

SCHEDULE 7

Article 26(4)

Hospitals and small emitters

PART 1

Preliminary

Interpretation

1.—(1) In this Schedule—

“conversion notice” has the meaning given in paragraph 23 [^{F1} or 23A];

“emissions report” has the meaning given in paragraph 11(2)(b);

“emissions target”, in relation to an installation, means a target for the installation's reportable emissions (excluding emissions from biomass) set out in the installation's hospital or small emitter permit; and an emissions target for a scheme year is the emissions target for that year set out in the permit;

“hospital-qualifying installation” means—

- (a) in relation to an installation included in the hospital and small emitter list for 2021-2025, an installation stated in that list to be a “hospital” by the inclusion of “Y” in the entry relating to the installation in the column headed “Hospital (YES/NO)”;
- (b) in relation to an installation included in the hospital and small emitter list for 2026-2030, an installation that meets condition A (whether or not the installation also meets condition B or C) (see paragraphs 5 and 6);
- (c) in relation to an installation included in the ultra-small emitter list for 2021-2025 or the ultra-small emitter list for 2026-2030—
 - (i) in respect of which a notice under paragraph 7(2) of Schedule 8 is given; and
 - (ii) that is a hospital or small emitter for a scheme year by virtue of paragraph 4 of this Schedule,

an installation that primarily provided services to a hospital in the scheme year before the notice was given;

“maximum amount” means 24,999 tonnes of carbon dioxide equivalent.

(2) For the purposes of this Order, in determining whether or not an installation's reportable emissions or an estimate of reportable emissions exceed the maximum amount or an emissions target and in calculating an installation's emissions target based on reportable emissions or an estimate, emissions from biomass must be excluded.

Textual Amendments

- F1** Words in Sch. 7 para. 1(1) inserted (1.1.2023) by The Greenhouse Gas Emissions Trading Scheme (Amendment) (No. 2) Order 2022 (S.I. 2022/1173), arts. 2, **17(2)**

Commencement Information

- I1** Sch. 7 para. 1 in force at 12.11.2020, see **art. 2(1)**

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Meaning of installation that primarily provides services to a hospital in scheme year

2.—(1) For the purposes of this Schedule, an installation is an installation that primarily provides services to a hospital in a scheme year if at least 85% of the heat produced by the installation in that year is used by or supplied to one or more hospitals.

(2) In sub-paragraph (1), “hospital” means—

- (a) an institution for the reception and treatment of persons suffering from illness;
- (b) a maternity home;
- (c) an institution for the reception and treatment of persons during convalescence or persons requiring medical rehabilitation;
- (d) a clinic, dispensary or out-patient department maintained in connection with an establishment referred to in any of paragraphs (a) to (c);
- (e) a research or teaching facility that is associated with an establishment referred to in any of paragraphs (a) to (c) that has as its primary purpose medical research or medical teaching;
- (f) any other facility that has as its primary purpose the provision of such services as are necessary to maintain the proper functioning of an establishment referred to in any of paragraphs (a) to (d), including in particular—
 - (i) blood transfusion services;
 - (ii) catering services;
 - (iii) laundry services;
 - (iv) medical sanitisation services.

(3) In sub-paragraph (2), “illness” includes any disorder or disability of the mind and any injury or disability requiring medical or dental treatment or nursing.

Commencement Information

I2 Sch. 7 para. 2 in force at 12.11.2020, see [art. 2\(1\)](#)

PART 2

Hospital or small emitter status

Hospital or small emitter status

3.—(1) This paragraph and paragraph 4 apply to determine whether or not an installation is a hospital or small emitter for a scheme year.

(2) Subject to sub-paragraphs (3) and (4), an installation is a hospital or small emitter for the scheme years in the 2021-2025 allocation period if the installation is included in the list (the “hospital and small emitter list for 2021-2025”) of installations to be excluded from the EU ETS under Article 27 of the Directive from 1st January 2021 published for the purposes of the EU ETS on the website of SEPA on 28th May 2020^{MI}.

(3) Where a conversion notice is given to the operator of the installation stating that the installation is not a hospital or small emitter for a scheme year in the 2021-2025 allocation period, the installation is not a hospital or small emitter for that scheme year or subsequent scheme years in the allocation period.

(4) Where a regulated activity does not begin to be carried out before 1st November 2020 at an installation that is included in the hospital and small emitter list for 2021-2025—

- (a) the installation is not a hospital or small emitter for the scheme years in the 2021-2025 allocation period; and
- (b) for the purposes of this Order, the hospital and small emitter list for 2021-2025 must be treated as not including the installation.

(5) Subject to sub-paragraphs (6) and (7), an installation is a hospital or small emitter for the scheme years in the 2026-2030 allocation period if the installation is included in the hospital and small emitter list for 2026-2030.

(6) Where a conversion notice is given to the operator of the installation stating that the installation is not a hospital or small emitter for a scheme year in the 2026-2030 allocation period, the installation is not a hospital or small emitter for that scheme year or subsequent scheme years in the allocation period.

(7) Where a regulated activity does not begin to be carried out before 1st November 2025 at an installation that is included in the hospital and small emitter list for 2026-2030—

- (a) the installation is not a hospital or small emitter for the scheme years in the 2026-2030 allocation period; and
- (b) for the purposes of this Order, the hospital and small emitter list for 2026-2030 must be treated as not including the installation.

Commencement Information

I3 Sch. 7 para. 3 in force at 12.11.2020, see [art. 2\(1\)](#)

Marginal Citations

M1 The hospital and small emitter list for 2021-2025 can be accessed at www.sepa.org.uk/media/504726/uk-article-27-27a-installation-list.pdf. A copy of the list may be inspected at the Department for Business, Energy and Industrial Strategy, 1 Victoria Street, London SW1H 0ET; the Industrial Pollution and Radiochemical Inspectorate, Department for Agriculture, Environment and Rural Affairs, Klondyke Building, Cromac Avenue, Belfast BT7 2JA; the Scottish Government Directorate of Energy & Climate Change, Fourth Floor, 5 Atlantic Quay, 150 Broomielaw, Glasgow G2 8LU; and the offices of the Welsh Government, Cathays Park 2, Cathays Park, Cardiff CF10 2NQ.

Hospital or small emitter status: former ultra-small emitters

4.—(1) This paragraph applies to an installation if—

- (a) the installation is included in—
 - (i) the ultra-small emitter list for 2021-2025; or
 - (ii) the ultra-small emitter list for 2026-2030;
- (b) the regulator gives notice to the operator of the installation under paragraph 7(2) of Schedule 8 stating that the installation will not be an ultra-small emitter for a scheme year (the “relevant scheme year”); and
- (c) the regulator gives notice to the operator under paragraph 7(5)(b) of that Schedule that the regulator considers that the installation is not an ineligible installation.

(2) Subject to paragraph 3(3), an installation to which this paragraph applies by virtue of sub-paragraph (1)(a)(i) is a hospital or small emitter for the relevant scheme year and for subsequent scheme years in the 2021-2025 allocation period.

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(3) Subject to paragraph 3(6), an installation to which this paragraph applies by virtue of subparagraph (1)(a)(ii) is a hospital or small emitter for the relevant scheme year and for subsequent scheme years in the 2026-2030 allocation period.

(4) For the purpose of this paragraph, an installation is an ineligible installation if—

- (a) where the activity referred to in column 1 of the first entry in table C in Schedule 2 (combustion of fuels) is carried out at the installation, the installation's rated thermal input is 35 megawatts or above—
 - (i) where the installation is included in the ultra-small emitter list for 2021-2025, in any of the scheme years (within the meaning of GGETSR 2012) beginning on 1st January 2016, 2017 or 2018;
 - (ii) where the installation is included in the ultra-small emitter list for 2026-2030, in any of the 2021, 2022 or 2023 scheme years; and
- (b) the installation is not an installation that primarily provided services to a hospital in the scheme year preceding the scheme year in which the notice under paragraph 7(2) of Schedule 8 is given.

