
EXPLANATORY NOTE

(This note is not part of the Order)

The UK's progress against its emission reduction targets is assessed by reference to the 'net UK carbon account'. Under section 27 of the Climate Change Act 2008 (c. 27) ("the Act") the net UK carbon account is reduced when carbon units are credited to it. This Order sets a limit on the net amount of carbon units that may be credited to the net UK carbon account for the 2023-2027 budgetary period of 55,000,000 carbon units. Article 2(2) sets out certain carbon units which are excluded from the level of the limit. Those are carbon units credited to and debited from the net UK carbon account as a result of the operation of the EU Emissions Trading System during the 2023-2027 budgetary period in accordance with regulations made under section 27(3) of the Act. Carbon units are defined in regulation 3 of the Carbon Accounting Regulations 2009 (S.I. 2009/1257), made under section 26(1) of the Act.

A full impact assessment of the effect that this instrument will have on the costs of business and the voluntary sector is available from the Department for Business, Energy and Industrial Strategy at 1 Victoria Street, London, SW1H 0ET and published with its Explanatory Memorandum alongside this instrument on www.legislation.gov.uk.