
STATUTORY INSTRUMENTS

2020 No. 1265

CLIMATE CHANGE

The Greenhouse Gas Emissions Trading Scheme Order 2020

Made - - - - 11th November 2020

Coming into force in accordance with article 2

**THE GREENHOUSE GAS EMISSIONS
TRADING SCHEME ORDER 2020**

PART 1

Preliminary

1. Citation
2. Commencement
3. Extent
4. Interpretation
- 4A. Meaning of FA installation, etc.
5. Meaning of operator
6. Meaning of aircraft operator
7. Exempt commercial air transport operators
8. Exempt non-commercial air transport operators
- 8A. Meaning of registry administrator
9. Meaning of regulator
10. Meaning of regulator: installations
11. Meaning of regulator: aircraft operators
12. Aircraft operator: change in regulator
13. Aircraft operator: change in registered office
14. Meaning of UK ETS authority, etc.
15. Applications, notices, etc.

PART 2

Basic elements of the UK ETS

CHAPTER 1

Establishment of the UK ETS and requirement for review

16. UK Emissions Trading Scheme

Changes to legislation: There are currently no known outstanding effects for the The Greenhouse Gas Emissions Trading Scheme Order 2020. (See end of Document for details)

17. Review of UK ETS

CHAPTER 2

Allowances and caps

- 18. Allowances
- 19. Cap for trading period
- 20. Cap for scheme years
- 21. Cap: hospital and small emitter reduction factors
- 22. Cap: base for scheme years
- 23. Trading in allowances

CHAPTER 3

Monitoring, reporting and verification

- 24. Monitoring and reporting of emissions
- 25. Verification of data and accreditation of verifiers

CHAPTER 4

Registry

- 25A Registry

PART 3

Installations

- 26. Installations: requirement for permit to carry out regulated activity
- 27. Installations: requirement to surrender allowances
- 27A Installations: information to be submitted before 2026-2030 allocation period where no application for free allocation, etc. is made

PART 4

Aviation

- 28. Application for emissions monitoring plans
- 29. Issue of emissions monitoring plans
- 30. Refusal of application for emissions monitoring plans
- 31. Variation of emissions monitoring plans
- 32. Monitoring emissions and emissions monitoring plan conditions
- 33. Reporting aviation emissions
- 34. Surrender of allowances by aircraft operators

PART 4A

Free Allocation

CHAPTER 1

Installations

- 34A Allocation tables

- 34B Allocation tables: supplementary
- 34C Allocation tables: updates
- 34D Allocation tables: publication, etc.
- 34E Allocation of allowances
- 34F No allocation unless monitoring methodology plan approved
- 34G New entrants' reserve
- 34H Installations: errors in applications for free allocation, etc.
- 34HA Free allocation for former hospital or small emitters and ultra-small emitters

CHAPTER 2

Aviation

- 34I Interpretation
- 34J Meaning of historical aviation activity level and attributable
- 34K Aviation: entitlement to free allocation in 2021-2025 allocation period
- 34L Application for aviation free allocation entitlement
- 34M Processing of applications and calculation of aviation free allocation entitlement
- 34N Aviation allocation table for 2021-2025 allocation period
- 34O Aviation: allocation of allowances for 2021-2025 allocation period
- 34P Permanent cessation of aviation activity
- 34Q Transfers of aviation free allocation entitlement
- 34R Errors in aviation allocation table

CHAPTER 3

Common provisions

- 34S Return of allowances: installations
- 34T Return of allowances: aviation
- 34U Return of allowances: notice to registry administrator
- 34V Return of allowances: notice to operator, etc.
- 34W Notice to withhold allowances

PART 5

Charging

- 35. Charges
- 36. Charging scheme: regulators
- 36A Charging scheme: registry administrator
- 37. Remittance of charges

PART 6

Monitoring compliance

- 38. Authorised persons
- 39. Inspections
- 40. Powers of entry, etc.
- 41. Warrants
- 42. Admissible evidence
- 43. Legal professional privilege

Changes to legislation: There are currently no known outstanding effects for the The Greenhouse Gas Emissions Trading Scheme Order 2020. (See end of Document for details)

PART 7

Enforcement

CHAPTER 1

Enforcement notices and determination of emissions by regulator

- 44. Enforcement notices
- 45. Determination of reportable emissions or aviation emissions by regulator

