



# Environment (Wales) Act 2016

2016 anaw 3

## PART 2

### CLIMATE CHANGE

#### *Targets and budgets: scope and main concepts*

#### **33 The net Welsh emissions account**

- (1) The “net Welsh emissions account” for a period is the amount calculated as follows—
  - (a) determine the amount of net Welsh emissions of greenhouse gases for the period in accordance with section 34;
  - (b) subtract the amount of carbon units credited to the net Welsh emissions account for the period;
  - (c) add the amount of carbon units debited from the net Welsh emissions account for the period.
- (2) The Welsh Ministers may by regulations make provision about—
  - (a) the circumstances in which carbon units may be credited to the net Welsh emissions account for a period;
  - (b) the circumstances in which carbon units must be debited from the net Welsh emissions account for a period;
  - (c) how this is to be done.
- (3) The regulations must contain provision for ensuring that carbon units that are credited to the net Welsh emissions account for a period cease to be available to offset other greenhouse gas emissions.
- (4) The Welsh Ministers must by regulations set a limit on the net amount of carbon units by which the net Welsh emissions account for a period may be reduced as a result of applying subsection (1)(b) and (c).
- (5) The regulations may provide that carbon units of a description specified in the regulations do not count towards the limit.

### **34 Net Welsh emissions**

- (1) In this Part, the “net Welsh emissions” of a greenhouse gas for a period means the amount of Welsh emissions of that gas for the period, reduced by the amount of Welsh removals of that gas for the period.
- (2) “Welsh emissions” of a greenhouse gas are—
  - (a) emissions of that gas from sources in Wales, and
  - (b) emissions of that gas from international aviation or international shipping that count as Welsh emissions by virtue of regulations under section 35.
- (3) “Welsh removals” of a greenhouse gas are removals of that gas from the atmosphere due to land use in Wales, land-use change in Wales or forestry activities in Wales.
- (4) The amounts of Welsh emissions and Welsh removals of a greenhouse gas for a period must, so far as reasonably practicable, be determined consistently with international carbon reporting practice.

### **35 Welsh emissions from international aviation and shipping**

- (1) The Welsh Ministers may by regulations make provision for emissions of a greenhouse gas from international aviation and international shipping to count as Welsh emissions of the gas.
- (2) The regulations may—
  - (a) specify activities which are to be regarded as international aviation or international shipping;
  - (b) specify the circumstances in which, and the extent to which, emissions of a greenhouse gas from international aviation or international shipping are to count as Welsh emissions of that gas;
  - (c) specify the period (whether past or future) from which emissions of a greenhouse gas from international aviation or international shipping are to count as Welsh emissions of that gas;
  - (d) make provision about how emissions of a greenhouse gas from international aviation or international shipping are to be taken into account in determining Welsh emissions of that gas for the baseline year for that gas;
  - (e) make different provision for different greenhouse gases and different periods.

### **36 Carbon units**

- (1) In this Part, a “carbon unit” means a unit of a kind specified in regulations made by the Welsh Ministers and representing—
  - (a) a reduction in an amount of greenhouse gas emissions,
  - (b) the removal of an amount of greenhouse gas from the atmosphere, or
  - (c) an amount of greenhouse gas emissions allowed under a scheme or arrangement imposing a limit on such emissions.
- (2) The Welsh Ministers may by regulations make provision for a scheme—
  - (a) for registering or otherwise keeping track of carbon units, or
  - (b) for establishing and maintaining accounts in which carbon units may be held, and between which they may be transferred, by the Welsh Ministers.

- (3) The regulations may, in particular, provide for an existing scheme to be adapted for these purposes (including by amending any enactment relating to the existing scheme).
- (4) The regulations may make provision—
  - (a) appointing a person (an “administrator”) to administer the scheme;
  - (b) conferring or imposing functions on the administrator for that purpose (including by amending any enactment relating to the administrator);
  - (c) conferring power on the Welsh Ministers to give guidance or directions to the administrator;
  - (d) conferring power on the Welsh Ministers to delegate the performance of any of the functions conferred or imposed on the Welsh Ministers by the regulations;
  - (e) requiring the payment by persons using the scheme of charges (of an amount determined by or under the regulations) towards the cost of operating it.

### **37 Greenhouse gases**

- (1) For the purposes of this Part, each of the following is a “greenhouse gas”—
  - (a) carbon dioxide;
  - (b) methane;
  - (c) nitrous oxide;
  - (d) hydrofluorocarbons;
  - (e) perfluorocarbons;
  - (f) sulphur hexafluoride;
  - (g) nitrogen trifluoride.
- (2) The Welsh Ministers may by regulations amend subsection (1) to add a gas or modify a description of a gas.

### **38 The baseline**

- (1) In this Part, the “baseline” means the aggregate amount of net Welsh emissions of greenhouse gases for the baseline years.
- (2) The baseline year for each greenhouse gas is—
  - (a) carbon dioxide: 1990;
  - (b) methane: 1990;
  - (c) nitrous oxide: 1990;
  - (d) hydrofluorocarbons: 1995;
  - (e) perfluorocarbons: 1995;
  - (f) sulphur hexafluoride: 1995;
  - (g) nitrogen trifluoride: 1995.
- (3) The Welsh Ministers may by regulations amend subsection (2) to—
  - (a) specify the baseline year for a greenhouse gas added by regulations under section 37(2);
  - (b) modify the baseline year for a greenhouse gas.
- (4) The Welsh Ministers may make provision under subsection (3)(b) only if they are satisfied that it is appropriate to do so as a result of significant developments in EU or international law or policy relating to climate change.