Commencement Information

I4 Sch. 7 para. 4 in force at 12.11.2020, see [art. 2\(1\)](#)

Obtaining hospital or small emitter status for 2026-2030 allocation period

5.—(1) The operator of an installation who wishes to apply for the installation to be a hospital or small emitter for the scheme years in the 2026-2030 allocation period must submit the following to the regulator—

- (a) details of the installation, including details of any permit in force;
 - (b) evidence that the installation meets condition A, B or C (see paragraph 6);
 - (c) where the operator submits evidence that the installation meets condition A, the evidence and any estimate required by paragraph 6(3);
 - (d) where the operator submits evidence that the installation meets condition C, any estimate required by paragraph 6(6).
- (2) An application—
- (a) may not be made before 1st April 2024;
 - (b) must be made on or before 30th June 2024.
- (3) After receiving an application, the regulator must on or before 30th September 2024—
- (a) make a preliminary assessment of whether or not the installation meets condition A, B or C; and
 - (b) send the preliminary assessment and the reasons for it to the UK ETS authority.
- (4) After receiving the preliminary assessment—
- (a) the UK ETS authority must make a final assessment of whether or not the installation meets condition A, B or C; and
 - (b) if the UK ETS authority considers that the installation meets condition A, B or C, the UK ETS authority must include the installation in a list (the “hospital and small emitter list for 2026-2030”).
- (5) The UK ETS authority must publish the hospital and small emitter list for 2026-2030 on or before 30th April 2025.

(6) Evidence of an installation's historic reportable emissions may not be taken into account for the purposes of assessing whether or not an installation meets condition B or C unless the evidence is—

- (a) verified [^{F2}as satisfactory] in accordance with the Verification Regulation 2018; or
 - (b) where relevant, set out in an emissions report accompanied by the declaration referred to in paragraph 11(2)(b)(ii).
- (7) An application may not be made under this paragraph and paragraph 3 of Schedule 8.

Textual Amendments

F2 Words in Sch. 7 para. 5(6)(a) inserted (31.12.2020) by The Greenhouse Gas Emissions Trading Scheme (Amendment) Order 2020 (S.I. 2020/1557), arts. 2(1), **39(2)**

Commencement Information

I5 Sch. 7 para. 5 in force at 12.11.2020, see art. 2(1)

Obtaining hospital or small emitter status for 2026-2030 allocation period: Conditions A, B and C

6.—(1) This paragraph applies for the purposes of paragraph 5.

Condition A

(2) Condition A is that the installation—

- (a) is an installation that primarily provides services to a hospital in the 2023 scheme year; or
- (b) if a regulated activity has not begun to be carried out at the installation at the date of the application—
 - (i) a regulated activity will begin to be carried out at the installation before 1st November 2025; and
 - (ii) the installation will be an installation that primarily provides services to a hospital after that date.

(3) Where the operator submits evidence that the installation meets condition A, the operator must also submit—

- (a) if a regulated activity begins to be carried out at the installation on or before 1st January 2021, evidence of—
 - (i) the installation's reportable emissions in each of the 2021, 2022 and 2023 scheme years, verified as mentioned in paragraph 5(6);
 - (ii) where the activity referred to in column 1 of the first entry in table C in Schedule 2 (combustion of fuels) is carried out at the installation, the installation's rated thermal input in each of those years;
- (b) in any other case—
 - (i) where a regulated activity has begun to be carried out at the installation at the date of the application, such evidence of the matters referred to in paragraph (a)(i) and (ii) as is available at the date of the application; and
 - (ii) where the evidence submitted under sub-paragraph (i) does not include evidence of reportable emissions for a complete scheme year, an estimate of the installation's reportable emissions in the 2026 scheme year.

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Condition B

- (4) Condition B is that—
- (a) a regulated activity begins to be carried out at the installation on or before 1st January 2021;
 - (b) the installation's reportable emissions in each of the 2021, 2022 and 2023 scheme years do not exceed the maximum amount; and
 - (c) where the activity referred to in column 1 of the first entry in table C in Schedule 2 (combustion of fuels) is carried out at the installation, the installation's rated thermal input is below 35 megawatts in each of those years.

Condition C

- (5) Condition C is that—
- (a) if a regulated activity is carried out at the installation at the date of the application, the regulated activity began to be carried out at the installation after 1st January 2021;
 - (b) if a regulated activity has not begun to be carried out at the installation at the date of the application, a regulated activity will begin to be carried out at the installation before 1st November 2025;
 - (c) the installation's reportable emissions—
 - (i) are not likely to exceed the maximum amount in each of the scheme years in the 2026-2030 allocation period; and
 - (ii) if a regulated activity has begun to be carried out at the installation at the date of the application, do not exceed the maximum amount in each of the scheme years for which, at the date of the application, evidence of reportable emissions is available; and
 - (d) where the activity referred to in column 1 of the first entry in table C in Schedule 2 (combustion of fuels) is carried out at the installation, the installation's rated thermal input—
 - (i) is likely to be below 35 megawatts in each of the scheme years in the 2026-2030 allocation period; and
 - (ii) if a regulated activity has begun to be carried out at the installation at the date of the application, is below 35 megawatts in each of the scheme years for which, at the date of the application, evidence of rated thermal input is available.
- (6) Where the evidence submitted under sub-paragraph (5) does not include evidence of reportable emissions for a complete scheme year, the operator must also submit an estimate of the installation's reportable emissions in the 2026 scheme year.

Commencement Information

I6 Sch. 7 para. 6 in force at 12.11.2020, see [art. 2\(1\)](#)

PART 3

Hospital or small emitter permits

Hospital or small emitter permits: application

7.—(1) The operator of an installation that is a hospital or small emitter for a scheme year may apply to the regulator for a hospital or small emitter permit to come into force in that year^{M2}.

(2) But an application may not be made if a permit for the installation is already in force.

(3) In sub-paragraph (2), “permit” includes a permit within the meaning of GGETSR 2012 to which paragraph 1 of Schedule 11 applies (permits to be converted).

Commencement Information

I7 Sch. 7 para. 7 in force at 12.11.2020, see [art. 2\(1\)](#)

Marginal Citations

M2 [Paragraph 10](#) of Schedule 7 and paragraph 1 of Schedule 11 provide for the conversion of permits into hospital or small emitter permits.

Hospital or small emitter permits: content of application

8. An application for a hospital or small emitter permit must contain the matters set out in paragraph 2 of Schedule 6, except for the uncertainty assessment referred to in sub-paragraph (1)(g)(ii) of that paragraph.

Commencement Information

I8 Sch. 7 para. 8 in force at 12.11.2020, see [art. 2\(1\)](#)

[^{F3}Hospital or small emitter permits: issue of permit

9. A hospital or small emitter permit for an installation may be issued only if—

- (a) the application is made for a permit to come into force in a scheme year for which the installation is a hospital or small emitter;
- (b) a monitoring plan has been approved in relation to the installation under the Monitoring and Reporting Regulation 2018; and
- (c) the regulator considers that from the date on which the permit comes into force the operator of the installation will be capable of monitoring and reporting the installation’s reportable emissions in accordance with the monitoring and reporting conditions of the permit.]

Textual Amendments

F3 Sch. 7 para. 9 substituted (7.2.2022) by [The Greenhouse Gas Emissions Trading Scheme \(Amendment\) Order 2021 \(S.I. 2021/1455\)](#), arts. 2, [25\(2\)](#)

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Hospital or small emitter permits: conversion of existing greenhouse gas emissions permit for 2026-2030 allocation period

10.—(1) This paragraph applies where a greenhouse gas emissions permit is in force for an installation that is included in the hospital and small emitter list for 2026-2030.

(2) The regulator must convert the greenhouse gas emissions permit into a hospital or small emitter permit with effect from 1st January 2026 by varying it under paragraph 6 of Schedule 6, so that the provisions of the permit are replaced by provisions that satisfy the requirements of paragraph 11.

(3) When varying a permit under sub-paragraph (2), the regulator may make only such variations as the regulator considers necessary in consequence of the installation's inclusion in the hospital and small emitter list for 2026-2030.

