

SCHEDULE 2

Article 4(1)

Meaning of installation and regulated activity

Interpretation

1.—(1) In this Schedule—

“combustion unit” means a stationary technical unit in which fuels are combusted (and includes all types of boiler, burner, turbine, heater, furnace, incinerator, calciner, kiln, oven, dryer, engine, fuel cell, chemical looping combustion unit, flare and thermal or catalytic post-combustion unit);

“hazardous waste” means—

- (a) in relation to an installation in Northern Ireland or UK coastal waters adjacent to Northern Ireland, hazardous waste for the purposes of regulation 6 of the Hazardous Waste Regulations (Northern Ireland) 2005 ^{M1};
- (b) in relation to an installation in Scotland or UK coastal waters adjacent to Scotland, special waste within the meaning of regulation 2 of the Special Waste Regulations 1996 ^{M2};
- (c) in relation to an installation in Wales or UK coastal waters adjacent to Wales, hazardous waste for the purposes of regulation 6 of the Hazardous Waste (Wales) Regulations 2005 ^{M3};
- (d) in any other case, hazardous waste for the purposes of regulation 6 of the Hazardous Waste (England and Wales) Regulations 2005 ^{M4};

“municipal waste” has the meaning given in section 21(3) of the Waste and Emissions Trading Act 2003 ^{M5}.

(2) For the purposes of this Schedule, a combustion unit or installation that uses only biomass as a fuel includes a combustion unit or installation that uses fossil fuels only during start-up or shut-down of operations.

Commencement Information

II Sch. 2 para. 1 in force at 12.11.2020, see [art. 2\(1\)](#)

Marginal Citations

M1 S.R. 2005/300, to which there are amendments not relevant to this Order.

M2 S.I. 1996/972. The definition of “special waste” was substituted by regulation 2(3) of S.S.I. 2004/112 and is substituted prospectively by regulation 7(4) of S.S.I. 2019/26 with effect from IP completion day.

M3 S.I. 2005/1806. Regulation 6 was amended by regulation 3(5) of S.I. 2015/1417.

M4 S.I. 2005/894, to which there are amendments not relevant to this Order.

M5 2003 c. 33. Section 21(3) was amended by regulation 6(2)(b) of S.I. 2011/2499.

Meaning of installation

2.—(1) Subject to sub-paragraph (2), in this Order, “installation” means a stationary technical unit or units where one or more regulated activities are carried out.

(2) “Installation” does not include any of the following (which are outside the scope of the UK ETS)—

- (a) an installation that uses only biomass as a fuel;

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- (b) an installation, or part of an installation, the primary purpose of which is research and development (including the testing of new products and processes);
 - (c) an installation, the primary purpose of which is the incineration of hazardous or municipal waste;
 - (d) a relevant Northern Ireland electricity generator.
- (3) In sub-paragraph (2), a reference to an installation is a reference to what would be an installation, but for that sub-paragraph.
- (4) References in this Order to an installation include references to part of an installation.

Commencement Information
I2 Sch. 2 para. 2 in force at 12.11.2020, see [art. 2\(1\)](#)

Meaning of regulated activity, etc.

- 3.—(1) In this Order, “regulated activity” means—
- (a) an activity set out in an entry in column 1 of table C that results in emissions of the gases set out in the corresponding entry in column 2; and
 - (b) where such an activity is carried out on a site, the combustion of fuels in any combustion unit (including a combustion unit referred to in sub-paragraph (5)(a) or (b)) operated on the site that results in emissions of such gases, except for a combustion unit to which sub-paragraph (2) applies.
- (2) This sub-paragraph applies to a combustion unit if—
- (a) the primary purpose of the unit is the incineration of hazardous or municipal waste; and
 - (b) the unit does not exclusively serve the stationary technical unit or units where the activity referred to in sub-paragraph (1)(a) is carried out.
- (3) But sub-paragraph (2) does not apply to a combustion unit that is a flare.

