes can be useful in identifying and defining products. As a general guideline, the identification of the products should never solely rely on PRODCOM codes reported in statistics.

Definition and explanation of processes and emissions covered
In their Annex I, point 2, referring to the ‘definition of product benchmarks and system boundaries with consideration of exchangeability of fuel and electricity’, the CIMs define the system boundaries of the styrene product benchmark as follows:

“All processes directly or indirectly linked to the production of
- styrene as well as
- the intermediate product ethylbenzene (with the amount used as feed for the styrene production)
are included.

For the determination of indirect emissions, the total electricity consumption within the system boundaries shall be considered.”

Installation boundaries include ethylbenzene and styrene production and all related equipment needed to produce these materials, such as raw material purification, product purification, waste water and waste gas treatment facilities, loading facilities and other
directly related areas normally included in the plant production area including cooling water facilities, instrument air supply and nitrogen supply. Energy for these services is taken into account, whether supplied directly by the styrene producer or purchased from an on-site supplier.

In general, styrene monomer (SM) can be produced via two process routes: via dehydrogenation (conventional) and via the Propylene Oxide – Styrene Monomer (PO-SM) route. In the PO-SM route, a split of emissions is needed between SM related sections (included in product benchmark), PO related sections (excluded from product benchmark) and a section related to both PO and SM, “the oxidation section”. The product benchmark covers 50% of the energy consumption of the oxidation section (a large EB recycle stream is included), 100% of the energy consumption related to the SM sections (including EB recovery, MBA distillation, hydrogenation and dehydration) and 0% of the energy consumption related to the PO section (including epoxidation, propylene distillation and PO purification).

For installations producing both propylene oxide and styrene monomer, the facilities exclusively dedicated to propylene and propylene oxide unit operations are excluded from this product benchmark.

Shared facilities such as for waste treatment are covered by the styrene benchmark insofar deemed appropriate. For instance if a waste water facility treats 30% waste water from styrene production and 70% waste water from other facilities on the same site, then 30% of the direct emissions for the waste water facility are covered by styrene production.

For the determination of indirect emissions, the total electricity consumption within the system boundaries refers to the total electricity consumption which is exchangeable with heat, considering heat pumps used in the distillation section. These emissions are not eligible for free allocation but are used in the calculation of free allocation (see below).

The export of measurable heat (steam, hot water, etc.) is not covered by this product benchmark and might be eligible for free allocation, regardless whether heat is exported to an ETS consumer or a consumers not covered by the ETS. However, when heat is exported to a consumer covered by the ETS, the consumer will get free allocation only in case a heat benchmark is applied (allocation for heat is already covered by the product benchmark). In case of export to non-ETS consumers, the heat exporter receives free allocation and one or two heat benchmark sub-installations should be foreseen. See CIMs for a definition of measurable heat and Guidance Document 6 on Cross-Boundary Heat Flows for guidance on this topic.

Preliminary allocation
The product benchmark for styrene is based on total emissions since energy produced from fuels is exchangeable for energy from electricity. Allocation should however be based on
direct emissions only. In order to achieve consistency between the benchmarks and the allocation, the preliminary allocation is calculated using a ratio of direct and total emissions:

\[
F_p = \frac{Em_{\text{direct}} + Em_{\text{NetHeatImport}}}{Em_{\text{direct}} + Em_{\text{NetHeatImport}} + Em_{\text{indirect}}} \cdot BM_p \cdot HAL_p
\]

With:

- \( F_p \): Annual preliminary allocation for a product benchmark sub-installation producing styrene (expressed in EUAs).
- \( BM_p \): Benchmark for styrene (expressed in EUAs/unit of product).
- \( HAL_p \): Historical activity level, i.e. the median annual production in the baseline period as determined and verified in the baseline data collection (expressed in units of product).
- \( Em_{\text{direct}} \): Direct emissions within the system boundaries of the production of styrene over the baseline period. The direct emissions further include the emissions due to the production of heat within the same ETS installation, that is consumed within the system boundaries of the styrene production process. Direct emissions should (by definition) exclude any emissions from electricity generation or net heat export/import from other ETS installations or non-ETS entities.
- \( Em_{\text{NetHeatImport}} \): Emissions from any net measurable heat import from other ETS installations and non-ETS entities over the baseline period by a sub-installation producing styrene. Irrespective of where and how the heat is produced, these emissions expressed in tonne CO₂ are calculated as follows:

\[
Em_{\text{NetHeatImport}} = Net \, Heat \, Import \cdot 62.3
\]

With;

- \( Net \, Heat \, Import \): Net import of measurable heat from both other ETS installations and non-ETS entities over the baseline period by a sub-installation producing styrene, expressed in TJ.
- \( Em_{\text{indirect}} \): Indirect emissions from exchangeable electricity consumption within the system boundaries of the production of styrene over the baseline period. These emissions expressed in tonne CO₂ are calculated as follows:

\[
Em_{\text{indirect}} = Elec. \, use \cdot 0.465
\]

With;

- \( Elec. \, use \): Exchangeable electricity consumption of heat pumps in the distillation section within the system boundaries of the production of styrene over the baseline period, expressed in MWh.
46 Sulphite pulp, thermo-mechanical and mechanical pulp

Product benchmark
0.02 allowances/tonne

Carbon leakage exposure as determined by Commission Decision 2010/2/EU for the years 2013 and 2014
Exposed

Unit of production
Net saleable production in Adt (Air Dried Tonnes)

The production of an installation is defined as the net saleable production of air dried metric tons (Adt) measured at the end of the production process. In case of pulp production, the production is defined as the total pulp produced including both pulp for internal delivery to a paper mill and market pulp. Air dry metric tonne of pulp meaning dry solids content of 90%.

Definition and explanation of products covered
According to the CIMs this product benchmark covers:

"Sulphite pulp produced by a specific pulp making process, e.g. pulp produced by cooking wood chips in a pressure vessel in the presence of bisulphite liquor expressed as net saleable production in Adt. Sulphite pulp can be either bleached or unbleached.

Mechanical pulp grades: TMP (thermomechanical pulp) and groundwood as net saleable production in Adt. Mechanical pulp can be either bleached or unbleached.

Not covered by this group are the smaller subgroups of semichemical pulp CTMP – chemithermomechanical pulp and dissolving pulp."