(4) The conversion of the permit does not affect the obligations of the operator under the greenhouse gas emissions permit in respect of specified emissions before 1st January 2026.

Commencement Information

19 Sch. 7 para. 10 in force at 12.11.2020, see [art. 2\(1\)](#)

Hospital or small emitter permits: content of permit

11.—(1) A hospital or small emitter permit must contain—

- (a) the name and postal address in the United Kingdom (including postcode) of the operator and any other address for correspondence included by the operator in the application;
- (b) the postal address and national grid reference of the installation (or, in the case of an installation in UK coastal waters or the UK sector of the continental shelf, equivalent information identifying the installation and its location);
- (c) a description of the installation, the regulated activities to be carried out at the installation and the specified emissions from those activities;
- (d) a description of the site and the location of the installation on the site;
- (e) the date on which the permit comes into force;
- (f) an emissions target for the installation, calculated by the regulator in accordance with paragraphs 15 to 17—
 - (i) subject to paragraph 18, where the installation is included in the hospital and small emitter list for 2021-2025, for each scheme year in the 2021-2025 allocation period;
 - (ii) subject to paragraph 18, where the installation is included in the hospital and small emitter list for 2026-2030, for each scheme year in the 2026-2030 allocation period;
 - (iii) where the installation is included in the ultra-small emitter list for 2021-2025, for each scheme year in the 2021-2025 allocation period for which the installation is a hospital or small emitter (see paragraph 4(2));
 - (iv) where the installation is included in the ultra-small emitter list for 2026-2030, for each scheme year in the 2026-2030 allocation period for which the installation is a hospital or small emitter (see paragraph 4(3));
- (g) the monitoring plan—
 - (i) where an application is made for the permit, approved in relation to the installation under ^{F4}... the Monitoring and Reporting Regulation 2018;

- (ii) where an existing permit is converted into a hospital or small emitter permit, approved in relation to the installation under ^{F4}... the Monitoring and Reporting Regulation 2012 or ^{F4}... the Monitoring and Reporting Regulation 2018 for the purpose of monitoring reportable emissions at the installation immediately before the hospital or small emitter permit comes into force;
 - (h) the monitoring and reporting conditions (see sub-paragraph (2));
 - (i) any other conditions that the regulator considers appropriate to include in the permit.
- (2) The monitoring and reporting conditions are—
 - (a) a condition requiring the operator to monitor the installation's reportable emissions in each scheme year for which the installation is a hospital or small emitter in accordance with—
 - (i) the Monitoring and Reporting Regulation 2018; and
 - (ii) the monitoring plan (including the written procedures supplementing the monitoring plan);
 - (b) a condition requiring the operator to prepare in accordance with the Monitoring and Reporting Regulation 2018 a report (the “emissions report”) of the installation's reportable emissions in each scheme year for which the installation is a hospital or small emitter that is—
 - (i) verified [^{F5}as satisfactory] in accordance with the Verification Regulation 2018; or
 - (ii) accompanied by a declaration stating that—
 - (aa) in preparing the emissions report the operator has complied with the Monitoring and Reporting Regulation 2018;
 - (bb) the operator has complied with the monitoring plan; and
 - (cc) the emissions report is free from material misstatements,and to submit the emissions report [^{F6}and the verification report (where sub-paragraph (i) applies) or declaration (where sub-paragraph (ii) applies)] to the regulator on or before 31st March in the following year; and
 - (c) any further conditions that the regulator considers necessary to give proper effect to the Monitoring and Reporting Regulation 2018 or the Verification Regulation 2018.
- (3) A hospital or small emitter permit for a hospital-qualifying installation must contain conditions requiring the operator—
 - (a) if the installation ceases to be an installation that primarily provides services to a hospital in a scheme year for which the installation is a hospital or small emitter, to give notice to the regulator on or before 31st March in the following year;
 - (b) except where the operator gives notice under paragraph (a)—
 - (i) to maintain records demonstrating that the installation continues to be an installation that primarily provides services to a hospital; and
 - (ii) to comply with requests from the regulator to inspect the records for the purpose of verifying the accuracy of the records and of the emissions report.
- (4) A hospital or small emitter permit for an installation that is not a hospital-qualifying installation must contain a condition requiring the operator, if the installation's reportable emissions in a scheme year for which the installation is a hospital or small emitter exceed the maximum amount, to give notice to the regulator on or before 31st March in the following year.
- (5) This paragraph is subject to paragraph 14.

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Textual Amendments	
F4	Words in Sch. 7 para. 11(1)(g) omitted (7.2.2022) by virtue of The Greenhouse Gas Emissions Trading Scheme (Amendment) Order 2021 (S.I. 2021/1455) , arts. 2, 25(3)
F5	Words in Sch. 7 para. 11(2)(b)(i) inserted (31.12.2020) by The Greenhouse Gas Emissions Trading Scheme (Amendment) Order 2020 (S.I. 2020/1557) , arts. 2(1), 39(3)(a)
F6	Words in Sch. 7 para. 11(2)(b) substituted (31.12.2020) by The Greenhouse Gas Emissions Trading Scheme (Amendment) Order 2020 (S.I. 2020/1557) , arts. 2(1), 39(3)(b)
Commencement Information	
I10	Sch. 7 para. 11 in force at 12.11.2020, see art. 2(1)

Hospital or small emitter permits: effect of permit, etc.

- 12.—**(1) A hospital or small emitter permit for an installation—
- (a) comes into force on the date set out in the permit;
 - (b) authorises the regulated activities set out in the permit to be carried out at the installation.
- (2) The operator of the installation must comply with the conditions of the permit.

Commencement Information	
I11	Sch. 7 para. 12 in force at 12.11.2020, see art. 2(1)

Hospitals and small emitters: modifications to Monitoring and Reporting Regulation 2018

13.—(1) Where an installation is a hospital or small emitter for a scheme year, the Monitoring and Reporting Regulation 2018 has effect with the following modifications (in addition to the modifications in Schedule 4).

- ^{F7}(2)
- (3) Article 19 is to be read as if—
- (a) in paragraph 2 for the words from “in one of the following categories” to the end there were substituted “ as a category A installation ”;
 - (b) paragraph 5 were omitted.
- [^{F8}(4) Article 38 is to be read as if—
- (a) in paragraph 2—
 - (i) in the first subparagraph “, but, subject to paragraph 2a, the emission factor for bioliquids shall be zero only if the sustainability criteria set out in Article 17(2) to (5) of [Directive 2009/28/EC](#) have been fulfilled” were omitted;
 - (ii) in the second subparagraph for “each fuel” there were substituted “a mixed fuel”;
 - (b) paragraph 2a were omitted.]
- (5) Article 47 is to be read as if—
- (a) every installation that is a hospital or small emitter for a scheme year were an installation to which Article 47 applies (that is to say, an installation that operates with low emissions, disregarding the second subparagraph of paragraph 1 of that Article);
- [^{F9}(aa) in paragraph 3—

- (i) for “an improvement report” there were substituted “a report”;
 - (ii) after “in response to” there were inserted “outstanding non-conformities or”;
- (b) paragraph 8 were omitted.
- (6) Where an emissions report submitted to the regulator under paragraph 11(2)(b) is accompanied by a declaration referred to in paragraph 11(2)(b)(ii) (and is not [^{F10}verified as satisfactory in accordance] with the Verification Regulation 2018), in the Monitoring and Reporting Regulation 2018—
- (a) Annex 10 must be read as if section 1(2) were omitted;
 - (b) a reference to a verified annual emission report is to be read as a reference to the emissions report;
 - (c) a reference to verified annual emissions or verified emissions is to be read as a reference to the reportable emissions reported in the emissions report;
 - (d) a reference to a verifier is to be read as a reference to the regulator;
 - (e) a reference to verifying or verification is to be read as a reference to auditing the reportable emissions reported in the emissions report by the regulator in accordance with the regulator's procedures for auditing reportable emissions of installations, the operators of which submit emissions reports under paragraph 11(2)(b)(ii);
 - (f) a reference to a verification report is to be read as a reference to the record of such an audit given to the operator by the regulator.

