
STATUTORY INSTRUMENTS

2020 No. 1265

The Greenhouse Gas Emissions Trading Scheme Order 2020

PART 1

Preliminary

Interpretation

4.—(1) In this Order—

“2021-2025 allocation period” means the 2021, 2022, 2023, 2024 and 2025 scheme years;

“2026-2030 allocation period” means the 2026, 2027, 2028, 2029 and 2030 scheme years;

[^{F1}“ account ” means account in the registry;

“Activity Level Changes Regulation” means Commission Implementing Regulation (EU) 2019/1842 of 31 October 2019, as it forms part of domestic law;]

“aerodrome” means a defined area (including any buildings, installations and equipment) on land or water or on a fixed, fixed offshore or floating structure to be used either wholly or in part for the arrival, departure and surface movement of aircraft;

“aircraft operator” has the meaning given in article 6;

[^{F2}“ aircraft operator holding account ” means an aircraft operator holding account opened under paragraph 13(3) of Schedule 5A;]

“allocation period” means—

(a) the 2021-2025 allocation period; or

(b) the 2026-2030 allocation period;

[^{F3}“ allocation table ” means an allocation table for the 2021-2025 allocation period or the 2026-2030 allocation period referred to in article 34A;]

“allowance” means an allowance created under this Order (see article 18);

“aviation activity” means an activity set out in paragraph 1 of Schedule 1;

[^{F4}“ aviation allocation table ” means the aviation allocation table for the 2021-2025 allocation period referred to in article 34N;]

“aviation emissions” means emissions of carbon dioxide arising from an aviation activity;

“carbon price”, in relation to a scheme year, has the meaning given in article 46;

“CCA 2008” means the Climate Change Act 2008;

[^{F5}“ central account ” has the meaning given in paragraph 9(2) of Schedule 5A;]

“the Chicago Convention” means the Convention on International Civil Aviation which was, on 7th December 1944, signed on behalf of the Government of the United Kingdom at the International Civil Aviation Conference held at Chicago ^{M1};

“chief inspector” means the chief inspector constituted under regulation 8(3) of the Pollution Prevention and Control (Industrial Emissions) Regulations (Northern Ireland) 2013 ^{M2};

“commercial air transport operator” means a person that, for remuneration, provides scheduled or non-scheduled air transport services to the public for the carriage of passengers, freight or mail and holds an air operator certificate (AOC) or equivalent document as required by Part I of Annex 6 to the Chicago Convention;

“Directive” means Directive [2003/87/EC](#) of the European Parliament and of the Council of 13 October 2003 establishing a system for greenhouse gas emission allowance trading within the Union and amending Council Directive [96/61/EC](#) ^{M3};

“emission factor” has the same meaning as in the Monitoring and Reporting Regulation 2018;

“emissions monitoring plan” has the meaning given in article 28(1);

“EU ETS” means the system for greenhouse gas emission allowance trading established by the Directive;

“Eurocontrol” has the meaning given in section 24 of the Civil Aviation Act 1982 ^{M4};

“excluded flights” means flights set out in paragraph 2 of Schedule 1;

[^{F6}“FA installation”, “FA installation for the 2021-2025 allocation period” and “FA installation for the 2026-2030 allocation period”] must be construed in accordance with article 4A;]

“flight” means one flight sector that is a flight or one of a series of flights which commences at a parking place of the aircraft and terminates at a parking place of the aircraft;

[^{F7}“free allocation” means the allocation of allowances free of charge under Part 4A;

“free allocation conditions” means the conditions referred to in paragraph 4(6) of Schedule 6;

“Free Allocation Regulation” means Commission Delegated Regulation (EU) 2019/331 of 19 December 2018, as it forms part of domestic law;]

“full-scope flights” means flights departing from, or arriving in, an aerodrome situated in the United Kingdom, Gibraltar [^{F8}, Switzerland] or an EEA state, other than excluded flights;

“GGETSR 2012” means the Greenhouse Gas Emissions Trading Scheme Regulations 2012 ^{M5};

“GGETSR emissions plan” means an emissions plan as defined in regulation 20 of the GGETSR 2012;