Table C

<i>Column 1</i> <i>Activities</i>	<i>Column 2</i> <i>Greenhouse gases</i>
Combustion of fuels on a site where combustion units with a total rated thermal input exceeding 20 megawatts are operated	Carbon dioxide
Refining of mineral oil	Carbon dioxide
Production of coke	Carbon dioxide
Metal ore (including sulphide ore) roasting or sintering, including palletisation	Carbon dioxide
Production of pig iron or steel (primary or secondary fusion) including continuous casting, with a capacity exceeding 2.5 tonnes per hour	Carbon dioxide
Production or processing of ferrous metals (including ferro-alloys) on a site where combustion units with a total rated thermal input exceeding 20 megawatts are operated (and “processing” includes processing in rolling mills, re-heaters, annealing furnaces, smitheries, foundries, coating and pickling)	Carbon dioxide

Production of primary aluminium	Carbon dioxide Perfluorocarbons
Production of secondary aluminium on a site where combustion units with a total rated thermal input exceeding 20 megawatts are operated	Carbon dioxide
Production or processing of non-ferrous metals (including production of alloys, refining and foundry casting) on a site where combustion units with a total rated thermal input (including fuels used as reducing agents) exceeding 20 megawatts are operated	Carbon dioxide
Production of cement clinker in rotary kilns with a production capacity exceeding 500 tonnes per day or in other furnaces with a production capacity exceeding 50 tonnes per day	Carbon dioxide
Production of lime or calcination of dolomite or magnesite in rotary kilns or in other furnaces with a production capacity exceeding 50 tonnes per day	Carbon dioxide
Manufacture of glass including glass fibre with a melting capacity exceeding 20 tonnes per day	Carbon dioxide
Manufacture of ceramic products by firing, in particular roofing tiles, bricks, refractory bricks, tiles, stoneware or porcelain, with a production capacity exceeding 75 tonnes per day	Carbon dioxide
Manufacture of mineral wool insulation material using glass, rock or slag with a melting capacity exceeding 20 tonnes per day	Carbon dioxide
Drying or calcination of gypsum or production of plaster boards and other gypsum products on a site where combustion units with a total rated thermal input exceeding 20 megawatts are operated	Carbon dioxide
Production of pulp from timber or other fibrous materials	Carbon dioxide
Production of paper or cardboard with a production capacity exceeding 20 tonnes per day	Carbon dioxide
Production of carbon black involving the carbonisation of organic substances such as oils, tars, cracker and distillation residues on a site where combustion units with a total rated thermal input exceeding 20 megawatts are operated	Carbon dioxide
Production of nitric acid	Carbon dioxide Nitrous oxide
Production of adipic acid	Carbon dioxide Nitrous oxide
Production of glyoxal and glyoxylic acid	Carbon dioxide Nitrous oxide
Production of ammonia	Carbon dioxide
Production of bulk organic chemicals by cracking, reforming, partial or full oxidation or by similar processes, with a production capacity exceeding 100 tonnes per day	Carbon dioxide
Production of hydrogen (H ₂) and synthesis gas by reforming or partial oxidation with a production capacity exceeding 25 tonnes per day	Carbon dioxide

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Production of soda ash (Na ₂ CO ₃) and sodium bicarbonate (NaHCO ₃)	Carbon dioxide
Capture of greenhouse gases from [F1other installations][F1a regulated activity] for the purpose of transport and geological storage in a storage site	Carbon dioxide
Transport of greenhouse gases by pipelines for geological storage in a storage site	Carbon dioxide
Geological storage of greenhouse gases in a storage site	Carbon dioxide

(4) For the purpose of calculating the production or other capacity set out in an entry in column 1 of table C, where more than one activity referred to in the entry is carried out on a site, the capacities of all such activities must be added together.

(5) For the purpose of calculating the total rated thermal input of combustion units operated on a site, the rated thermal input of all combustion units on the site must be added together, except for—

- (a) combustion units with a rated thermal input below 3 megawatts;
- (b) combustion units that use only biomass as a fuel.

(6) Where the carrying out of an activity referred to in paragraph (a) of sub-paragraph (1) (that is to say, an activity set out in an entry in column 1 of table C) falls within both—

- (a) an entry that does not refer to a threshold expressed as total rated thermal input; and
- (b) an entry that refers to such a threshold,

for the purpose of this Order, the reference to the activity in that paragraph must be treated as a reference to the activity falling within the entry referred to in paragraph (a) of this sub-paragraph.

(7) In this Order, “specified emissions” means, in relation to a regulated activity referred to in sub-paragraph (1), the emissions of the gases referred to in that sub-paragraph.

Textual Amendments

- F1** Words in [Sch. 2 para. 3](#) Table C substituted (E.W.S.) (1.1.2024 immediately after S.I. 2023/850 comes into force) by [The Greenhouse Gas Emissions Trading Scheme \(Amendment\) \(No. 2\) Order 2023 \(S.I. 2023/1387\)](#), arts. 2(1), **10(2)**

Commencement Information

- I3** Sch. 2 para. 3 in force at 12.11.2020, see [art. 2\(1\)](#)

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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\(3\)](#)