Textual Amendments

- F7** Sch. 7 para. 13(2) omitted (31.12.2020) by virtue of [The Greenhouse Gas Emissions Trading Scheme \(Amendment\) Order 2020 \(S.I. 2020/1557\)](#), arts. 2(1), **39(4)(a)**
- F8** Sch. 7 para. 13(4) substituted (1.1.2023) by [The Greenhouse Gas Emissions Trading Scheme \(Amendment\) \(No. 2\) Order 2022 \(S.I. 2022/1173\)](#), arts. 2, **17(3)**
- F9** Sch. 7 para. 13(5)(aa) inserted (7.2.2022) by [The Greenhouse Gas Emissions Trading Scheme \(Amendment\) Order 2021 \(S.I. 2021/1455\)](#), arts. 2, **25(4)**
- F10** Words in Sch. 7 para. 13(6) substituted (31.12.2020) by [The Greenhouse Gas Emissions Trading Scheme \(Amendment\) Order 2020 \(S.I. 2020/1557\)](#), arts. 2(1), **39(4)(b)**

Commencement Information

- I12** Sch. 7 para. 13 in force at 12.11.2020, see art. 2(1)

Former ultra-small emitters: hospital or small emitter permits coming into force after beginning of scheme year

14.—(1) This paragraph applies where a hospital or small emitter permit for an installation referred to in paragraph 4(2) or (3) comes into force on a day after 1st January in the relevant scheme year.

(2) References in paragraph 11(2) to a scheme year for which the installation is a hospital or small emitter must be treated as not including a reference to the part of the relevant scheme year before the date on which the permit comes into force.

(3) The installation's emissions target for the relevant scheme year is the emissions target calculated under paragraph 16 or, as the case may be, 17 multiplied by the factor set out in subparagraph (4).

(4) The factor is $(Y - D)/Y$, where—

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Y is the number of days in the relevant scheme year;

D is the number of days in the relevant scheme year before the date on which the permit comes into force.

(5) Paragraph 19 has effect as if the reference to the installation's reportable emissions in the relevant scheme year were a reference to the installation's reportable emissions in the relevant scheme year on and after the date on which the permit comes into force.

(6) In this paragraph, "relevant scheme year" has the meaning given in paragraph 4(1)(b).

Commencement Information

I13 Sch. 7 para. 14 in force at 12.11.2020, see [art. 2\(1\)](#)

PART 4

Emissions targets

Emissions targets other than for hospital-qualifying installations may not exceed maximum amount

15.—(1) Except in the case of a hospital-qualifying installation, an emissions target for a scheme year may not exceed the maximum amount.

(2) This paragraph overrides paragraphs 16 and 17.

Commencement Information

I14 Sch. 7 para. 15 in force at 12.11.2020, see [art. 2\(1\)](#)

Emissions targets for 2021-2025 allocation period

16.—(1) This paragraph applies for the purpose of calculating an installation's emissions targets for the scheme years in the 2021-2025 allocation period under paragraph 11(1)(f)(i) and (iii).

(2) Where a regulated activity began to be carried out at the installation before 2019, the installation's emissions target for a scheme year is the installation's relevant emissions multiplied by the reduction factor for the scheme year.

(3) For the purpose of sub-paragraph (2), the relevant emissions of an installation are—

- (a) where a regulated activity began to be carried out at the installation before 2016, the sum of the installation's reportable emissions in 2016, 2017 and 2018 divided by 3;
- (b) where a regulated activity began to be carried out at the installation in 2016, the sum of the installation's reportable emissions in 2017 and 2018 divided by 2;
- (c) where a regulated activity began to be carried out at the installation in 2017, the installation's reportable emissions in 2018;
- (d) where a regulated activity began to be carried out at the installation in 2018, the installation's reportable emissions in 2019.

(4) Where a regulated activity began to be carried out at the installation in 2019, the installation's emissions target—

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- (a) for the 2021 scheme year is the 2021 estimate multiplied by the reduction factor for the 2021 scheme year;
 - (b) for every other scheme year (the “relevant scheme year”) in the 2021-2025 allocation period is the installation's reportable emissions in 2020 multiplied by the reduction factor for the relevant scheme year.
- (5) Where a regulated activity began to be carried out at the installation in the period beginning on 1st January 2020 and ending on 31st October 2020, the installation's emissions target—
- (a) for the 2021 scheme year is the 2021 estimate multiplied by the reduction factor for the 2021 scheme year;
 - (b) for the 2022 scheme year is the 2021 estimate multiplied by the reduction factor for the 2022 scheme year;
 - (c) for every other scheme year (the “relevant scheme year”) in the 2021-2025 allocation period is the installation's reportable emissions in the 2021 scheme year multiplied by the reduction factor for the relevant scheme year.
- (6) In sub-paragraphs (4) and (5), “2021 estimate” means the conservative estimate of annual average emissions referred to in Article 19(4) of the Monitoring and Reporting Regulation 2012 used for the purposes of a monitoring plan submitted under that Regulation and contained in the application for a permit under GGETSR 2012 (see paragraph 1(1)(f) of Schedule 4 to GGETSR 2012).
- (7) For the purpose of this paragraph, the reduction factor for a scheme year set out in column 1 of table D is the value set out in the corresponding entry in column 2.

Table D

<i>Column 1</i> <i>Scheme year</i>	<i>Column 2</i> <i>Reduction factor</i>
2021	0.8697
2022	0.8461
2023	0.8224
2024	0.7988
2025	0.7751

- (8) In this paragraph, a reference to reportable emissions is a reference to reportable emissions (within the meaning of GGETSR 2012 or this Order)—
- (a) verified [^{F11}as satisfactory] in accordance with the Verification Regulation 2012 or the Verification Regulation 2018;
 - [^{F12}(aa) determined under regulation 44 of GGETSR 2012 or article 45 of this Order; or]
 - (b) where relevant, set out in an emissions report accompanied by the notice or declaration referred to in paragraph 3(8)(b)(ii) of Schedule 5 to GGETSR 2012 or paragraph 11(2)(b)(ii) of this Schedule.
- (9) This paragraph is subject to paragraph 14.

Textual Amendments

F11 Words in Sch. 7 para. 16(8)(a) inserted (31.12.2020) by The Greenhouse Gas Emissions Trading Scheme (Amendment) Order 2020 (S.I. 2020/1557), arts. 2(1), **39(5)(a)**

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F12 Sch. 7 para. 16(8)(aa) inserted (31.12.2020) by The Greenhouse Gas Emissions Trading Scheme (Amendment) Order 2020 (S.I. 2020/1557), arts. 2(1), **39(5)(b)**

Commencement Information

I15 Sch. 7 para. 16 in force at 12.11.2020, see art. 2(1)

Emissions targets for 2026-2030 allocation period

17.—(1) This paragraph applies for the purpose of calculating an installation's emissions targets for the scheme years in the 2026-2030 allocation period under—

- (a) paragraph 11(1)(f)(ii) and (iv);
- (b) paragraph 21.

(2) Where a regulated activity begins to be carried out at the installation before 2024, the installation's emissions target for a scheme year is the installation's relevant emissions multiplied by the reduction factor for the scheme year.

(3) For the purpose of sub-paragraph (2), the relevant emissions of an installation are—

- (a) where a regulated activity begins to be carried out at the installation before 2021, the sum of the installation's reportable emissions in 2021, 2022 and 2023 divided by 3;
- (b) where a regulated activity begins to be carried out at the installation in 2021, the sum of the installation's reportable emissions in 2022 and 2023 divided by 2;
- (c) where a regulated activity begins to be carried out at the installation in 2022, the installation's reportable emissions in 2023;
- (d) where a regulated activity begins to be carried out at the installation in 2023, the installation's reportable emissions in 2024.

