

2024 No. 192

CLIMATE CHANGE

**The Greenhouse Gas Emissions Trading Scheme (Amendment)
Order 2024**

<i>Made</i>	- - - -	<i>21st February 2024</i>
<i>Laid before Parliament</i>		<i>23rd February 2024</i>
<i>Laid before the Northern Ireland Assembly</i>		<i>23rd February 2024</i>
<i>Laid before the Scottish Parliament</i>		<i>23rd February 2024</i>
<i>Laid before Senedd Cymru</i>		<i>23rd February 2024</i>
<i>Coming into force</i>		<i>31st March 2024</i>

At the Court at Buckingham Palace, the 21st day of February 2024

Present,

The King's Most Excellent Majesty in Council

This Order is made in exercise of the powers conferred by sections 44, 54 and 90(3) of, and Schedule 2 and paragraph 9 of Schedule 3 to, the Climate Change Act 2008(a).

In accordance with paragraph 10 of Schedule 3 to that Act, before the recommendation to His Majesty in Council to make this Order was made—

- (a) the advice of the Committee on Climate Change was obtained and taken into account; and
- (b) such persons likely to be affected by the Order as the Secretary of State, the Department of Agriculture, Environment and Rural Affairs, the Scottish Ministers and the Welsh Ministers considered appropriate were consulted.

Accordingly, His Majesty, by and with the advice of His Privy Council, makes the following Order:

(a) 2008 c. 27. The amendment made to paragraph 30 of Schedule 2 of that Act by S.I. 2022/500 is not relevant to this Order.

PART 1

Preliminary

Citation

1. This Order may be cited as the Greenhouse Gas Emissions Trading Scheme (Amendment) Order 2024.

Commencement

2. This Order comes into force on 31st March 2024.

Extent

3. This Order extends to the whole of the United Kingdom.

PART 2

Greenhouse Gas Emissions Trading Scheme Order 2020 amended

Greenhouse Gas Emissions Trading Scheme Order 2020 amended

4. The Greenhouse Gas Emissions Trading Scheme Order 2020(a) is amended in accordance with this Part.

Article 4A amended (meaning of FA installation, etc.)

5.—(1) Article 4A is amended as follows.

(2) In paragraph (4)—

(a) in the words before sub-paragraph (a) after “from” insert “the earliest of the following”;

(b) in sub-paragraph (a) omit the “or” at the end of the sub-paragraph;

(c) after sub-paragraph (a) insert—

“(aa) where an application for free allocation in the 2026-2030 allocation period is made in respect of the installation under Article 4 of the Free Allocation Regulation(b), 1st January 2026 unless—

(i) before that date, the regulator gives notice to the operator under Article 15a(5) of the Free Allocation Regulation that the application is not valid; or

(ii) the installation is included in the hospital and small emitter list for 2026-2030 or the ultra-small emitter list for 2026-2030;”;

(d) in sub-paragraph (b) omit “if earlier.”.

(3) After paragraph (5)(f) insert—

“(g) where the installation is an FA installation for the 2026-2030 allocation period by virtue of paragraph (4)(aa), the date (if any) on which the regulator gives notice to the operator under Article 15a(5) of the Free Allocation Regulation that the application for free allocation is not valid.”.

(a) S.I. 2020/1265, amended by S.I. 2020/1557, 2021/1455, 2022/454, 2022/1173, 2022/1336, 2023/850, 2023/1267 and 2023/1387.

(b) EUR 2019/331, amended by S.I. 2020/1557, 2021/1455, 2022/1173, 2023/850, 2023/1387 and this Order. Article 4(1) of S.I. 2020/1265 defines “Free Allocation Regulation” as Commission Delegated Regulation (EU) 2019/331 of 19 December 2018, as it forms part of domestic law.

Article 27A amended (installations: information to be submitted before 2026-2030 allocation period where no application for free allocation, etc. is made)

6.—(1) Article 27A is amended as follows.

- (2) In paragraph (2) for “2024” in both places substitute “2025”.
- (3) In paragraph (4) for “2024” in both places substitute “2025”.
- (4) In paragraph (5) for “2024” substitute “2025”.

Article 34D amended (allocation tables: publication, etc.)

7.—(1) Article 34D is amended as follows.

- (2) In paragraph (3) for “1st January” substitute “28th February”.