CHAPTER 2

Civil penalties

- 46. Carbon price
- 47. Penalty notices
- 48. Penalty notices: supplementary
- 49. Regulator must publish names of persons subject to civil penalty under article 52
- 50. Installations: carrying out regulated activity without permit contrary to article 26
- 51. Installations: failure to comply with conditions of permit, etc.
- 52. Failure to surrender allowances
- 53. Installations: failure to transfer or surrender allowances where underreporting discovered after transfer
- 54. Hospitals and small emitters: exceeding emissions target
- 55. Hospitals and small emitters: failure to pay civil penalty for exceeding emissions target
- 56. Hospitals and small emitters: under-reporting of emissions
- 57. Hospitals and small emitters: failure to notify when ceasing to meet criteria
- 58. Installations: failure to apply to surrender permit
- 59. Ultra-small emitters: reportable emissions exceeding maximum amount
- 60. Ultra-small emitters: failure to notify where reportable emissions exceed maximum amount
- 61. Aviation: failure to apply or make revised application for emissions monitoring plan
- 62. Aviation: failure to comply with condition of emissions monitoring plan
- 63. Aviation: failure to monitor aviation emissions
- 64. Aviation: failure to report aviation emissions
- 64A Failure to comply with notice to return allowances
- 65. Failure to comply with enforcement notice notice ...
- 66. Failure to comply with information notice
- 67. Providing false or misleading information, etc.
- 68. Inspection: refusal to allow access to premises

PART 8

Appeals

- 69. Interpretation
- 70. Right of appeal
- 71. Appeal body
- 72. Effect of appeals

- 73. Determination of appeals
- 74. Procedure for appeals

PART 9

Miscellaneous

- 75. Information notices
- 75A National authority may require regulator, etc. to provide information
- 75B Restriction on disclosing information
- 75BA Power to publish UK ETS information
- 75C National security
- 76. Crown application
- 77. Transitional provisions
- Signature

SCHEDULE 1 — Aviation activity

- 1. Aviation activity
- 2. Excluded flights

SCHEDULE 2 — Meaning of installation and regulated activity

- 1. Interpretation
- 2. Meaning of installation
- 3. Meaning of regulated activity, etc.

SCHEDULE 3 — Applications, notices, etc.

PART 1 — Applications, notices, etc. submitted to regulators

- 1. Submission of applications, notices, etc. to regulators
- 2. Determination of applications by regulators

PART 2 — Notices, etc. given by regulators, national authorities , UK ETS authority or registry administrator

- 3. Service of notices, etc.
- 4. Service on certain Crown operators

SCHEDULE 4 — Modifications to Monitoring and Reporting Regulation 2018

- 1. The Monitoring and Reporting Regulation 2018 is to be read...
- 2. Article 1 is to be read as if for the...
- 3. Article 2 is to be read as if for the...
- 4. Article 3 is to be read as if—
- 5. Article 4 is to be read as if for “under...
- 6. Article 5 is to be read as if for the...
- 7. Article 9 is to be read as if for “Article...
- 8. Article 12 is to be read as if—
- 9. Article 13 is to be read as if—
- 10. Article 14(1) is to be read as if “in accordance...
- 11. Article 15 is to be read as if—
- 12. Article 16(1) is to be read as if for the...
- 13. Article 18 is to be read as if—
- 14. Article 19(3) is to be read as if—
- 15. Article 20 is to be read as if—
- 16. Article 26(3) is to be read as if after “source streams”...
- 17. Article 31(1)(b) is to be read as if for “Member...

Changes to legislation: There are currently no known outstanding effects for the The Greenhouse Gas Emissions Trading Scheme Order 2020. (See end of Document for details)

18. Article 38 is to be read as if—
19. Article 39 is to be read as if—
20. Article 42(1) is to be read as if, in the...
- 20A Article 43(4)(c) is to be read as if for “Commission”...
21. Article 47(1) is to be read as if for “Annex...
22. Article 48(2) is to be read as if—
23. Article 49 is to be read as if—
24. Article 50 is to be read as if—
25. Article 51 is to be read as if—
26. Article 53 is to be read as if—
27. Article 54 is to be read as if for the...
28. Article 55(2) is to be read as if for “Commission”...
29. Article 58(1) is to be read as if the second...
30. Article 68 is to be read as if for the...
31. Article 71 is to be read as if—
- 31A Article 72(1) is to be read as if for the...
32. Article 72(3) is to be read as if “calculating the...
33. Article 73 is to be read as if—
34. Article 78 is to be read as if the words...
35. Annex 1 is to be read as if—
36. Annex 2 is to be read as if—
37. Annex 3 is to be read as if section 1...
38. Annex 4 is to be read as if—
- 38A Annex 5 is to be read as if in Table...
- 38B (1) Annex 6 is to be read as if in...
39. Section 2(7) of Annex 9 is to be read as...
40. Annex 10 is to be read as if—

