



# Climate Change (Emissions Reduction Targets) (Scotland) Act 2019

2019 asp 15

## PART 2

### EMISSIONS ACCOUNTING

#### 14 Net Scottish emissions account: restriction on use of carbon units

- (1) In section 13 of the 2009 Act—
  - (a) subsections (2) to (4) are repealed,
  - (b) in subsection (5)—
    - (i) in paragraph (a), after “may”, insert “or may not”,
    - (ii) in paragraph (b), after “may”, insert “or may not”,
  - (c) after subsection (5), insert—

“(5A) But the amount of carbon units purchased by the Scottish Ministers that may, by virtue of regulations under subsection (5), be credited to the net Scottish emissions account for a period is zero, unless regulations under section 13A specify a higher limit in relation to that period.”.
- (2) In section 96(7) of the 2009 Act, paragraph (a) is repealed.
- (3) Except to the extent that subsection (4) applies, carbon units which are surrendered as a result of the operation of a trading scheme (within the meaning of section 44 of the 2008 Act) may not be credited to or debited from the net Scottish emissions account for any period after 2017.
- (4) This subsection applies to the extent that regulations made under section 13(5) of the 2009 Act make provision about the circumstances in which carbon units referred to in subsection (3) may be credited to or debited from the net Scottish emissions account.
- (5) In this section, “the 2008 Act”, “carbon units” and “net Scottish emissions account” have the same meanings as in the 2009 Act.

## 15 Permitted use of carbon units purchased by the Scottish Ministers

(1) After section 13 of the 2009 Act, insert—

### **“13A Permitted use of carbon units purchased by the Scottish Ministers**

- (1) The Scottish Ministers may by regulations set a limit representing the maximum amount of carbon units purchased by them that may be credited to the net Scottish emissions account for a year.
- (2) A limit set in regulations under subsection (1) for a target year must not exceed an amount which represents 20% of the planned reduction in the net Scottish emissions account for that year.
- (3) The planned reduction in the net Scottish emissions account for a target year is the difference between the following amounts, both being calculated immediately before the regulations under subsection (1) are made—
  - (a) the minimum amount by which the emissions reduction target for the target year requires the net Scottish emissions account to be lower than the baseline, and
  - (b) the minimum amount by which the emissions reduction target for the immediately preceding year requires the net Scottish emissions account to be lower than the baseline.
- (4) Regulations under subsection (1) may set a limit only for a year—
  - (a) in respect of which the Scottish Ministers have not yet reported on under section 33, and
  - (b) which ends no more than 10 years after the year in which the regulations come into force.”.

(2) In section 96(7) of the 2009 Act, after paragraph (a) insert—

- “(aa) regulations under section 13A(1) that do not propose an increase to any limit on the maximum amount of carbon units that may be credited to the net Scottish emissions account for a year.”.

(3) In section 97 of the 2009 Act—

- (a) in subsection (1)—
  - (i) the words from “the first” to the end become paragraph (a),
  - (ii) after that paragraph insert “; or
  - (b) regulations under section 13A(1) that propose an increase to any limit on the maximum amount of carbon units that may be credited to the net Scottish emissions account for a year.”,
- (b) in subsection (2)—
  - (i) the word “and” after paragraph (a) is repealed,
  - (ii) after paragraph (b) insert “; and
  - (c) in the case of regulations mentioned in subsection (1) (b), a statement setting out whether the proposed limit is consistent with the most up-to-date advice they have received from the relevant body.”,
- (c) in subsection (7), after paragraph (b) insert “; and

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*Status: This is the original version (as it was originally enacted).*

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- (c) in the case of regulations mentioned in subsection (1)(b), whether the proposed limit is consistent with the most up-to-date advice they have received from the relevant body.”.

(4) The following Orders are revoked—

- (a) the Climate Change (Limit on Carbon Units) (Scotland) Order 2010 ([S.S.I. 2010/217](#)),
- (b) the Climate Change (Limit on Carbon Units) (Scotland) Order 2011 ([S.S.I. 2011/440](#)),
- (c) the Climate Change (Limit on Use of Carbon Units) (Scotland) Order 2016 ([S.S.I. 2016/330](#)).

## **16 International carbon reporting practice**

(1) In section 17 of the 2009 Act, for subsection (3) substitute—

“(3) The amount of Scottish emissions and Scottish removals of a greenhouse gas for a period must be determined, in so far as reasonably practicable, consistently with current international carbon reporting practice or, for the purposes of assessing and reporting in accordance with section 33, target-relevant international carbon reporting practice.”.

(2) In section 18 of the 2009 Act, for subsection (2) substitute—

“(2) A “tonne of carbon dioxide equivalent” means one metric tonne of carbon dioxide or an amount of any other greenhouse gas with an equivalent global warming potential (determined, in so far as reasonably practicable, consistently with current international carbon reporting practice or, for the purposes of assessing and reporting in accordance with section 33, target-relevant international carbon reporting practice).”.

(3) In section 19 of the 2009 Act—

- (a) the existing words become subsection (1),
- (b) after that subsection, insert—

“(2) The following definitions also apply for the purposes of this Act—

“current international carbon reporting practice” means the most up-to-date international carbon reporting practice,

“target-relevant international carbon reporting practice” means a practice which produces results which are consistent with those which would have been produced by using the international carbon reporting practice which was current at the later of—

- (a) 30 June 2018, or
- (b) the date on which Scottish Ministers last received advice from the relevant body following a request under section 2C.”.

## **17 Nitrogen balance sheet**

After section 8 of the 2009 Act, insert—

*“Nitrogen balance sheet*

**8A Nitrogen balance sheet**

- (1) The Scottish Ministers must, no later than 18 months after this section comes into force, create a balance sheet to quantify all major nitrogen flows across all sectors and media in Scotland, including its coastal waters, the atmosphere and soil and flows across these boundaries, to be known as a “nitrogen balance sheet” for the purpose mentioned in subsection (2).
- (2) The purpose of the nitrogen balance sheet is to record how nitrogen use efficiency contributes to achieving the targets in this Act.
- (3) The Scottish Ministers must by regulations make provision for—
  - (a) a baseline figure for nitrogen use efficiency,
  - (b) how nitrogen use efficiency is to be calculated,
  - (c) the timescale in which the nitrogen balance sheet is to be reviewed,
  - (d) monitoring and reporting upon the nitrogen balance sheet,
  - (e) such other matters as they consider appropriate.
- (4) The Scottish Ministers must, before laying draft regulations under subsection (3) before the Scottish Parliament, consult such persons as they consider appropriate.
- (5) In this Act “nitrogen use efficiency” means the ratio of nitrogen removed from the environment compared to total nitrogen inputs.
- (6) For the purposes of assessing the ratio mentioned in subsection (5), account should be taken of sources of nitrogen pollution, including—
  - (a) food production and waste,
  - (b) energy, and
  - (c) transport.”.