(4) Where a regulated activity begins to be carried out at the installation in 2024, the installation's emissions target—

- (a) for the 2026 scheme year is the 2026 estimate multiplied by the reduction factor for the 2026 scheme year;
- (b) for every other scheme year (the “relevant scheme year”) in the 2026-2030 allocation period is the installation's reportable emissions in the 2025 scheme year multiplied by the reduction factor for the relevant scheme year.

(5) Where a regulated activity begins to be carried out at the installation in the period beginning on 1st January 2025 and ending on 31st October 2025, the installation's emissions target—

- (a) for the 2026 scheme year is the 2026 estimate multiplied by the reduction factor for the 2026 scheme year;
- (b) for the 2027 scheme year is the 2026 estimate multiplied by the reduction factor for the 2027 scheme year;
- (c) for every other scheme year (the “relevant scheme year”) in the 2026-2030 allocation period is the installation's reportable emissions in the 2026 scheme year multiplied by the reduction factor for the relevant scheme year.

(6) In sub-paragraphs (4) and (5), “2026 estimate” means the estimate of the installation's reportable emissions in the 2026 scheme year provided under—

- (a) in the case of a hospital-qualifying installation, paragraph 6(3)(b);
- (b) in any other case, paragraph 6(6).

(7) For the purpose of this paragraph, the reduction factor for a scheme year set out in column 1 of table E is the value set out in the corresponding entry in column 2.

Table E

<i>Column 1</i> <i>Scheme year</i>	<i>Column 2</i> <i>Reduction factor</i>
2026	0.8882
2027	0.8602
2028	0.8322
2029	0.8043
2030	0.7763

(8) In this paragraph, a reference to reportable emissions is a reference to reportable emissions—

(a) verified [^{F13}as satisfactory] in accordance with the Verification Regulation 2018; ^{F14}... [^{F15}(aa) determined under article 45; or]

(b) where relevant, set out in an emissions report accompanied by the declaration referred to in paragraph 11(2)(b)(ii).

(9) This paragraph is subject to paragraph 14.

Textual Amendments

F13 Words in Sch. 7 para. 17(8)(a) inserted (31.12.2020) by The Greenhouse Gas Emissions Trading Scheme (Amendment) Order 2020 (S.I. 2020/1557), arts. 2(1), **39(6)(a)(i)**

F14 Word in Sch. 7 para. 17(8)(a) omitted (31.12.2020) by virtue of The Greenhouse Gas Emissions Trading Scheme (Amendment) Order 2020 (S.I. 2020/1557), arts. 2(1), **39(6)(a)(ii)**

F15 Sch. 7 para. 17(8)(aa) inserted (31.12.2020) by The Greenhouse Gas Emissions Trading Scheme (Amendment) Order 2020 (S.I. 2020/1557), arts. 2(1), **39(6)(b)**

Commencement Information

I16 Sch. 7 para. 17 in force at 12.11.2020, see art. 2(1)

Emissions targets: calculation of later targets where initial targets based on estimates

18.—(1) This paragraph applies where an installation's emission targets for the scheme years in an allocation period are required to be calculated under—

(a) paragraph 16(4) or (5);

(b) paragraph 17(4) or (5).

(2) Paragraph 11(1)(f)(i) and (ii) do not require the installation's hospital or small emitter permit to contain emissions targets for scheme years (the “relevant scheme years”) for which, at the date of issue of the permit, the information required to calculate the emission targets is not available.

(3) As soon as reasonably practicable after the information to calculate the installation's emissions targets for the relevant scheme years becomes available, the regulator must vary the installation's hospital or small emitter permit under paragraph 6 of Schedule 6 by adding the emissions targets.

(4) But sub-paragraph (3) does not apply if the regulator has given a conversion notice to the operator of the installation, the effect of which is that the installation will not be a hospital or small emitter for the relevant scheme years.

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Commencement Information

I17 Sch. 7 para. 18 in force at 12.11.2020, see [art. 2\(1\)](#)

Emissions targets: hospital or small emitters must not exceed targets

19.—(1) The operator of an installation must ensure that the installation's reportable emissions in a scheme year for which the installation is a hospital or small emitter do not exceed the emissions target for that year.

(2) This paragraph is subject to paragraph 14.

Commencement Information

I18 Sch. 7 para. 19 in force at 12.11.2020, see [art. 2\(1\)](#)

[^{F16}Capacity increases: application to increase emissions targets

19A.—(1) Where a capacity increase is put into operation at an installation after the reference date, the operator of the installation may apply to the regulator to increase the installation's emissions targets for scheme years after the capacity increase is put into operation (including, if the capacity increase is put into operation on or after 1st January 2021, for the scheme year in which the capacity increase is put into operation).

(2) An application may be made to increase emissions targets for scheme years in the 2021-2025 allocation period or the 2026-2030 allocation period (or both).

(3) But an application may not be made to increase an emissions target—

- (a) for the 2021 or 2022 scheme year if the emissions target for that year was calculated under paragraph 16(4)(a) or (5)(a) or (b);
- (b) for the 2026 or 2027 scheme year if the emissions target for that year was calculated under paragraph 17(4)(a) or (5)(a) or (b).

(4) Nor may an application be made to increase an emissions target—

- (a) for the 2021 scheme year unless the application is made on or before 31st March 2022;
- (b) for any other scheme year unless the application is made on or before the later of—
 - (i) the end of the scheme year; and
 - (ii) where the capacity increase is put into operation in the scheme year, 3 months after the date on which the capacity increase is put into operation.

(5) Subject to sub-paragraph (4), an application to increase emissions targets may be made at any time.

Textual Amendments

F16 Sch. 7 paras. 19A-19G inserted (7.2.2022) by [The Greenhouse Gas Emissions Trading Scheme \(Amendment\) Order 2021 \(S.I. 2021/1455\)](#), arts. 2, [25\(5\)](#)

Capacity increases: content of application

19B.—(1) For the purpose of an application to increase an installation’s emissions targets, the operator must divide the installation into sub-installations in accordance with Article 10 of the Free Allocation Regulation.

- (2) The application must contain the following—
- (a) evidence of the capacity increase and the sub-installation to which it relates, including evidence that it has been put into operation and is not temporary;
 - (b) evidence of any capacity decrease at the installation since the reference date and the sub-installation to which it relates, including, where relevant, evidence that it is temporary;
 - (c) evidence to enable the combined capacity utilisation factor to be calculated (see paragraph 19F);
 - (d) where the capacity increase or any capacity decrease relates to a district heating sub-installation or a heat benchmark sub-installation of an installation that consumes or exports measurable heat produced outside the installation, evidence of whether or not the capacity increase or capacity decrease is solely associated with measurable heat produced at the installation.

Textual Amendments

F16 Sch. 7 paras. 19A-19G inserted (7.2.2022) by The Greenhouse Gas Emissions Trading Scheme (Amendment) Order 2021 (S.I. 2021/1455), arts. 2, 25(5)

Capacity increases: grant of application

19C.—(1) An application to increase an installation’s emissions targets may be granted only if the regulator considers that—

- (a) a capacity increase has been put into operation at the installation;
 - (b) the capacity increase is not temporary; and
 - (c) the net change in installed capacity at the installation since the reference date (see paragraph 19D) is greater than zero.
- (2) Where the application is granted, the regulator must—
- (a) calculate new emissions targets for each scheme year for which the application is made by increasing the existing emissions target for the scheme year by the increase in the emissions target for the scheme year (see paragraph 19E); and
 - (b) vary the installation’s hospital or small emitter permit under paragraph 6 of Schedule 6 by substituting the new emissions targets for the existing targets.
- (3) Except where the installation is a hospital-qualifying installation, if increasing the emissions target for a scheme year would result in an emissions target that exceeds the maximum amount, the emissions target must be increased by such amount as results in an emissions target of the maximum amount.
- (4) Where, after calculating new emissions targets and varying the permit under sub-paragraph (2), the regulator considers that, as a result of incorrect or incomplete evidence in the application, either the application would not have been granted or the installation’s emissions targets would not have been increased to the same extent—
- (a) the regulator may, for the current and future scheme years, determine that the emissions targets should not have been increased or, as the case may be, recalculate the new emissions targets under sub-paragraph (2)(a); and

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- (b) if the regulator does either of the things referred to in paragraph (a), the regulator must vary the permit under paragraph 6 of Schedule 6 accordingly.

