

## POLICY NOTE

### THE CARBON ACCOUNTING SCHEME (SCOTLAND) AMENDMENT REGULATIONS 2018

S.S.I. 2018/40

The above instrument is made in exercise of the powers conferred by sections 13(5), 20(1) and 96(2) of the Climate Change (Scotland) Act 2009 (“the Act”) and all other powers enabling the Scottish Ministers to do so. The instrument is subject to the negative procedure.

#### Policy Objectives

The purpose of the Carbon Accounting Scheme (Scotland) Amendment Regulations 2018 (“the Regulations”) is to make provision for the circumstances and manner in which carbon units may be credited to, or debited from, the net Scottish emissions account for 2016.

In particular, the Regulations amend the Carbon Accounting Scheme (Scotland) Regulations 2010 so as to require the Scottish Ministers, by 30 June 2018, to calculate whether an amount of carbon units is to be credited to, or debited from, the net Scottish emissions account for 2016 as a result of the operation of the EU Emissions Trading Scheme (ETS) in Scotland.

This calculation has two components:

- In relation to “aviation activities”<sup>1</sup>, whether the amount of emissions in respect of Scotland from such activities in 2016 is more or less than the “aviation cap” for 2016;
- In relation to “other activities”<sup>2</sup>, whether the amount of carbon units surrendered in respect of such activities in Scotland as a result of the operation of the EU ETS in the “relevant period”<sup>3</sup> for 2016 is more or less than the “fixed installation cap” for 2016.

The new provisions mirror those used for the calculation of the net Scottish emissions account for the year 2015. A paper setting out how the “aviation cap” and the “fixed installation cap” for 2016 have been determined has been published by the Scottish Government<sup>4</sup>.

#### Background

For the purposes of the Act, the net Scottish emissions account means the aggregate amount of “net Scottish emissions” (emissions plus “removals” such as carbon sequestration by woodland), reduced or increased by the amount of “carbon units” credited to it, or debited from it, in accordance with the Carbon Accounting Scheme (Scotland) Regulations 2010.

#### Consultation

The UK Committee on Climate Change and the UK Government were consulted on the method for crediting or debiting carbon units, in respect of Scotland, as a result of the operation of the EU ETS.

---

<sup>1</sup> As listed in Annex I of Directive 2003/87/EC of the European Parliament and of the Council establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Directive 96/61/EC (OJ L 275, 25.10.2003, as last amended by Decision (EU) 2015/1814 (OJ 264, 9.10.2015, p.1).

<sup>2</sup> These are those activities, other than aviation activities, listed in Annex I of Directive 2008/87/EC.

<sup>3</sup> The use of a 16 month relevant period reflects the fact that surrenders in relation to activities occurring during 2016 can occur during the early part of the following calendar year.

<sup>4</sup> Available online at: <http://www.gov.scot/Topics/Statistics/Browse/Environment/Publications/EUETScap2016>

**Financial Effects**

A Business and Regulatory Impact Assessment (BRIA) is not required, as the instrument will not, in itself, impose new regulatory burdens on businesses, charities or the voluntary sector.

Scottish Government

Energy and Climate Change Directorate

February 2018