The following types of pulp are included in this benchmark:
- Bleached or unbleached sulphite pulp produced by the sulphite pulping process
- Bleached or unbleached mechanical pulp grades: thermomechanical pulp (TMP) and groundwood pulp

The following sub-types are excluded from this benchmark:
- Semichemical pulp
- Chemithermomechanical pulp (CTMP)
- Dissolving pulp

The tables below show relevant products according to definitions in PRODCOM 2007 statistics, PRODCOM 2008 and Common Nomenclature (CN) statistics.
These classifications can be useful in identifying and defining products. As a general guideline, the identification of the products should never solely rely on classifications in statistics.

<table>
<thead>
<tr>
<th>PRODCOM 2007 code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>21.11.13.13</td>
<td>Unbleached coniferous chemical wood pulp, sulphite (excluding dissolving grades)</td>
</tr>
<tr>
<td>21.11.13.15</td>
<td>Semi-bleached or bleached coniferous chemical wood pulp, sulphite (excluding dissolving grades)</td>
</tr>
<tr>
<td>21.11.13.53</td>
<td>Unbleached non-coniferous chemical wood pulp, sulphite (excluding dissolving grades)</td>
</tr>
<tr>
<td>21.11.13.55</td>
<td>Semi-bleached or bleached non-coniferous chemical wood pulp, sulphite (excluding dissolving grades)</td>
</tr>
</tbody>
</table>

Can be covered by CN code/trade code

<table>
<thead>
<tr>
<th>CN code/trade code</th>
<th>17.11.13.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>4704.11 - Chemical wood pulp, sulphite, other than dissolving grades, Unbleached, coniferous</td>
<td>17.11.13.00</td>
</tr>
<tr>
<td>4704.19 - Chemical wood pulp, sulphite, other than dissolving grades, Unbleached, non-coniferous</td>
<td>17.11.13.00</td>
</tr>
<tr>
<td>4704.21 - Chemical wood pulp, sulphite, other than dissolving grades, Semi-bleached or bleached, coniferous</td>
<td>17.11.13.00</td>
</tr>
<tr>
<td>4704.29 - Chemical wood pulp, sulphite, other than dissolving grades, Semi-bleached or bleached, non-coniferous</td>
<td>17.11.13.00</td>
</tr>
<tr>
<td>4704.00.10 - Thermo-mechanical wood pulp</td>
<td>17.11.14.00</td>
</tr>
<tr>
<td>4701.00.90 - Other Mechanical wood pulp</td>
<td>17.11.14.00</td>
</tr>
</tbody>
</table>

A pulp producing sub-installation may transfer heat to other sub-installations. This is typically the case in integrated mills that produce both pulp and paper. Whenever this happens, the product related historical activity level should only take into account pulp that is placed on the market and not processed into paper in the same or other technically connected installations.\(^\text{10}\)

Example: if a pulp mill produces 100 tonne of pulp and only 1 Adt (Air Dried Tonne) is sold on the market, than only 1 Adt is eligible for free allocation under this benchmark.

**Definition and explanation of processes and emissions covered**

The CIMs define the system boundaries as follows:

\(^{10}\text{Where an installation encompasses sub-installations producing pulp (short fibre kraft pulp, long fibre kraft pulp, thermo-mechanical pulp and mechanical pulp, sulphite pulp or other pulp not covered by a product benchmark) exporting measurable heat to other technically connected sub-installations, the preliminary total amount of emission allowances allocated free of charge shall, without prejudice to the preliminary annual number of emission allowances allocated free of charge for others sub-installations of the installation concerned, only take into account the preliminary annual number of emission allowances allocated free of charge to the extent that pulp products produced by this sub-installation are placed on the market and not processed into paper in the same or other technically connected installations. (Commission Decision determining transitional Union-wide rules for the harmonized free allocation of emission allowances pursuant to Article 10a of Directive 2003/87/EC Art. 10(7))}\)
"All processes which are part of the pulp production process (in particular
- the pulp mill,
- recovery boiler,
- pulp drying section and lime kiln and
- connected energy conversion units (boiler/CHP))
are included.

Other activities on site that are not part of this process such as
- sawmilling activities,
- woodworking activities,
- production of chemicals for sale,
- waste treatment (treating waste onsite instead of offsite (drying, pelletising,
  incinerating, landfilling),
- PCC (precipitated calcium carbonate) production,
- treatment of odorous gases, and
- district heating
are not included."

Emissions related to the production of the consumed electricity are excluded from the
system boundaries.

The export of measurable heat (steam, hot water, etc.) is not covered by this product
benchmark and might be eligible for free allocation, regardless whether heat is exported to
an ETS consumer or a consumers not covered by the ETS. However, when heat is exported
to a consumer covered by the ETS, the consumer will get free allocation only in case a heat
benchmark is applied (allocation for heat is already covered by the product benchmark). In
case of export to non-ETS consumers, the heat exporter receives free allocation and one or
two heat benchmark sub-installations should be foreseen. See CIMs for a definition of
measurable heat and Guidance Document 6 on Cross-Boundary Heat Flows for guidance on
this topic.

Preliminary allocation
The preliminary free allocation for a product benchmark sub-installation producing sulphite
pulp, thermo-mechanical and mechanical pulp is calculated as follows:

\[ F_p = BM_p \cdot HAL_p \]

With:

\[ F_p : \] Annual preliminary allocation for a product benchmark sub-installation
producing sulphite pulp, thermo-mechanical and mechanical pulp (expressed
in EUAs).
$BM_p$: Benchmark for sulphite pulp, thermo-mechanical and mechanical pulp (expressed in EUAs/unit of product).

$HAL_p$: Historical activity level, i.e. the median annual production in the baseline period as determined and verified in the baseline data collection (expressed in units of product).
47 Synthesis gas

**Product benchmark**
0.242 allowances/tonne

**Carbon leakage exposure as determined by Commission Decision 2010/2/EU for the years 2013 and 2014**
Exposed

**Unit of production**
Tonne of synthesis gas referred to 47% hydrogen as net saleable production

**Definition and explanation of products covered**
According to the CIMs this product benchmark covers:

"Mixtures of hydrogen and carbon monoxide having a hydrogen content <60% mole fraction of total contained hydrogen plus carbon monoxide based on the aggregation of all hydrogen- and carbon-monoxide-containing product streams exported from the sub-installation concerned referred to 47 volume-percent hydrogen."