SCHEDULE 5 — Modifications to Verification Regulation 2018

1. The Verification Regulation 2018 is to be read as if—...
2. Article 1 is to be read as if—
3. Article 2 is to be read as if for “2019,...
4. Article 3 is to be read as if—
5. Article 4 is to be read as if—
6. Article 5 is to be read as if for “bodies”...
7. Article 6 is to be read as if for “or...
8. Article 7 is to be read as if—
9. Article 10(1) is to be read as if—
10. Article 11(4) is to be read as if—
11. Article 13(1)(c) is to be read as if for “or...
12. Article 16(2) is to be read as if—
13. Article 17 is to be read as if—
14. Article 18 is to be read as if for paragraph...
15. Article 21 is to be read as if—
16. Article 22 is to be read as if—
17. Article 23(4) is to be read as if in the...
18. Article 27 is to be read as if—
19. Article 28 is to be read as if point (e)...
20. Article 29 is to be read as if after paragraph...
21. Article 30(1)(e) is to be read as if for “and...
22. Article 31 is to be read as if—
23. Article 32 is to be read as if—
24. The Verification Regulation 2018 is to be read as if...

25. Article 36 is to be read as if—
26. Article 37 is to be read as if—
27. Article 38 is to be read as if—
28. Article 39(2) is to be read as if for “an...
29. Article 40 is to be read as if for “EU”...
30. Article 41 is to be read as if “harmonised” were...
31. Article 42 is to be read as if “harmonised” were...
32. Article 43 is to be read as if—
33. Article 45 is to be read as if, in the...
34. Article 46(1) is to be read as if—
35. Article 47 is to be read as if—
36. Article 48 is to be read as if in each...
37. Article 49 is to be read as if—
38. Article 50 is to be read as if—
39. Article 51(2) is to be read as if “harmonised” were...
40. Article 52(2) is to be read as if “harmonised” were...
41. Article 54(4) is to be read as if for “Member...
42. Article 55 is to be read as if—
43. Article 57(4) is to be read as if “harmonised” were...
44. Article 59(1) is to be read as if—
45. Article 60(2)(a) is to be read as if for the...
46. Article 63(2) is to be read as if for “harmonised...
47. Article 69 is to be read as if—
48. Article 70 is to be read as if—
49. Article 71 is to be read as if—
50. Article 72 is to be read as if—
51. Article 73(1) is to be read as if—
52. Article 76 is to be read as if—
53. Article 77(1)(b) is to be read as if for “or...
54. Annex 1 is to be read as if—
55. Annex 2 is to be read as if for the...
56. Annex 3 is to be read as if for “the...

SCHEDULE 5A — Registry

PART 1 — Preliminary

1. Interpretation
2. Submission of applications, etc. to registry administrator
3. Account holders: fit and proper person
4. Authorised representatives: fit and proper person

PART 2 — Establishment and operation of registry

5. Registry
6. Operation of registry
- 6A Reportable emissions and aviation emissions to be recorded in registry
7. Suspension of registry due to security concerns
8. Suspension of registry for technical reasons
- 8A Exemption from liability

PART 3 — Accounts

CHAPTER 1

Opening accounts

9. Central accounts

Changes to legislation: There are currently no known outstanding effects for the The Greenhouse Gas Emissions Trading Scheme Order 2020. (See end of Document for details)

10. Auction delivery account
11. Operator holding accounts
12. Transfer of operator holding accounts
13. Aircraft operator holding accounts
14. Trading accounts

CHAPTER 2

Account representatives

15. Primary contacts and alternative primary contacts
16. Appointment of authorised representatives
17. Change in account permission of authorised representatives
18. Suspension of access to registry of authorised representatives
19. Removal of authorised representatives

CHAPTER 3

Transfers of allowances

20. Transfers between accounts
21. Transfer cancellations
22. Transfer reversals
23. Deletion of allowances
24. Surrender of allowances

CHAPTER 4

Suspension and closure of accounts

25. Suspension of accounts
26. Closure of central accounts and auction delivery account
27. Closure of operator holding accounts
28. Closure of aircraft operator holding accounts
29. Closure of trading accounts
30. Balance in accounts to be closed
- PART 4 — Publication of information from registry
31. Information about accounts: operator and aircraft operator holding accounts and trading accounts
32. Information about accounts: operator holding accounts
33. Information about accounts: aircraft operator holding accounts
34. Information about transfers of allowances

SCHEDULE 6 — Permits

PART 1 — Application for greenhouse gas emissions permits

1. Greenhouse gas emissions permits: application
2. Greenhouse gas emissions permits: content of application
3. Greenhouse gas emissions permits: issue of permit
4. Greenhouse gas emissions permits: content of permit
5. Greenhouse gas emissions permits: effect of permit, etc.