“greenhouse gas emissions permit” means a greenhouse gas emissions permit—

(a) issued under paragraph 3 or 9 of Schedule 6; or

(b) converted under paragraph 24 or 26 of Schedule 7 or paragraph 1(4) of Schedule 11;

“hospital and small emitter list for 2021-2025” has the meaning given in paragraph 3(2) of Schedule 7;

“hospital and small emitter list for 2026-2030” has the meaning given in paragraph 5(4)(b) of Schedule 7;

“hospital or small emitter” must be construed in accordance with paragraphs 3 and 4 of Schedule 7;

“hospital or small emitter permit” means a hospital or small emitter permit—

(a) issued under paragraph 9 of Schedule 7; or

(b) converted under paragraph 10 of Schedule 7 or paragraph 1(3) of Schedule 11;

“installation” must be construed in accordance with Schedule 2;

“monitoring and reporting conditions” means—

- (a) in relation to a greenhouse gas emissions permit, the conditions referred to in paragraph 4(2) of Schedule 6;
- (b) in relation to a hospital or small emitter permit, the conditions referred to in paragraph 11(2) of Schedule 7;

“Monitoring and Reporting Regulation 2012” means Commission Regulation (EU) No. 601/2012 of 21 June 2012 on the monitoring and reporting of greenhouse gas emissions pursuant to Directive [2003/87/EC](#) of the European Parliament and of the Council ^{M6};

“Monitoring and Reporting Regulation 2018” means Commission Implementing Regulation (EU) 2018/2066 of 19 December 2018 on the monitoring and reporting of greenhouse gas emissions pursuant to Directive [2003/87/EC](#) of the European Parliament and of the Council [^{F9}(disregarding any amendments adopted after 11th November 2020) and, except in article 24 and Schedule 4, it means that Regulation]^{M7} as given effect subject to modifications by article 24;

“non-commercial air transport operator” means a person who operates flights and is not a commercial air transport operator;

“NRW” means the Natural Resources Body for Wales ^{M8};

“operator”, in relation to an installation, has the meaning given in article 5;

[^{F10}“operator holding account” means an operator holding account for an installation opened under paragraph 11(4) or 12(3) of Schedule 5A;]

“outermost region” means—

- (a) the Canary Islands;
- (b) French Guiana;
- (c) Guadeloupe;
- (d) Mayotte;
- (e) Martinique;
- (f) Réunion;
- (g) Saint-Martin;
- (h) the Azores; or
- (i) Madeira;

“permit” means—

- (a) a greenhouse gas emissions permit; or
- (b) a hospital or small emitter permit,

and a reference to a permit includes the monitoring plan (see paragraph 4(1)(f) of Schedule 6 and paragraph 11(1)(g) of Schedule 7) [^{F11}and, in the case of a greenhouse gas emissions permit, any monitoring methodology plan (see paragraph 4(1)(hb) and (7) of Schedule 6)];

[^{F12}“ registry ” has the meaning given in paragraph 5(1) of Schedule 5A;

“registry administrator” has the meaning given in article 8A;]

“regulated activity” has the meaning given in paragraph 3(1) of Schedule 2;

“regulator” must be construed in accordance with articles 9 to 13;

“relevant Northern Ireland electricity generator” means an installation within the meaning of GGTSR 2012 to which those Regulations continue to apply to regulate the carrying out of regulated activities at the installation on or after 1st January 2021;

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“reportable emissions”, in relation to an installation, means the total specified emissions (in tonnes of carbon dioxide equivalent ^{M9}) from the regulated activities carried out at the installation;

“scheme year” means the calendar year beginning on 1st January 2021 or any of the 9 subsequent calendar years; and a reference to a scheme year described by a calendar year (for example, the “2021 scheme year”) is a reference to the scheme year beginning on 1st January of that year;

“SEPA” means the Scottish Environment Protection Agency ^{M10};

“specified emissions” has the meaning given in paragraph 3(7) of Schedule 2;

“surrender”, in relation to an allowance, means use the allowance to account for reportable emissions or aviation emissions in a particular scheme year [^{F13}in accordance with article 27 or 34];

“surrender condition” has the meaning given in paragraph 4(3) of Schedule 6;

“trading period” means the period beginning on 1st January 2021 and ending on 31st December 2030;

“UK coastal waters” has the meaning given in section 89(2) of CCA 2008;