Other mixtures of hydrogen and carbon monoxide (i.e. mixture having a hydrogen content ≥60% mole fraction of the total amount of hydrogen plus carbon monoxide) are not covered by the product benchmark for synthesis gas, but by the product benchmark for hydrogen.

For the calculation of the historical activity levels, the hydrogen content needs to be at least 38.37% (mole fraction of the total amount of hydrogen plus carbon monoxide). For synthesis gases with lower hydrogen contents, the synthesis gas benchmark cannot be applied.

The production of synthesis gas belongs to NACE code 20.11 and the PRODCOM number of hydrogen is 24.11.11.50. There is no single PRODCOM number for carbon monoxide (24.11.12.90 is inorganic oxygen compounds of non metals) or synthesis gas.

**Definition and explanation of processes and emissions covered**
In their Annex I, point 2, referring to the 'definition of product benchmarks and system boundaries with consideration of exchangeability of fuel and electricity', the CIMs define the system boundaries of the synthesis gas product benchmark as follows:

"All relevant process elements directly or indirectly linked to the production of syngas and the separation of hydrogen and carbon monoxide are included. These elements lie between:

a) The point(s) of entry of hydrocarbon feedstock(s) and, if separate, fuel(s)"
b) The points of exit of all product streams containing hydrogen and/or carbon monoxide

c) The point(s) of entry or exit of import or export heat.

For the determination of indirect emissions, the total electricity consumption within the system boundaries shall be considered."

The system boundaries are visualised in Figure 11. In line with the above definition, following production steps should in particular be regarded as being within the system boundaries:

- Chemical conditioning of feed
- \( \text{H}_2/\text{CO} \) generation with associated combustion air fans
- Water-gas shift (if present)
- Separation & purification functions as present: cryogenic (including liquid CO recycle duty); adsorption; absorption; membrane
- Related cooling and process water pumping duty.

![Figure 11. System boundaries of the synthesis gas product benchmark (Sector Rule book for hydrogen and syngas, 2010)](image)

Indirect emissions from electricity consumption are not eligible for free allocation but are used in the calculation of free allocation (see below).

The export of measurable heat (steam, hot water, etc..) is not covered by this product benchmark and might be eligible for free allocation, regardless whether heat is exported to an ETS consumer or a consumers not covered by the ETS. However, when heat is exported
to a consumer covered by the ETS, the consumer will get free allocation only in case a heat benchmark is applied (allocation for heat is already covered by the product benchmark). In case of export to non-ETS consumers, the heat exporter receives free allocation and one or two heat benchmark sub-installations should be foreseen. See CIMs for a definition of measurable heat and Guidance Document 6 on Cross-Boundary Heat Flows for guidance on this topic.

Preliminary allocation
The product benchmark for synthesis gas is based on total emissions since energy produced from fuels is exchangeable for energy from electricity. Allocation should however be based on direct emissions only. In order to achieve consistency between the benchmarks and the allocation, the preliminary allocation is calculated using a ratio of direct and total emissions:

\[
F_{\text{SynGas}} = \frac{E_{\text{direct}} + E_{\text{NetHeatImport}}}{E_{\text{direct}} + E_{\text{NetHeatImport}} + E_{\text{Indirect}}} \times \frac{BM_{\text{SynGas}}}{HAL_{\text{SynGas}}}
\]

With:
- \(F_{\text{SynGas}}\): Annual preliminary allocation for a product benchmark sub-installation producing synthesis gas (expressed in EUAs).
- \(BM_{\text{SynGas}}\): Benchmark for synthesis gas (expressed in EUAs/unit of product).
- \(E_{\text{direct}}\): Direct emissions within the system boundaries of the production of synthesis gas over the baseline period. The direct emissions further include the emissions due to the production of heat within the same ETS installation, that is consumed within the system boundaries of the synthesis gas production process. Direct emissions should (by definition) exclude any emissions from electricity generation or net heat export/import from other ETS installations or non-ETS entities.
- \(E_{\text{NetHeatImport}}\): Emissions from any net measurable heat import from other ETS installations and non-ETS entities over the baseline period by a sub-installation producing synthesis gas. Irrespective of where and how the heat is produced, these emissions expressed in tonne CO₂ are calculated as follows:

\[
E_{\text{NetHeatImport}} = \text{Net Heat Import} \times 62.3
\]

With:
- \(\text{Net Heat Import}\): Net import of measurable heat from both other ETS installations and non-ETS entities over the baseline period by a sub-installation producing synthesis gas, expressed in TJ.
- \(E_{\text{Indirect}}\): Indirect emissions from electricity consumption within the system boundaries of the production of synthesis gas over the baseline period. These emissions expressed in tonne CO₂ are calculated as follows:
\[ Em_{\text{indirect}} = \text{Elec. use} \cdot 0.465 \]

With:
\[ \text{Elec. use} : \quad \text{Total electricity consumption within the system boundaries of the production of synthesis gas over the baseline period, expressed in MWh.} \]

\[ HAl_{\text{Syngas}} : \quad \text{Historical activity level, i.e. the median annual production in the baseline period as determined and verified in the baseline data collection (expressed in units of product) (see below).} \]

**Determination of historical activity level**

In order to ensure a level playing field for the production of synthesis gas in refineries and chemical plants, the free allocation of emission allowances for synthesis production has been brought in line with the CWT approach for refineries by referring to a defined volumetric concentration of hydrogen. The historical activity level to be used in the determination of free allocation should be determined as follows:

\[ HAl_{\text{Syngas}} = \text{MEDIAN} \left( HAl_{\text{H2}+\text{CO,}k} \left( 1 - \frac{0.47 - VF_{\text{H2},k}}{0.0863} \right) \times 0.0007047 \right) \]

With:
\[ HAl_{\text{Syngas}} : \quad \text{historical activity level for synthesis gas production referred to 47% hydrogen} \]
\[ HAl_{\text{H2}+\text{CO,}k} : \quad \text{historical activity level for synthesis gas production referred to historical hydrogen content expressed in norm cubic meters per year referring to 0°C and 101.325 kPa in year } k \text{ of the baseline period} \]
\[ VF_{\text{H2},k} : \quad \text{historical production volume fraction of pure hydrogen in year } k \text{ of the baseline period} \]
48 Testliner and fluting

Product benchmark
0.248 allowances/tonne

Carbon leakage exposure as determined by Commission Decision 2010/2/EU for the years 2013 and 2014
Exposed

Unit of production
Net saleable production in Adt (Air Dried Tonne)

Air dry metric tonne of paper is defined as paper with 6% moisture content.