PART 2 — Greenhouse gas emissions permits and hospital or small emitter permits

6. Variation of permits

Changes to legislation: There are currently no known outstanding effects for the The Greenhouse Gas Emissions Trading Scheme Order 2020. (See end of Document for details)

7. Transfer of permits: application
8. Transfer of permits: contents of application
9. Transfer of permits: grant of application
10. Transfer of permits: underreporting discovered after transfer
11. Surrender of permits
12. Revocation of permits

SCHEDULE 7 — Hospitals and small emitters

PART 1 — Preliminary

1. Interpretation
2. Meaning of installation that primarily provides services to a hospital in scheme year

PART 2 — Hospital or small emitter status

3. Hospital or small emitter status
4. Hospital or small emitter status: former ultra-small emitters
5. Obtaining hospital or small emitter status for 2026-2030 allocation period
6. Obtaining hospital or small emitter status for 2026-2030 allocation period: Conditions A, B and C

PART 3 — Hospital or small emitter permits

7. Hospital or small emitter permits: application
8. Hospital or small emitter permits: content of application
9. Hospital or small emitter permits: issue of permit
10. Hospital or small emitter permits: conversion of existing greenhouse gas emissions permit for 2026-2030 allocation period
11. Hospital or small emitter permits: content of permit
12. Hospital or small emitter permits: effect of permit, etc.
13. Hospitals and small emitters: modifications to Monitoring and Reporting Regulation 2018
14. Former ultra-small emitters: hospital or small emitter permits coming into force after beginning of scheme year

PART 4 — Emissions targets

15. Emissions targets other than for hospital-qualifying installations may not exceed maximum amount
 16. Emissions targets for 2021-2025 allocation period
 17. Emissions targets for 2026-2030 allocation period
 18. Emissions targets: calculation of later targets where initial targets based on estimates
 19. Emissions targets: hospital or small emitters must not exceed targets
 - 19A Capacity increases: application to increase emissions targets
 - 19B Capacity increases: content of application
 - 19C Capacity increases: grant of application
 - 19D Capacity increases: net change in installed capacity at installation since reference date
 - 19E Capacity increases: increase in emissions targets for scheme years
 - 19F Capacity increases: combined capacity utilisation factor
 - 19G Capacity increases: interpretation
 20. Emissions targets: banking overachieved target
 21. Emissions targets: targets for 2026-2030 allocation period for hospital or small emitters in 2021-2025 allocation period
 22. Emissions targets: errors
 - 22A Publication of emissions targets and reportable emissions
- ##### PART 5 — End of hospital or small emitter status
23. End of hospital or small emitter status: ceasing to meet criteria

Changes to legislation: There are currently no known outstanding effects for the The Greenhouse Gas Emissions Trading Scheme Order 2020. (See end of Document for details)

- 23A End of hospital or small emitter status: voluntary exit of status for 2024 and 2025 scheme years
- 24. Conversion notices
- 25. End of hospital or small emitter status: ceasing to meet criteria: publication
- 26. End of hospital or small emitter status: end of allocation period

SCHEDULE 8 — Ultra-small emitters

- 1. Interpretation
- 2. Ultra-small emitter status
- 3. Obtaining ultra-small emitter status for 2026-2030 allocation period
- 4. Obtaining ultra-small emitter status for 2026-2030 allocation period: modifications to Verification Regulation 2018 for ultra-small emitters in 2021-2025 allocation period
- 5. Duty to monitor reportable emissions, etc.
- 6. Reportable emissions must not exceed maximum amount
- 7. End of ultra-small emitter status: ceasing to meet criteria
- 8. End of ultra-small emitter status: publication

SCHEDULE 8A — Free allocation for former hospital or small emitters and ultra-small emitters

- 1. Interpretation
- 2. Application
- 3. Monitoring methodology plan to be submitted for approval , etc.
- 4. Calculation and approval of final allocation
- 5. Modifications to Activity Level Changes Regulation

SCHEDULE 9 — Appeals to Scottish Land Court

- 1. (1) A person who wishes to appeal to the Scottish...
- 2. (1) Subject to sub-paragraph (2), the appropriate form must be...
- 3. (1) The Scottish Land Court may determine an appeal, or...
- 4. (1) The respondent must, within 16 days of receipt of...

SCHEDULE 10 — Appeals to Planning Appeals Commission (Northern Ireland)

- 1. (1) A person who wishes to appeal to the Planning...
- 2. A notice of appeal under paragraph 1 must be given...
- 3. (1) An appellant may withdraw an appeal by giving notice...
- 4. (1) The Planning Appeals Commission must determine the appeal; and...

SCHEDULE 11 — Transitional provisions: installations

- 1. Permits under GGETSR 2012
- 2. Applications for permits, etc. under GGETSR 2012
- 3. Schedule does not apply to permits for relevant Northern Ireland electricity generators, etc.

Explanatory Note

Changes to legislation:

There are currently no known outstanding effects for the The Greenhouse Gas Emissions Trading Scheme Order 2020.