Schedule 7 amended (hospitals and small emitters)

8.—(1) Schedule 7 is amended as follows.

Paragraph 5 amended (obtaining hospital or small emitter status for 2026-2030 allocation period)

(2) In paragraph 5—

- (a) in sub-paragraph (2) for “2024” in both places substitute “2025”;
- (b) in sub-paragraph (3) for “30th September 2024” substitute “31st August 2025”;
- (c) in sub-paragraph (5) for “30th April” substitute “17th October”.

Paragraph 6 amended (obtaining hospital or small emitter status for 2026-2030 allocation period: Conditions A, B and C)

(3) In paragraph 6(2)(a) (Condition A) for “2023” substitute “2024”.

Paragraph 26 amended (end of hospital or small emitter status: end of allocation period)

(4) In paragraph 26—

- (a) in sub-paragraph (1)—
 - (i) in the words before paragraph (a) for “on or before 31st May 2025” substitute “as soon as reasonably practicable after the hospital and small emitter list for 2026-2030 is published and in any event on or before 31st October 2025.”;
 - (ii) in paragraph (b) for “September” substitute “November”;
- (b) in sub-paragraph (4)(a)(i) for “September” substitute “November”.

Schedule 8 amended (ultra-small emitters)

9.—(1) Schedule 8 is amended as follows.

Paragraph 3 amended (obtaining ultra-small emitter status for 2026-2030 allocation period)

(2) In paragraph 3—

- (a) in sub-paragraph (2) for “2024” in both places substitute “2025”;
- (b) in sub-paragraph (3) for “30th September 2024” substitute “31st August 2025”;
- (c) in sub-paragraph (6) for “30th April” substitute “17th October”.

PART 3

Free Allocation Regulation amended

Free Allocation Regulation amended

10. Commission Delegated Regulation (EU) 2019/331 is amended in accordance with this Part.

Article 4 amended (application for free allocation in 2026-2030 allocation period by operators of incumbent installations)

11.—(1) Article 4 is amended as follows.

(2) In paragraph 1 for “2024” in both places substitute “2025”.

(3) In paragraph 1A for “2024” in both places substitute “2025”.

(4) In paragraph 3 for “2024” substitute “2025”.

Article 5 amended (application for free allocation by new entrants)

12.—(1) Article 5 is amended as follows.

(2) In paragraph 1 for “2024” in both places substitute “2025”.

Article 15a amended (assessment of applications for free allocation by operators of incumbent installations)

13.—(1) Article 15a is amended as follows.

(2) In paragraph 2(b) for “2024” substitute “2025”.

Article 16 amended (preliminary allocation at installation level for incumbent installations)

14.—(1) Article 16 is amended as follows.

(2) In paragraph 10 for “1 December 2025” substitute “31 January 2026”.

Richard Tilbrook
Clerk of the Privy Council

EXPLANATORY NOTE

(This note is not part of the Order)

The United Kingdom Emissions Trading Scheme (the “UK ETS”) was established by the Greenhouse Gas Emissions Trading Scheme Order 2020 (the “UK ETS Order”). The UK ETS runs for ten years, split into two five-year “allocation periods”. Operators of certain industrial installations are required to monitor, submit verified reports on, and surrender “allowances” equivalent to, their greenhouse gas emissions each year. Allowances are sold at auction, but some operators of installations and aircraft operators receive an allocation of allowances free of charge. For installations that meet the eligibility criteria, there are two schemes in addition to the main scheme, one for “hospitals or small emitters”, the other for “ultra-small emitters”.

This Order amends the UK ETS Order and Commission Delegated Regulation (EU) 2019/331 (the “Free Allocation Regulation”). The main changes are as follows—

- the window for operators of installations to apply for free allocation, or to be in the schemes for hospital or small emitters or for ultra-small emitters, in the 2026-2030 allocation period or, where no such application is made, to provide information for the purposes of the scheme is moved to 1 April-30 June 2025;

- the date by which the lists of hospital or small emitters and ultra-small emitters for the 2026-2030 allocation period must be published is moved to 17 October 2025;
- the date before which the allocation table for the 2026-2030 allocation period must be published is moved to 28 February 2026.

No impact assessment has been produced for this instrument as no, or no significant, impact on the private, voluntary or public sector is foreseen.

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