Definition and explanation of products covered
According to the CIMs this product benchmark covers:

"Testliner and fluting expressed as net saleable production in Adt:
1. Testliner covers types of paperboard that meet specific tests adopted by the packaging industry to qualify for use as the outer facing layer for corrugated board, from which shipping containers are made. Testliner is made primarily from fibers obtained from recycled fibres.
2. Fluting refers to the centre segment of corrugated shipping containers, being faced with linerboard (testliner/kraftliner) on both sides. Fluting covers mainly papers made from recycled fibre but this group also holds paperboard that is made from chemical and semichemical pulp."

Kraftliner is not included in this product benchmark.

The tables below show relevant products according to definitions in PRODCOM 2007 statistics, PRODCOM 2008 and Common Nomenclature (CN) statistics.

These classifications can be useful in identifying and defining products. As a general guideline, the identification of the products should never solely rely on classifications in statistics.

<table>
<thead>
<tr>
<th>PRODCOM 2007 code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>21.12.24.00</td>
<td>Uncoated fluting paper: in rolls or sheets</td>
</tr>
<tr>
<td>21.12.25.20</td>
<td>Uncoated testliner (recycled liner board), weight ≤ 150 g/m², in rolls or sheets</td>
</tr>
<tr>
<td>21.12.25.40</td>
<td>Uncoated testliner (recycled liner board), weight &gt; 150 g/m², in rolls or sheets</td>
</tr>
</tbody>
</table>
Definition and explanation of processes and emissions covered

The CIMs define the system boundaries as follows:

“All processes which are part of the paper production process (in particular
- paper or board machine and
- connected energy conversion units (boiler/CHP) and
- direct process fuel use)
are included.
Other activities on site that are not part of this process such as
- sawmilling activities,
- woodworking activities,
- production of chemicals for sale,
- waste treatment (treating waste onsite instead of offsite (drying, pelletising, incinerating, landfilling),
- PCC (precipitated calcium carbonate) production,
- treatment of odorous gases, and
- district heating
are not included.”

Emissions related to the production of the consumed electricity are excluded from the system boundaries.

The export of measurable heat (steam, hot water, etc..) is not covered by this product benchmark and might be eligible for free allocation, regardless whether heat is exported to an ETS consumer or a consumers not covered by the ETS. However, when heat is exported to a consumer covered by the ETS, the consumer will get free allocation only in case a heat benchmark is applied (allocation for heat is already covered by the product benchmark). In case of export to non-ETS consumers, the heat exporter receives free allocation and one or two heat benchmark sub-installations should be foreseen. See CIMs for a definition of measurable heat and Guidance Document 6 on Cross-Boundary Heat Flows for guidance on this topic.

Preliminary allocation

The preliminary free allocation for a product benchmark sub-installation producing testliner and fluting is calculated as follows:

<table>
<thead>
<tr>
<th>Can be covered by CN code/trade code</th>
<th>Can be covered by PRODCOM 2008 code</th>
</tr>
</thead>
<tbody>
<tr>
<td>4805.24 - Testliner (recycled liner board), Weighing 150 g/m2 or less</td>
<td>17.12.35.20</td>
</tr>
<tr>
<td>4805.25 – Testliner weighing more than 150 g/m2</td>
<td>17.12.35.40</td>
</tr>
<tr>
<td>4805.1 - Fluting paper</td>
<td>17.12.33.00; 17.12.34.00</td>
</tr>
</tbody>
</table>
\[ F_p = BM_p \cdot HAL_p \]

With:

- \( F_p \): Annual preliminary allocation for a product benchmark sub-installation producing testliner and fluting (expressed in EUAs).
- \( BM_p \): Benchmark for testliner and fluting (expressed in EUAs/unit of product).
- \( HAL_p \): Historical activity level, i.e., the median annual production in the baseline period as determined and verified in the baseline data collection (expressed in units of product).

In integrated mills that produce both pulp and paper, a testliner/fluting producing sub-installation may use excess heat from the pulp production process. This has no effect on the allocation to the testliner/fluting producing sub-installation.
49 Tissue

Product benchmark
0.334 allowances/tonne

Carbon leakage exposure as determined by Commission Decision 2010/2/EU for the years 2013 and 2014
Exposed

Unit of production
Net saleable production of parent reel in Adt (Air Dried Tonne)

Air dry metric tonne of paper is defined as paper with 6% moisture content.

Definition and explanation of products covered
According to the CIMs this product benchmark covers:

“Tissue papers expressed as net saleable production of parent reel cover a wide range of tissue and other hygienic papers for use in households or commercial and industrial premises such as
- toilet paper and facial tissues,
- kitchen towels,
- hand towels and
- industrial wipes,
- the manufacture of baby nappies,
- sanitary towels, etc.
TAD - Through Air Dried Tissue is not part of this group.”

Not all production process steps are included for the manufacture of each product (see below for definitions and explanation of processes covered). The conversion of parent reel weight to finished products is not part of this product benchmark.

The tables below show relevant products according to definitions in PRODCOM 2007 statistics, PRODCOM 2008 and Common Nomenclature (CN) statistics.