Textual Amendments

F16 Sch. 7 paras. 19A-19G inserted (7.2.2022) by The Greenhouse Gas Emissions Trading Scheme (Amendment) Order 2021 (S.I. 2021/1455), arts. 2, **25(5)**

Capacity increases: net change in installed capacity at installation since reference date

19D.—(1) The net change in installed capacity at the installation since the reference date must be calculated as follows.

Step 1

Calculate the following for each relevant sub-installation—

the net change in installed capacity at the relevant sub-installation since the reference date x the benchmark for the sub-installation.

Step 2

Add up all calculations done under Step 1.

The net change in installed capacity at the installation since the reference date is the result of Step 2.

- (2) For the purposes of sub-paragraph (1)—
- (a) the net change in installed capacity at a relevant sub-installation must be determined by taking into account only capacity increases and capacity decreases (other than capacity decreases that are temporary) that relate to the sub-installation since the reference date;
 - (b) where capacity decreases exceed capacity increases at a sub-installation, the net change in installed capacity must be a negative value;
 - (c) in calculating the net change in installed capacity at a district heating sub-installation or a heat benchmark sub-installation of an installation that consumes or exports measurable heat produced outside the installation, any capacity increase or capacity decrease that relates to the sub-installation must not be taken into account unless it is solely associated with measurable heat produced at the installation.
- (3) In this paragraph, “relevant sub-installation” means—
- (a) the sub-installation to which the capacity increase relates;
 - (b) any other sub-installation to which a capacity decrease at the installation since the reference date relates.

Textual Amendments

F16 Sch. 7 paras. 19A-19G inserted (7.2.2022) by The Greenhouse Gas Emissions Trading Scheme (Amendment) Order 2021 (S.I. 2021/1455), arts. 2, **25(5)**

Capacity increases: increase in emissions targets for scheme years

19E.—(1) The increase in an installation’s emissions target for each scheme year for which the application is made is $NC \times CCUF \times RF \times FYF$, where—

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NC is the net change in installed capacity at the installation since the reference date (see paragraph 19D);

CCUF is the combined capacity utilisation factor (see paragraph 19F);

RF is the reduction factor for the scheme year;

FYF is the first year factor.

(2) The reduction factor—

(a) for a scheme year set out in column 1 of table D in paragraph 16 is the value set out in the corresponding entry in column 2;

(b) for a scheme year set out in column 1 of table E in paragraph 17 is the value set out in the corresponding entry in column 2.

(3) The first year factor is—

(a) for the scheme year in which the capacity increase is put into operation, $(Y-D)/Y$;

(b) for any other scheme year, 1.

(4) For the purposes of sub-paragraph (3)—

(a) Y is the number of days in the scheme year;

(b) D is the number of days in the scheme year before the date on which the capacity increase is put into operation.

(5) Where an application is made in respect of two or more capacity increases, for the purpose of calculating the first year factor, the capacity increases must be treated as being put into operation on the date on which the last capacity increase is put into operation.

Textual Amendments

F16 Sch. 7 paras. 19A-19G inserted (7.2.2022) by The Greenhouse Gas Emissions Trading Scheme (Amendment) Order 2021 (S.I. 2021/1455), arts. 2, **25(5)**

Capacity increases: combined capacity utilisation factor

19F.—(1) The combined capacity utilisation factor must be calculated as follows.

Step 1

Calculate the following for each sub-installation to which the capacity increase relates—

the capacity increase x the benchmark for the sub-installation x the capacity utilisation factor.

Step 2

Add up all calculations done under Step 1.

Step 3

Calculate the following for each sub-installation to which the capacity increase relates—

the capacity increase x the benchmark for the sub-installation.

Step 4

Add up all calculations done under Step 3.

Step 5

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Divide the result of Step 2 by the result of Step 4.

The combined capacity utilisation factor is the result of Step 5.

(2) In calculating the combined capacity utilisation factor, a capacity increase that relates to a district heating sub-installation or a heat benchmark sub-installation of an installation that consumes or exports measurable heat produced outside the installation must not be taken into account unless it is solely associated with measurable heat produced at the installation.

(3) Where an application is made in respect of two or more capacity increases that relate to the same sub-installation, for the purpose of calculating the combined capacity utilisation factor, the calculations under Steps 1 and 3 must be done separately for each such capacity increase as if the capacity increases related to separate sub-installations.

(4) In this paragraph, “capacity utilisation factor”, in relation to a capacity increase, means the expected level of production or consumption, expressed as a proportion of the increase in installed capacity.

Textual Amendments

F16 Sch. 7 paras. 19A-19G inserted (7.2.2022) by The Greenhouse Gas Emissions Trading Scheme (Amendment) Order 2021 (S.I. 2021/1455), arts. 2, **25(5)**

Capacity increases: interpretation

19G.—(1) In this paragraph and paragraphs 19A to 19F—

“benchmark” means—

- (a) in relation to a sub-installation other than a process emissions sub-installation, the benchmark referred to in Article 16(2) of the Free Allocation Regulation used to determine the preliminary annual number of allowances allocated free of charge in respect of the sub-installation—
 - (i) where an application is made to increase an installation’s emissions targets for scheme years in the 2021-2025 allocation period, for scheme years in that allocation period;
 - (ii) where an application is made to increase an installation’s emissions targets for scheme years in the 2026-2030 allocation period, for scheme years in that allocation period;
- (b) in relation to a process emissions sub-installation, 0.97;

“capacity decrease”, in relation to an installation or a sub-installation, means a decrease in installed capacity as a result of one or more physical changes relating to its technical configuration and functioning;

“capacity increase”, in relation to an installation or a sub-installation, means an increase in installed capacity as a result of one or more physical changes relating to its technical configuration and functioning;

“district heating sub-installation” has the meaning given in point (5) of Article 2(1) of the Free Allocation Regulation;

“fuel benchmark sub-installation” has the meaning given in point (6) of Article 2(1) of the Free Allocation Regulation;

“heat benchmark sub-installation” has the meaning given in point (3) of Article 2(1) of the Free Allocation Regulation;

“installed capacity” means the maximum capacity—

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- (a) in the case of a product benchmark sub-installation, for producing a product;
- (b) in the case of a district heating sub-installation or a heat benchmark sub-installation, for producing measurable heat;
- (c) in the case of a fuel benchmark sub-installation, for consuming fuel;
- (d) in the case of a process emissions sub-installation, for producing the emissions referred to in point (10) of Article 2(1) of the Free Allocation Regulation;

“measurable heat” has the meaning given in point (7) of Article 2(1) of the Free Allocation Regulation;

“process emissions sub-installation” has the meaning given in point (10) of Article 2(1) of the Free Allocation Regulation;

“product benchmark sub-installation” has the meaning given in point (2) of Article 2(1) of the Free Allocation Regulation;

“reference date” must be determined in accordance with sub-paragraphs (2) to (5);

“sub-installation” means a district heating sub-installation, a fuel benchmark sub-installation, a heat benchmark sub-installation, a process emissions sub-installation or a product benchmark sub-installation.

(2) Where an application is to increase an installation’s emissions targets for scheme years in the 2021-2025 allocation period, the reference date is—

- (a) where a regulated activity began to be carried out at the installation before 2018, 31st December 2018;
- (b) where a regulated activity began to be carried out at the installation in 2018, 31st December 2019;
- (c) where a regulated activity began to be carried out at the installation in 2019 or 2020, 31st December 2020.

(3) But if the installation’s emissions targets for scheme years in the 2021-2025 allocation period were increased following an application in respect of a previous capacity increase, the reference date is the date on which the last such capacity increase was put into operation.

