

SL(6)459 – The Greenhouse Gas Emissions Trading Scheme (Amendment) Order 2024

Background and Purpose

The UK Emissions Trading Scheme (“ETS”) was established by the Greenhouse Gas Emissions Trading Scheme Order 2020 as a UK-wide greenhouse gas emissions trading scheme, to encourage cost-effective emissions reductions from the power, industry, and aviation sectors. It was designed jointly by the four governments in the United Kingdom. It contributes to the UK’s emissions reduction targets and net zero goal, as well as the emissions reduction pathway in Wales.

In December 2023, the Authority opened a 12-week consultation entitled “UK Emissions Trading Scheme: free allocation review”, which explores options to better target those most at risk of carbon leakage and to ensure that the Free Allocation (“FA”) of allowances covering greenhouse gas emissions is fairly distributed.

This Order seeks to change the dates of the next FA application window from the period from 1 April to 30 June 2024, to the period from 1 April to 30 June 2025. The Order also moves other associated deadlines to accommodate the new timeframe.

The Explanatory Memorandum provides that:

“the timeframe applicable to the consultation means that the final policy position would not be clear before the [current] window expires. Therefore, participants would not have certainty of their eligibility for FAs, or of the appropriate information to include in applications, making it impracticable for them to apply during that timeframe.”

Procedure

Negative.

This Order in Council was made by His Majesty before it was laid before the Senedd, the UK Parliament, the Scottish Parliament and the Northern Ireland Assembly on 23 February 2024. Any one of those legislatures may annul the Order, in accordance with the negative resolution procedures that apply in those legislatures.

Technical Scrutiny

One point is identified for reporting under Standing Order 21.2 in respect of this instrument.

1. Standing Order 21.2(ix) – that it is not made or to be made in both English and Welsh

We note that the Order in Council was made by His Majesty and was laid before each of the four legislatures in the United Kingdom, and is therefore in English only.



Merits Scrutiny

No points are identified for reporting under Standing Order 21.3 in respect of this instrument.

Welsh Government response

A Welsh Government response is not required.

Legal Advisers

Legislation, Justice and Constitution Committee

4 March 2024



Senedd Cymru

Pwyllgor Deddfwriaeth, Cyfiawnder a'r Cyfansoddiad

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Welsh Parliament

Legislation, Justice and Constitution Committee