These classifications can be useful in identifying and defining products. As a general guideline, the identification of the products should never solely rely on classifications in statistics.
<table>
<thead>
<tr>
<th>PRODCOM 2007 code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>21.12.21.30</td>
<td>Cellulose wadding for household or sanitary purposes, in rolls of a width &gt; 36 cm or in rectangular (including square sheets) with at least one side &gt; 36 cm in an unfolded state</td>
</tr>
<tr>
<td>21.12.21.55</td>
<td>Creped paper and webs of cellulose fibres for household/sanitary purposes, in rolls, width &gt; 36 cm, rectangular sheets min. one side &gt; 36 cm in unfolded state, weight ≤ 25 g/m²/ply</td>
</tr>
<tr>
<td>21.12.21.57</td>
<td>Creped paper and webs of cellulose fibres for household/sanitary purposes, in rolls, width &gt; 36 cm, rectangular sheets min. one side &gt; 36 cm in unfolded state, weight &gt; 25 g/m²/ply</td>
</tr>
<tr>
<td>21.12.21.90</td>
<td>Paper stock for household: others</td>
</tr>
<tr>
<td>21.22.11.10</td>
<td>Toilet paper</td>
</tr>
<tr>
<td>21.22.11.33</td>
<td>Handkerchiefs and cleansing or facial tissues of paper pulp, paper, cellulose wadding or webs of cellulose fibres</td>
</tr>
<tr>
<td>21.22.11.35</td>
<td>Hand towels of paper pulp, paper, cellulose wadding or webs of cellulose fibres</td>
</tr>
<tr>
<td>21.22.11.50</td>
<td>Tablecloths and serviettes of paper pulp, paper, cellulose wadding or webs of cellulose fibres</td>
</tr>
<tr>
<td>21.22.12.10</td>
<td>Sanitary towels, tampons and similar articles of paper pulp, paper, cellulose wadding or webs of cellulose fibres</td>
</tr>
<tr>
<td>21.22.12.30</td>
<td>Napkins and napkin liners for babies and similar sanitary articles of paper pulp, paper, cellulose wadding or webs of excluding toilet paper, sanitary towels, tampons and similar articles</td>
</tr>
<tr>
<td>21.22.12.50</td>
<td>Articles of apparel and clothing accessories of paper pulp; paper; cellulose wadding or webs of cellulose fibres (excluding handkerchiefs, headgear)</td>
</tr>
<tr>
<td>21.22.12.90</td>
<td>Household, sanitary or hospital articles of paper, etc., n.e.c.</td>
</tr>
</tbody>
</table>

**Can be covered by CN code/trade code**

<table>
<thead>
<tr>
<th>Can be covered by PRODCOM 2008 code</th>
<th>PRODCOM 2007 code</th>
</tr>
</thead>
<tbody>
<tr>
<td>4803.00.10 - Toilet or facial tissue stock, towel or napkin stock and similar paper of a kind used for household or sanitary purposes, cellulose wadding and webs of cellulose fibres, whether or not creped, crinkled, embossed, perforated, surface-coloured, surface-decorated or printed, in rolls or sheets, Cellulose wadding</td>
<td>17.12.20.30</td>
</tr>
<tr>
<td>4803.00.31 - Not more than 25 g/m²</td>
<td>17.12.20.55</td>
</tr>
<tr>
<td>4803.00.39 - More than 25 g/m²</td>
<td>17.12.20.57</td>
</tr>
<tr>
<td>4803.00.90 - Other</td>
<td>17.12.20.90</td>
</tr>
<tr>
<td>4818 Toilet paper and similar paper, cellulose wadding or webs of cellulose fibres, of a kind used for household or sanitary purposes, in rolls of a width not exceeding 36 cm, or cut to size or shape; handkerchiefs, cleansing tissues, towels, tablecloths, serviettes, napkins for babies, tampons, bed sheets and similar household, sanitary or hospital articles, articles of apparel and clothing accessories, of paper pulp, paper, cellulose wadding or webs of cellulose fibres:</td>
<td>17.22.11.20; 17.22.11.40; 17.22.11.60; 17.22.11.80; 17.22.12.20; 17.22.12.30; 17.22.12.50; 17.22.12.90</td>
</tr>
</tbody>
</table>
Definition and explanation of processes and emissions covered

The CIMs define the system boundaries as follows:

“All processes which are part of the paper production process (in particular - paper or board machine and - connected energy conversion units (boiler/CHP) and - direct process fuel use) are included.

Other activities on site that are not part of this process such as - sawmilling activities, - woodworking activities, - production of chemicals for sale, - waste treatment (treating waste onsite instead of offsite (drying, pelletising, incinerating, landfilling)), - PCC (precipitated calcium carbonate) production, - treatment of odorous gases and - district heating
are not included."

Emissions related to the production of the consumed electricity are excluded from the system boundaries.

The export of measurable heat (steam, hot water, etc..) is not covered by this product benchmark and might be eligible for free allocation, regardless whether heat is exported to an ETS consumer or a consumers not covered by the ETS. However, when heat is exported to a consumer covered by the ETS, the consumer will get free allocation only in case a heat benchmark is applied (allocation for heat is already covered by the product benchmark). In case of export to non-ETS consumers, the heat exporter receives free allocation and one or two heat benchmark sub-installations should be foreseen. See CIMs for a definition of measurable heat and Guidance Document 6 on Cross-Boundary Heat Flows for guidance on this topic.

Preliminary allocation

The preliminary free allocation for a product benchmark sub-installation producing tissue is calculated as follows:

\[ F_p = BM_p \cdot HAL_p \]

With:

\( F_p \) : Annual preliminary allocation for a product benchmark sub-installation producing tissue (expressed in EUAs).

\( BM_p \) : Benchmark for tissue (expressed in EUAs / unit of product).
Historical activity level, i.e. the median annual production in the baseline period as determined and verified in the baseline data collection (expressed in units of product).

In integrated mills that produce both pulp and paper, a tissue producing sub-installation may use excess heat from the pulp production process. This has no effect on the allocation to the tissue producing sub-installation.
50 Uncoated carton board

Product benchmark
0.237 allowances/tonne

Carbon leakage exposure as determined by Commission Decision 2010/2/EU for the years 2013 and 2014
Exposed

Unit of production
Net saleable production in Adt (Air Dried Tonnes)

Air dry metric tonne of paper is defined as paper with 6% moisture content.

Definition and explanation of products covered
According to the CIMs this product benchmark covers:

"This benchmark covers a wide range of uncoated products (expressed as net saleable production in Adt) which may be single or multiply.

- Uncoated carton board is mainly used for packaging applications which the main needed characteristic is strength and stiffness, and for which the commercial aspects as information carrier are of a second order of importance.
- Carton board is made from virgin and/or recovered fibres, has good folding properties, stiffness and scoring ability.
- It is mainly used in cartons for consumer products such as frozen food, cosmetics and for liquid containers; also known as solid board, folding box board, boxboard or carrier board or core board."

The tables below show relevant products according to definitions in PRODCOM 2007 statistics, PRODCOM 2008 and Common Nomenclature (CN) statistics.

These classifications can be useful in identifying and defining products. As a general guideline, the identification of the products should never solely rely on classifications in statistics.