“UK ETS” has the meaning given in article 16(1);

“UK ETS authority” has the meaning given in article 14;

“UK sector of the continental shelf” has the meaning given in section 89(2) of CCA 2008;

“ultra-small emitter” must be construed in accordance with paragraph 2 of Schedule 8;

“ultra-small emitter list for 2021-2025” has the meaning given in paragraph 2(2) of Schedule 8;

“ultra-small emitter list for 2026-2030” has the meaning given in paragraph 3(5) of Schedule 8;

“Verification Regulation 2012” means Commission Regulation (EU) No 600/2012 of 21 June 2012 on the verification of greenhouse gas emission reports and tonne-kilometre reports and the accreditation of verifiers pursuant to Directive [2003/87/EC](#) of the European Parliament and of the Council ^{M11};

“Verification Regulation 2018” means Commission Implementing Regulation (EU) 2018/2067 of 19 December 2018 on the verification of data and on the accreditation of verifiers pursuant to Directive [2003/87/EC](#) of the European Parliament and of the Council [^{F14}(disregarding any amendments adopted after 11th November 2020) and, except in article 25 and Schedule 5, it means that Regulation as given effect subject to modifications by article 25]^{M12}.

[^{F15}“ verification report ” has the same meaning as in the Verification Regulation 2018.]

(2) For the purposes of this Order, the amount of an installation's reportable emissions (including reportable emissions within the meaning of GGETSR 2012) from biomass must be treated as zero where the emission factor of the biomass under the Monitoring and Reporting Regulation 2012 or the Monitoring and Reporting Regulation 2018 is zero.

[^{F16}(2A) For the purposes of this Order, the amount of an aircraft operator’s aviation emissions from biofuel must be treated as zero where the emission factor of the biofuel under the Monitoring and Reporting Regulation 2018 is zero.]

(3) For the purposes of this Order, an installation has ceased operation if—

- (a) a regulated activity is no longer being carried out at the installation; and
- (b) it is technically impossible to resume operation.

(4) For the purposes of this Order, the question of whether any waters are adjacent to Northern Ireland, Scotland or Wales must be determined in accordance with—

- (a) any Order in Council made under section 98(8) of the Northern Ireland Act 1998 ^{M13};
- (b) any Order in Council made under section 126(2) of the Scotland Act 1998 ^{M14};
- (c) any Order in Council made under sections 58 and 158(4), or order made under section 158(3), of the Government of Wales Act 2006 ^{M15}.