(4) Where an application is to increase an installation’s emissions targets for scheme years in the 2026-2030 allocation period, the reference date is—

- (a) where a regulated activity begins to be carried out at the installation before 2023, 31st December 2023;
- (b) where a regulated activity begins to be carried out at the installation in 2023, 31st December 2024;
- (c) where a regulated activity begins to be carried out at the installation in 2024 or 2025, 31st December 2025.

(5) But if the installation’s emissions targets for scheme years in the 2026-2030 allocation period were increased following an application in respect of a previous capacity increase, the reference date is the date on which the last such capacity increase was put into operation.

(6) For the purpose of calculating the net change in installed capacity at an installation since the reference date under paragraph 19D or the combined capacity utilisation factor under paragraph 19F, a capacity increase or a capacity decrease at a sub-installation must be expressed in the following units—

- (a) if the capacity increase or capacity decrease relates to a product benchmark sub-installation, tonnes of product produced per year;

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- (b) if the capacity increase or capacity decrease relates to a district heating sub-installation or a heat benchmark sub-installation, terajoules of measurable heat produced per year;
- (c) if the capacity increase or capacity decrease relates to a fuel benchmark sub-installation, terajoules of fuel consumed per year;
- (d) if the capacity increase or capacity decrease relates to a process emissions sub-installation, tonnes of carbon dioxide equivalent emitted per year.]

Textual Amendments

F16 Sch. 7 paras. 19A-19G inserted (7.2.2022) by The Greenhouse Gas Emissions Trading Scheme (Amendment) Order 2021 (S.I. 2021/1455), arts. 2, 25(5)

Emissions targets: banking overachieved target

20.—(1) In this paragraph, an installation's "bankable amount", in relation to a scheme year, means $ET - RE$, where—

ET is the installation's emissions target for that year;

RE is the reportable emissions stated in the installation's emissions report for that year.

(2) But if the installation's emissions target for a scheme year is calculated in accordance with any of the following provisions (emissions targets based on estimates), for the purposes of this paragraph the installation's bankable amount for that scheme year must be treated as zero—

- (a) paragraph 16(4)(a);
- (b) paragraph 16(5)(a) or (b);
- (c) paragraph 17(4)(a);
- (d) paragraph 17(5)(a) or (b).

(3) Subject to sub-paragraphs (5) and (6), where an installation's bankable amount for a scheme year (the "scheme year in question") is greater than zero—

- (a) the regulator may increase the installation's emissions target for the following scheme year (the "next scheme year") by the bankable amount; and
- (b) if the regulator does so, the regulator must vary the installation's hospital or small emitter permit under paragraph 6 of Schedule 6 by substituting the increased emissions target for the existing target.

(4) Subject to sub-paragraph (6), where the amount of reportable emissions stated in the installation's emissions report for the scheme year in question is amended following a determination of emissions under article 45, the regulator must—

- (a) calculate the bankable amount for the scheme year in question as if RE in sub-paragraph (1) were the amount of reportable emissions for that year as amended following the determination; and
- (b) where an increased emissions target for the next scheme year has been substituted under sub-paragraph (3)(b), further vary the permit under paragraph 6 of Schedule 6 by substituting a revised emissions target for that year, based on the revised calculation of the bankable amount under paragraph (a).

(5) Sub-paragraph (3) does not apply if the scheme year in question is—

- (a) the 2025 scheme year;
- (b) the 2030 scheme year.

(6) Except where the installation is a hospital-qualifying installation, if increasing the emissions target for the next scheme year would result in an emissions target that exceeds the maximum amount, the emissions target must be increased by such amount as results in an emissions target of the maximum amount.

Commencement Information

I19 Sch. 7 para. 20 in force at 12.11.2020, see [art. 2\(1\)](#)

Emissions targets: targets for 2026-2030 allocation period for hospital or small emitters in 2021-2025 allocation period

21.—(1) This paragraph applies where—

- (a) a hospital or small emitter permit is in force for an installation that contains emissions targets for a scheme year in the 2021-2025 allocation period; and
- (b) the installation is included in the hospital and small emitter list for 2026-2030.

(2) The regulator must, on or before 31st December 2025—

- (a) calculate an emissions target for the installation for each scheme year in the 2026-2030 allocation period; and
- (b) vary the installation's hospital or small emitter permit under paragraph 6 of Schedule 6 to include those emissions targets.

(3) But sub-paragraph (2) does not apply if the regulator has given a conversion notice to the operator of the installation (the effect of which is that the installation will not be a hospital or small emitter for the scheme years in the 2026-2030 allocation period).

Commencement Information

I20 Sch. 7 para. 21 in force at 12.11.2020, see [art. 2\(1\)](#)

Emissions targets: errors

22.—(1) This paragraph applies where the amount of an installation's reportable emissions used to calculate the installation's emission targets (including revised emissions targets under [F17] paragraph 19C or 20) for scheme years in an allocation period is amended following a determination of emissions under article 45.

(2) The regulator may calculate revised emissions targets for the current and future scheme years in the allocation period and, if the regulator does so, the regulator must vary the installation's hospital or small emitter permit under paragraph 6 of Schedule 6 to include those emissions targets.

(3) In calculating revised emissions targets under sub-paragraph (2), the regulator may take account of what revised emissions targets for past scheme years in the allocation period calculated under this paragraph might have been if the determination had been made earlier (but may not calculate revised emissions targets for past years).

(4) In this paragraph—

- (a) a reference to reportable emissions used to calculate emissions targets for the 2021-2025 allocation period includes a reference to reportable emissions within the meaning of GGETSR 2012; and
- (b) a reference to a determination of emissions under article 45 includes, in the case of reportable emissions referred to in paragraph (a), a reference to a determination of

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emissions under regulation 44(3) of GGETSR 2012 or Article 70(1) of the Monitoring and Reporting Regulation 2012.

Textual Amendments

F17 Words in Sch. 7 para. 22(1) substituted (7.2.2022) by [The Greenhouse Gas Emissions Trading Scheme \(Amendment\) Order 2021 \(S.I. 2021/1455\)](#), arts. 2, **25(6)**

Commencement Information

I21 Sch. 7 para. 22 in force at 12.11.2020, see [art. 2\(1\)](#)

[^{F18}Publication of emissions targets and reportable emissions

22A.—(1) The regulator must inform the UK ETS authority of—

- (a) emissions targets (including any revised emissions targets) calculated by the regulator;
- (b) the reportable emissions in each scheme year of every installation that is a hospital or small emitter for the scheme year that are reported to the regulator.

(2) The UK ETS authority must publish the information referred to in sub-paragraph (1) as soon as reasonably practicable after receiving it.

(3) This paragraph is subject to article 75C (national security).]

Textual Amendments

F18 Sch. 7 para. 22A inserted (1.1.2023) by [The Greenhouse Gas Emissions Trading Scheme \(Amendment\) \(No. 2\) Order 2022 \(S.I. 2022/1173\)](#), arts. 2, **17(4)**

PART 5

End of hospital or small emitter status

End of hospital or small emitter status: ceasing to meet criteria

23.—(1) Where—

- (a) an installation (other than a hospital-qualifying installation) is a hospital or small emitter for any of the 2021, 2022, 2023, 2026, 2027 and 2028 scheme years; and
- (b) the regulator considers that the installation's reportable emissions in any of those years exceed the maximum amount,

the regulator must, as soon as reasonably practicable, give a notice (a “conversion notice”) to the operator of the installation.

(2) Where the regulator considers that a hospital-qualifying installation ceases to be an installation that primarily provides services to a hospital in a scheme year (the “relevant scheme year”) for which the installation is a hospital or small emitter, the regulator must, as soon as reasonably practicable, give a notice (a “conversion notice”) to the operator of the installation.