<table>
<thead>
<tr>
<th>PRODCOM code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>21.12.23.35</td>
<td>Uncoated kraft paper/paperboard weighing between 150-225g/m² (excluding kraftliner, sack kraft paper, for writing, printing or other graphic purposes, punch card stock and tape paper)</td>
</tr>
<tr>
<td>21.12.23.37</td>
<td>Uncoated kraft paper and paperboard weighing &gt;225g/m² excluding kraftliner, sack kraft paper - for writing, printing and other graphic purposes, punch card stock, punch card tape paper</td>
</tr>
<tr>
<td>Code</td>
<td>Description</td>
</tr>
<tr>
<td>-----------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>21.12.30.65</td>
<td>Other uncoated paper and paperboard, in rolls or sheets, weight &gt; 150 g/m² and &lt; 225 g/m² (excluding products of HS 4802, fluting paper, testliner, sulphite wrapping paper, filter or felt paper and paperboard)</td>
</tr>
<tr>
<td>21.12.30.69</td>
<td>Other uncoated paper and paperboard, in rolls or sheets, weight ≥ 225 g/m² (excluding products of HS 4802, fluting paper, testliner, sulphite wrapping paper, filter or felt paper and paperboard)</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Definition and explanation of processes and emissions covered**

The CIMs define the system boundaries as follows:

"All processes which are part of the paper production process (in particular
- paper or board machine and
- connected energy conversion units (boiler/CHP) and
- direct process fuel use)
are included.

Other activities on site that are not part of this process such as
- sawmilling activities,
- woodworking activities,
- production of chemicals for sale,
- waste treatment (treating waste onsite instead of offsite (drying, pelleting, incinerating, landfilling)),
- PCC (precipitated calcium carbonate) production,
- treatment of odorous gases and
district heating
are not included."

Emissions related to the production of the consumed electricity are excluded from the system boundaries.

The export of measurable heat (steam, hot water, etc.) is not covered by this product benchmark and might be eligible for free allocation, regardless whether heat is exported to an ETS consumer or a consumers not covered by the ETS. However, when heat is exported
To a consumer covered by the ETS, the consumer will get free allocation only in case a heat benchmark is applied (allocation for heat is already covered by the product benchmark). In case of export to non-ETS consumers, the heat exporter receives free allocation and one or two heat benchmark sub-installations should be foreseen). See CIMs for a definition of measurable heat and Guidance Document 6 on Cross-Boundary Heat Flows for guidance on this topic.

**Preliminary allocation**
The preliminary free allocation for a product benchmark sub-installation producing uncoated carton board is calculated as follows:

\[ F_p = BM_p \cdot HAL_p \]

With:
- \( F_p \) : Annual preliminary allocation for a product benchmark sub-installation producing uncoated carton board (expressed in EUAs).
- \( BM_p \) : Benchmark for uncoated carton board (expressed in EUAs/unit of product).
- \( HAL_p \) : Historical activity level, i.e. the median annual production in the baseline period as determined and verified in the baseline data collection (expressed in units of product).

In integrated mills that produce both pulp and paper, an uncoated carton board producing sub-installation may use excess heat from the pulp production process. This has no effect on the allocation to the uncoated carton board producing sub-installation.
51 Uncoated fine paper

Product benchmark
0.318 allowances/tonne

Carbon leakage exposure as determined by Commission Decision 2010/2/EU for the years 2013 and 2014
Exposed

Unit of production
Net saleable production in Adt (Air Dried Tonnes)

Air dry metric tonne of paper is defined as paper with 6% moisture content.

Definition and explanation of products covered
According to the CIMs this product benchmark covers:

"Uncoated fine paper, covering both uncoated mechanical and uncoated woodfree expressed as net saleable production in Adt:

1. Uncoated woodfree papers suitable for printing or other graphic purposes made from a variety of mainly virgin fibre furnishes, with variable levels of mineral filler and a range of finishing processes. This grade includes most office papers, such as business forms, copier, computer, stationery and book papers.

2. Uncoated mechanical papers cover the specific paper grades made from mechanical pulp, used for packaging or graphic purposes/magazines."

The tables below show relevant products according to definitions in PRODCOM 2007 statistics, PRODCOM 2008 and Common Nomenclature (CN) statistics.

These classifications can be useful in identifying and defining products. As a general guideline, the identification of the products should never solely rely on classifications in statistics.