Textual Amendments

- F1** Words in art. 4(1) inserted (31.12.2020) by [The Greenhouse Gas Emissions Trading Scheme \(Amendment\) Order 2020 \(S.I. 2020/1557\)](#), arts. 2(1), **5(2)(a)**
- F2** Words in art. 4(1) inserted (31.12.2020) by [The Greenhouse Gas Emissions Trading Scheme \(Amendment\) Order 2020 \(S.I. 2020/1557\)](#), arts. 2(1), **5(2)(b)**
- F3** Words in art. 4(1) inserted (31.12.2020) by [The Greenhouse Gas Emissions Trading Scheme \(Amendment\) Order 2020 \(S.I. 2020/1557\)](#), arts. 2(1), **5(2)(c)**
- F4** Words in art. 4(1) inserted (31.12.2020) by [The Greenhouse Gas Emissions Trading Scheme \(Amendment\) Order 2020 \(S.I. 2020/1557\)](#), arts. 2(1), **5(2)(d)**
- F5** Words in art. 4(1) inserted (31.12.2020) by [The Greenhouse Gas Emissions Trading Scheme \(Amendment\) Order 2020 \(S.I. 2020/1557\)](#), arts. 2(1), **5(2)(e)**
- F6** Words in art. 4(1) inserted (31.12.2020) by [The Greenhouse Gas Emissions Trading Scheme \(Amendment\) Order 2020 \(S.I. 2020/1557\)](#), arts. 2(1), **5(2)(f)**
- F7** Words in art. 4(1) inserted (31.12.2020) by [The Greenhouse Gas Emissions Trading Scheme \(Amendment\) Order 2020 \(S.I. 2020/1557\)](#), arts. 2(1), **5(2)(g)**
- F8** Word in art. 4(1) inserted (E.W.S.) (1.1.2023) by [The Greenhouse Gas Emissions Trading Scheme \(Amendment\) \(No. 3\) Order 2022 \(S.I. 2022/1336\)](#), arts. 1(2)(a), **3**
- F9** Words in art. 4(1) inserted (31.12.2020) by [The Greenhouse Gas Emissions Trading Scheme \(Amendment\) Order 2020 \(S.I. 2020/1557\)](#), arts. 2(1), **5(2)(h)**
- F10** Words in art. 4(1) inserted (31.12.2020) by [The Greenhouse Gas Emissions Trading Scheme \(Amendment\) Order 2020 \(S.I. 2020/1557\)](#), arts. 2(1), **5(2)(i)**
- F11** Words in art. 4(1) inserted (31.12.2020) by [The Greenhouse Gas Emissions Trading Scheme \(Amendment\) Order 2020 \(S.I. 2020/1557\)](#), arts. 2(1), **5(2)(j)**
- F12** Words in art. 4(1) inserted (31.12.2020) by [The Greenhouse Gas Emissions Trading Scheme \(Amendment\) Order 2020 \(S.I. 2020/1557\)](#), arts. 2(1), **5(2)(k)**
- F13** Words in art. 4(1) substituted (31.12.2020) by [The Greenhouse Gas Emissions Trading Scheme \(Amendment\) Order 2020 \(S.I. 2020/1557\)](#), arts. 2(1), **5(2)(l)**
- F14** Words in art. 4(1) inserted (31.12.2020) by [The Greenhouse Gas Emissions Trading Scheme \(Amendment\) Order 2020 \(S.I. 2020/1557\)](#), arts. 2(1), **5(2)(m)**
- F15** Words in art. 4(1) inserted (31.12.2020) by [The Greenhouse Gas Emissions Trading Scheme \(Amendment\) Order 2020 \(S.I. 2020/1557\)](#), arts. 2(1), **5(2)(n)**
- F16** Art. 4(2A) inserted (7.2.2022) by [The Greenhouse Gas Emissions Trading Scheme \(Amendment\) Order 2021 \(S.I. 2021/1455\)](#), arts. 2, **5(2)**

Commencement Information

- I1** Art. 4 in force at 12.11.2020, see [art. 2\(1\)](#)

Marginal Citations

- M1** Treaty Series No. 8 (1953); Cmd 8742.
- M2** S.R. 2013 No. 160.
- M3** OJ No. L 275, 25.10.2003, p. 32.
- M4** 1982 c. 16. Section 24 was amended by section 3(1) of the [Civil Aviation \(Eurocontrol\) Act 1983 \(c. 11\)](#).
- M5** [S.I. 2012/3038](#), to which there are amendments not relevant to this Order.
- M6** OJ No. L 181, 12.7.2012, p. 30.

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- M7** OJ No. L 334, 31.12.2018, p. 1.
- M8** The Natural Resources Body for Wales was established by article 3 of [S.I. 2012/1903](#) (W.230).
- M9** Section 93(2) of the Climate Change Act 2008 defines “tonne of carbon dioxide equivalent”.
- M10** The Scottish Environment Protection Agency was established by section 20 of the [Environment Act 1995](#) (c. 25).
- M11** OJ No. L 181, 12.7.2012, p. 1.
- M12** Commission Implementing Regulation (EU) 2018/2067 is amended prospectively by [S.I. 2019/916](#) with effect from IP completion day and is further amended by this Order.
- M13** [1998 c. 47](#).
- M14** [1998 c. 46](#).
- M15** [2006 c. 32](#). Section 58 was amended by paragraph 6(3) of Schedule 4 to the [Marine and Coastal Access Act 2009](#) (c. 23) and sections 21(1) and 49 of the [Wales Act 2017](#) (c. 4). Section 158(3) was substituted by section 43(3) of the Marine and Coastal Access Act 2009.

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Changes and effects yet to be applied to the whole Instrument associated Parts and Chapters:

Whole provisions yet to be inserted into this Instrument (including any effects on those provisions):

- art. 4A(4)(aa) inserted by [S.I. 2024/192 art. 5\(2\)\(c\)](#)
- art. 4A(5)(g) inserted by [S.I. 2024/192 art. 5\(3\)](#)