(3) But sub-paragraph (2) does not apply—

- (a) where the relevant scheme year is in the 2021-2025 allocation period and the installation was in operation in any of the 2016, 2017 and 2018 scheme years (within the meaning of GGETSR 2012), if—

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- (i) the installation's reportable emissions in each of those years did not exceed the maximum amount; and
 - (ii) where the activity referred to in column 1 of the first entry in table C in Schedule 2 (combustion of fuels) was carried out at the installation, the installation's rated thermal input was below 35 megawatts in each of those years.
- (b) where the relevant scheme year is in the 2026-2030 allocation period and the installation was in operation in any of the 2021, 2022 and 2023 scheme years, if—
- (i) the installation's reportable emissions in each of those years do not exceed the maximum amount; and
 - (ii) where the activity referred to in column 1 of the first entry in table C in Schedule 2 (combustion of fuels) is carried out at the installation, the installation's rated thermal input is below 35 megawatts in each of those years.
- (4) Where a hospital or small emitter permit may be revoked under paragraph 12 of Schedule 6, the regulator may instead of revoking the permit give a notice (a “conversion notice”) to the operator of the installation.

Commencement Information

I22 Sch. 7 para. 23 in force at 12.11.2020, see [art. 2\(1\)](#)

[^{F19}E] End of hospital or small emitter status: voluntary exit of status for 2024 and 2025 scheme years

23A.—(1) Where the operator of an installation included in the hospital and small emitter list for 2021-2025 wishes that the installation should not be a hospital or small emitter for the 2024 and 2025 scheme years, the operator may request the regulator to give a notice (a “conversion notice”) to the operator of the installation.

(2) If the regulator receives a request on or before 31st March 2023, the regulator must, as soon as reasonably practicable, give a conversion notice to the operator of the installation.

(3) The regulator must refuse a request received after 31st March 2023.]

Textual Amendments

F19 Sch. 7 para. 23A inserted (1.1.2023) by [The Greenhouse Gas Emissions Trading Scheme \(Amendment\) \(No. 2\) Order 2022 \(S.I. 2022/1173\)](#), arts. 2, **17(5)**

Conversion notices

24.—(1) A conversion notice must—

- (a) set out the grounds for the notice;
- (b) state that the installation is not a hospital or small emitter for the scheme year following the year in which the notice is given;
- (c) state that the operator must comply with the conditions of a greenhouse gas emissions permit from 1st January (the “date of conversion”) in the scheme year following the year in which the notice is given;

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[^{F20}(d) state that, unless the monitoring plan already complies with the Monitoring and Reporting Regulation 2018, the operator must apply to the regulator to vary the monitoring plan so that it does comply with that Regulation.]

(2) Where a conversion notice is given, the regulator must convert, with effect from the date of conversion, the installation's hospital or small emitter permit (if any) into a greenhouse gas emissions permit by varying it under paragraph 6 of Schedule 6 so that the provisions of the permit are replaced by provisions that satisfy the requirements of paragraph 4 of Schedule 6.

[^{F21}(3) Despite sub-paragraph (2)—

(a) where the monitoring plan does not already comply with the Monitoring and Reporting Regulation 2018, the regulator may revoke the permit under paragraph 12 of Schedule 6 instead of converting it if—

(i) the operator fails to apply to the regulator to vary the monitoring plan; or

(ii) the variations applied for are not such that the plan would comply with that Regulation;

(b) the regulator must revoke the permit instead of converting it if the regulator considers that the operator will not be capable of monitoring and reporting the installation's reportable emissions in accordance with the monitoring and reporting conditions of a greenhouse gas emissions permit.]

(4) When varying a permit, the regulator may make only such variations as the regulator considers necessary in consequence of the installation ceasing to be a hospital or small emitter.

(5) The conversion of the permit does not affect the obligations of the operator under the permit in respect of specified emissions before the date of conversion.

Textual Amendments

F20 Sch. 7 para. 24(1)(d) substituted (7.2.2022) by [The Greenhouse Gas Emissions Trading Scheme \(Amendment\) Order 2021 \(S.I. 2021/1455\)](#), arts. 2, **25(7)(a)**

F21 Sch. 7 para. 24(3) substituted (7.2.2022) by [The Greenhouse Gas Emissions Trading Scheme \(Amendment\) Order 2021 \(S.I. 2021/1455\)](#), arts. 2, **25(7)(b)**

Commencement Information

I23 Sch. 7 para. 24 in force at 12.11.2020, see [art. 2\(1\)](#)

End of hospital or small emitter status: ceasing to meet criteria: publication

25.—(1) The regulator must, as soon as reasonably practicable, inform the UK ETS authority about each installation in respect of which a conversion notice is given.

(2) The UK ETS authority must, from time to time, publish the information referred to in sub-paragraph (1).

Commencement Information

I24 Sch. 7 para. 25 in force at 12.11.2020, see [art. 2\(1\)](#)

End of hospital or small emitter status: end of allocation period

26.—(1) The regulator must, on or before 31st May 2025 give notice to the operator of an installation to which sub-paragraph (2) applies—

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- (a) stating that the operator must comply with the conditions of a greenhouse gas emissions permit from 1st January 2026; and
- [^{F22}(b) stating that, unless the monitoring plan already complies with the Monitoring and Reporting Regulation 2018, the operator must apply to the regulator on or before 30th September 2025 to vary the monitoring plan so that it does comply with that Regulation.]
- (2) This sub-paragraph applies to an installation that is a hospital or small emitter for the 2025 scheme year other than an installation that is included in—
- (a) the hospital and small emitter list for 2026-2030; or
- (b) the ultra-small emitter list for 2026-2030.
- (3) Where a notice under sub-paragraph (1) is given, the regulator must convert, with effect from 1st January 2026, the installation's hospital or small emitter permit (if any) into a greenhouse gas emissions permit by varying it under paragraph 6 of Schedule 6 so that the provisions of the permit are replaced by provisions that satisfy the requirements of paragraph 4 of Schedule 6.
- [^{F23}(4) Despite sub-paragraph (3)—
- (a) where the monitoring plan does not already comply with the Monitoring and Reporting Regulation 2018, the regulator may revoke the permit under paragraph 12 of Schedule 6 instead of converting it if—
- (i) the operator fails to apply to the regulator on or before 30th September 2025 to vary the monitoring plan; or
- (ii) the variations applied for are not such that the plan would comply with that Regulation;
- (b) the regulator must revoke the permit instead of converting it if the regulator considers that the operator will not be capable of monitoring and reporting the installation's reportable emissions in accordance with the monitoring and reporting conditions of a greenhouse gas emissions permit.]
- (5) When varying a permit, the regulator may make only such variations as the regulator considers necessary in consequence of the installation ceasing to be a hospital or small emitter.
- (6) The conversion of the permit does not affect the obligations of the operator under the permit in respect of specified emissions before 1st January 2026.

Textual Amendments

- F22** Sch. 7 para. 26(1)(b) substituted (7.2.2022) by [The Greenhouse Gas Emissions Trading Scheme \(Amendment\) Order 2021 \(S.I. 2021/1455\)](#), arts. 2, **25(8)(a)**
- F23** Sch. 7 para. 26(4) substituted (7.2.2022) by [The Greenhouse Gas Emissions Trading Scheme \(Amendment\) Order 2021 \(S.I. 2021/1455\)](#), arts. 2, **25(8)(b)**

Commencement Information

- I25** Sch. 7 para. 26 in force at 12.11.2020, see [art. 2\(1\)](#)

Changes to legislation:

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Changes and effects yet to be applied to :

- Sch. 7 para. 5(2) word substituted by [S.I. 2024/192 art. 8\(2\)\(a\)](#)
- Sch. 7 para. 6(2)(a) word substituted by [S.I. 2024/192 art. 8\(3\)](#)
- Sch. 7 para. 26(1)(b) word substituted by [S.I. 2024/192 art. 8\(4\)\(a\)\(ii\)](#)
- Sch. 7 para. 26(4)(a)(i) word substituted by [S.I. 2024/192 art. 8\(4\)\(b\)](#)
- Sch. 7 para. 5(3) words substituted by [S.I. 2024/192 art. 8\(2\)\(b\)](#)
- Sch. 7 para. 5(5) words substituted by [S.I. 2024/192 art. 8\(2\)\(c\)](#)
- Sch. 7 para. 26(1) words substituted by [S.I. 2024/192 art. 8\(4\)\(a\)\(i\)](#)

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\(3\)](#)