<table>
<thead>
<tr>
<th>PRODCOM code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>21.12.14.70</td>
<td>Graphic paper, paperboard: mechanical fibres &gt;10%</td>
</tr>
<tr>
<td>21.12.12.00</td>
<td>Hand-made paper and paperboard in rolls or sheets (excluding newsprint)</td>
</tr>
<tr>
<td>21.12.13.10</td>
<td>Uncoated paper and paperboard in rolls or sheets; used as a base for photo-sensitive; heat-sensitive or electro-sensitive paper or paperboard</td>
</tr>
<tr>
<td>21.12.13.55</td>
<td>Uncoated wallpaper base; in rolls or sheets containing ≤ 10% by weight of fibres obtained by a mechanical process</td>
</tr>
<tr>
<td>21.12.13.59</td>
<td>Uncoated wallpaper base; in rolls or sheets containing &gt; 10% by weight of fibres obtained by a mechanical process</td>
</tr>
<tr>
<td>21.12.14.10</td>
<td>Graphic paper, paperboard: mechanical fibres ≤ 10%, weight &lt; 40 g/m²</td>
</tr>
<tr>
<td>21.12.14.35</td>
<td>Graphic paper, paperboard: mechanical fibres ≤ 10%, weight 4802.55 ≥ 40 g/m² but</td>
</tr>
<tr>
<td>CN Code</td>
<td>Description</td>
</tr>
<tr>
<td>--------------</td>
<td>-----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>4802</td>
<td>Uncoated paper and paperboard, of a kind used for writing, printing or other</td>
</tr>
<tr>
<td></td>
<td>graphic purposes, and non-perforated punchcards and punch-tape paper, in rolls</td>
</tr>
<tr>
<td></td>
<td>or rectangular (including square) sheets, of any size, other than paper of</td>
</tr>
<tr>
<td></td>
<td>heading 4801 or 4803: handmade paper and paperboard</td>
</tr>
<tr>
<td>4802 61 15</td>
<td>Other paper and paperboard, of which more than 10% by weight of the total</td>
</tr>
<tr>
<td></td>
<td>fibre content consists of fibres obtained by a mechanical or chemi-mechanical</td>
</tr>
<tr>
<td></td>
<td>process: In rolls weighing less than 72 g/m² but which more than 50% by</td>
</tr>
<tr>
<td></td>
<td>weight of the total fibre content consists of fibres obtained by a mechanical</td>
</tr>
<tr>
<td></td>
<td>process.</td>
</tr>
<tr>
<td>4802 61 80</td>
<td>Other paper and paperboard, of which more than 10% by weight of the total</td>
</tr>
<tr>
<td></td>
<td>fibre content consists of fibres obtained by a mechanical or chemi-mechanical</td>
</tr>
<tr>
<td></td>
<td>process: In rolls other</td>
</tr>
<tr>
<td>4802 62 00</td>
<td>Other paper and paperboard, of which more than 10% by weight of the total</td>
</tr>
<tr>
<td></td>
<td>fibre content consists of fibres obtained by a mechanical or chemi-mechanical</td>
</tr>
<tr>
<td></td>
<td>process: In sheets with one side not exceeding 435 mm and the other side not</td>
</tr>
<tr>
<td></td>
<td>exceeding 297 mm in the unfolded state.</td>
</tr>
<tr>
<td>4802 69 00</td>
<td>Other paper and paperboard, of which more than 10% by weight of the total</td>
</tr>
<tr>
<td></td>
<td>fibre content consists of fibres obtained by a mechanical or chemi-mechanical</td>
</tr>
<tr>
<td></td>
<td>process: Other</td>
</tr>
<tr>
<td>4802 20 00</td>
<td>Paper and paperboard of a kind used as a base for photosensitive, heat-</td>
</tr>
<tr>
<td></td>
<td>sensitive or electrosensitive paper or paperboard</td>
</tr>
<tr>
<td>4802 54</td>
<td>Other paper and paperboard, not containing fibres obtained by a mechanical</td>
</tr>
<tr>
<td></td>
<td>or chemi-mechanical process or of which not more than 10% by weight of the</td>
</tr>
<tr>
<td></td>
<td>total fibre content consists of such fibres - Weighing less than 40 g/m²</td>
</tr>
<tr>
<td>4802.55</td>
<td>Weighing 40 g/m² or more but not more than 150 g/m², in rolls:</td>
</tr>
<tr>
<td>4802.56</td>
<td>Weighing 40 g/m² or more but not more than 150 g/m², in sheets with one</td>
</tr>
<tr>
<td></td>
<td>side not exceeding 435 mm and the other side not exceeding 297 mm in the</td>
</tr>
<tr>
<td></td>
<td>unfolded state.</td>
</tr>
<tr>
<td>4802.57</td>
<td>Other, weighing 40 g/m² or more but not more than 150 g/m²</td>
</tr>
<tr>
<td>4802.58</td>
<td>Weighing more than 150 g/m²</td>
</tr>
</tbody>
</table>

**Definition and explanation of processes and emissions covered**

The CIMs define the system boundaries as follows:

“All processes which are part of the paper production process (in particular
- paper or board machine and
- connected energy conversion units (boiler/CHP) and
- direct process fuel use)
are included.

Other activities on site that are not part of this process such as
- sawmilling activities,
- woodworking activities,
- production of chemicals for sale,
- waste treatment (treating waste onsite instead of offsite (drying, pelletising, incinerating, landfilling)),
- PCC (precipitated calcium carbonate) production,
- treatment of odorous gases and
district heating
are not included."

Emissions related to the production of the consumed electricity are excluded from the system boundaries.

The export of measurable heat (steam, hot water, etc..) is not covered by this product benchmark and might be eligible for free allocation, regardless whether heat is exported to an ETS consumer or a consumers not covered by the ETS. However, when heat is exported to a consumer covered by the ETS, the consumer will get free allocation only in case a heat benchmark is applied (allocation for heat is already covered by the product benchmark). In case of export to non-ETS consumers, the heat exporter receives free allocation and one or two heat benchmark sub-installations should be foreseen. See CIMs for a definition of measurable heat and Guidance Document 6 on Cross-Boundary Heat Flows for guidance on this topic.

Preliminary allocation
The preliminary free allocation for a product benchmark sub-installation producing uncoated fine paper is calculated as follows:

\[ F_p = BM_p \cdot HAL_p \]

With:

- \( F_p \): Annual preliminary allocation for a product benchmark sub-installation producing uncoated fine paper (expressed in EUAs).
- \( BM_p \): Benchmark for uncoated fine paper (expressed in EUAs / unit of product).
- \( HAL_p \): Historical activity level, i.e. the median annual production in the baseline period as determined and verified in the baseline data collection (expressed in units of product).

In integrated mills that produce both pulp and paper, an uncoated fine paper producing sub-installation may use excess heat from the pulp production process. This has no effect on the allocation to the uncoated fine paper producing sub-installation.
52 Vinyl chloride monomer (VCM)

Product benchmark
0.204 allowances/tonne

Carbon leakage exposure as determined by Commission Decision 2010/2/EU for the years 2013 and 2014
Exposed

Unit of production
Tonne of vinyl chloride (saleable product, 100% purity)

Definition and explanation of products covered
According to the CIMs this product benchmark covers:

"Vinyl chloride (chloroethylene)"

The table below shows relevant products according to definitions in PRODCOM 2007 statistics.

<table>
<thead>
<tr>
<th>PRODCOM code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>24.14.13.71</td>
<td>Vinyl chloride (chloroethylene)</td>
</tr>
</tbody>
</table>

PRODCOM codes can be useful in identifying and defining products. As a general guideline, the identification of the products should never solely rely on PRODCOM codes reported in statistics.

Definition and explanation of processes and emissions covered
The CIMs define the system boundaries as follows:

"All processes directly or indirectly linked to the production steps
- direct chlorination
- oxychlorination and
- EDC cracking to VCM
are included."

Direct chlorination refers to chlorination of ethylene. Oxychlorination refers to chlorination of ethylene with hydrogen chloride (HCl) and oxygen.

Emissions related to the production of the consumed electricity are excluded from the system boundaries.
The incineration of chlorinated hydrocarbons contained in the vent gases of EDC/VCM production is included in the benchmark.

The production of oxygen and compressed air used as raw materials in VCM manufacture are not excluded in the benchmark.

The export of measurable heat (steam, hot water, etc..) is not covered by this product benchmark and might be eligible for free allocation, regardless whether heat is exported to an ETS consumer or a consumers not covered by the ETS. However, when heat is exported to a consumer covered by the ETS, the consumer will get free allocation only in case a heat benchmark is applied (allocation for heat is already covered by the product benchmark). In case of export to non-ETS consumers, the heat exporter receives free allocation and one or two heat benchmark sub-installations should be foreseen. See CIMs for a definition of measurable heat and Guidance Document 6 on Cross-Boundary Heat Flows for guidance on this topic.

**Preliminary allocation**

In the production of VCM, hydrogen can be used to some extent as fuel substituting conventional fuels such as natural gas, thus reducing the direct emission of the combustion process. Considering the very high greenhouse gas intensity of hydrogen production, the VCM benchmark value accounts for the use of hydrogen as if it was natural gas. The free allocation to each installation is therefore corrected for the actual share of direct emission in the emission covered by the benchmark (direct emissions and virtual emissions for hydrogen production):\(^\text{11}\)

\[
F_{\text{VCM}} = \frac{Em_{\text{direct}}}{Em_{\text{direct}} + Em_{\text{hydrogen}}} \times BM_{\text{VCM}} \times HA_{\text{VCM}}
\]

with:

- \(F_{\text{VCM}}\): the annual preliminary allocation for VCM (expressed in EUAs).
- \(Em_{\text{direct}}\): historical direct emissions for production of VCM including emissions from net imported heat over the baseline period (expressed in t CO\(_2\)(e)).
- \(Em_{\text{hydrogen}}\): historical virtual emissions from hydrogen combustion for VCM over the baseline period (historical hydrogen consumption for VCM production times 56.1 t CO\(_2\)(e)/TJ) (expressed in t CO\(_2\)(e)).

\(^{11}\)“By way of derogation from Article 102(2)(a), the preliminary annual number of emission allowances allocated free of charge for a sub-installation relating to the production of vinyl chloride monomer (hereinafter “VCM”) shall correspond to the value of the VCM benchmark multiplied by the historical activity level for VCM production expressed in tonnes and multiplied by the quotient of the direct emissions for the production of VCM including emissions from net imported heat over the baseline period referred to in Article 9(1) of this Decision, calculated in accordance with Article 14(2), expressed in tonnes of carbon dioxide equivalent and the sum of these direct emissions and the hydrogen-related emissions for the production of VCM over the baseline period referred to in Article 9(1) of this Decision expressed in tonnes of carbon dioxide equivalent calculated on the basis of the historical heat consumption stemming from hydrogen combustion expressed in terajoules (TJ) times 56.1 tonnes of carbon dioxide per TJ.” Commission Decision determining transitional Union-wide rules for the harmonized free allocation of emission allowances pursuant to Article 10a of Directive 2003/87/EC (Art. 12)
$BM_{VCM}$: benchmark for VCM (expressed in EUA per ton of VCM).

$HAL_{VCM}$: historical activity level, i.e. the median annual production in the baseline period as determined and verified in the baseline data collection (expressed in units of product).
53 White cement clinker

Product benchmark
0.987 allowances/tonne

Carbon leakage exposure as determined by Commission Decision 2010/2/EU for the years 2013 and 2014
Exposed

Unit of production
Tonne of white cement clinker (as 100% clinker)

Definition and explanation of products covered
According to the CIMs this product benchmark covers:

"White cement clinker for use as main binding component in the formulation of materials such as joint fillers, ceramic tile adhesives, insulation, and anchorage mortars, industrial floor mortars, ready mixed plaster, repair mortars, and water-tight coatings with maximum average contents of 0.4 mass-% Fe$_2$O$_3$, 0.003 mass-% Cr$_2$O$_3$ and 0.03 mass-% Mn$_2$O$_3$."

In other words, cement clinker needs to fulfil all of the following quantitative criteria regarding the content of certain substances:

1. content Fe$_2$O$_3$ of equal or lower than 0.4 mass-%
2. content Cr$_2$O$_3$ of equal or lower than 0.003 mass-%
3. content Mn$_2$O$_3$ of equal or lower than 0.03 mass-%

The three criteria are to be applied to individual batches (smallest unit of production) of clinker. Only amounts matching all these criteria can be regarded as "white cement clinker" and should be aggregated at an annual basis for all years of the relevant baseline period. If the application of the criteria is not possible at batch level, the assessment should be carried out at a higher level of aggregation, but at least for the total annual production.

Alternatively, the three quantitative criteria for the composition should be regarded as met if the clinker has a reflection (R$_{y}$) of at least 87% measured according to ISO 7724 (DIN 5033) using a BaSO$_4$ standard.

Furthermore, the definition of the white cement clinker benchmark refers to the use as main binding component for certain products. As the above list of application is comprehensive but not exhaustive and no quantitative thresholds are given, compliance with this criterion should simply be confirmed by the operator in the methodology report accompanying the data collection template.
To the extent the criteria for the composition and applications are not met the grey cement clinker benchmark should be applied.

The table below shows relevant products according to definitions in PRODCOM 2007 statistics. Note that this PRODCOM code also applies to grey cement clinker (see section 21).

<table>
<thead>
<tr>
<th>PRODCOM code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>26.51.11.00</td>
<td>Cement clinker</td>
</tr>
</tbody>
</table>

These classifications can be useful in identifying and defining products. As a general guideline, the identification of the products should never solely rely on classifications in statistics.

**Definition and explanation of processes and emissions covered**

The CIMs define the system boundaries as follows:

“All processes directly or indirectly linked to the production of white cement clinker are included.”

Emissions related to the production of the consumed electricity are excluded from the system boundaries.

The export of measurable heat (steam, hot water, etc..) is not covered by this product benchmark and might be eligible for free allocation, regardless whether heat is exported to an ETS consumer or a consumers not covered by the ETS. However, when heat is exported to a consumer covered by the ETS, the consumer will get free allocation only in case a heat benchmark is applied (allocation for heat is already covered by the product benchmark). In case of export to non-ETS consumers, the heat exporter receives free allocation and one or two heat benchmark sub-installations should be foreseen). See CIMs for a definition of measurable heat and Guidance Document 6 on Cross-Boundary Heat Flows for guidance on this topic.

**Preliminary allocation**

The preliminary free allocation for a product benchmark sub-installation producing white cement clinker is calculated as follows:

\[ F_p = BM_p \cdot HAL_p \]

With:
- \( F_p \): Annual preliminary allocation for a product benchmark sub-installation producing white cement clinker (expressed in EUAs).
- \( BM_p \): Benchmark for white cement clinker (expressed in EUAs / unit of product).
$HAL_p$  Historical activity level, i.e. the median annual production, in the baseline period as determined and verified in the baseline data collection (expressed in units of product).