



# EU Emissions Trading Charging Scheme 2013/14

# EU Emissions Trading Charging Scheme 2013/14

The Environment Agency, in exercise of its powers under section 41A of the Environment Act 1995 and with the approval of the Secretary of State and the consent of the Treasury hereby makes the following Charging Scheme.

## PART 1

### GENERAL

#### **COMMENCEMENT AND CITATION**

1. This Charging Scheme may be referred to as the EU Emissions Trading Charging Scheme 2013 (“the Scheme”) and comes into force on 1 April 2013.

#### **INTERPRETATION**

2. In this Scheme -

“the Agency” means the Environment Agency;

“the 2012 Regulations” means the Greenhouse Gas Emissions Trading Scheme Regulations 2012 and expressions used in this Scheme shall have the meaning set out in the Regulations;

“Monitoring and Reporting Regulation” means Commission Regulation (EU) No 601/2012 of 21 June 2012 on the monitoring and reporting of greenhouse gas emissions pursuant to Directive 2003/87/EC of the European Parliament and of the Council, as amended from time to time; and

“year” means a period of 12 months commencing on 1 April, unless otherwise stated.

#### **LIABILITY TO PAY CHARGE**

3. The person or persons set out below are liable to pay the charges payable under this Scheme –
  - (a) in respect of an application referred to in this Scheme, the person or persons making that application;
  - (b) in respect of a subsistence or determination charge referred to in this Scheme, the holder of the permit, emissions plan or Registry account in respect of which the charge is payable; and
  - (c) in respect of charges arising under paragraphs 11(1)(b), 14 and 20(b) of this Scheme, the person or persons upon whom the relevant notice is served.

#### **TIME OF PAYMENT**

4. Charges payable under this Scheme are due and payable in full at the following times -
  - (a) in respect of charges relating to an application referred to in this Scheme (with the exception of the application under paragraph 19(b) and 25(3)), on the making of the relevant application;
  - (b) in respect of the charge relating to the application under paragraph 19(b) of this Scheme, on the making of an application for a benchmarking plan;
  - (c) in respect of subsistence charges arising under Part 2 and under paragraph 26 of this Scheme, annually on 1 April except in the circumstances set out in paragraph 9 of this Scheme, in which case the charge is payable on the date specified in the notice of the charge;
  - (d) in respect of subsistence charges arising under Part 3 of this Scheme, annually on 1 January;

- (e) in respect of charges arising under paragraphs 11(1)(b), 14 and 20(b) of this Scheme, on the date specified in the relevant notice; and
- (f) in respect of charges for the determination of emissions arising under this Scheme and charges arising under paragraph 25(3), on demand.

## **REVOCATION**

- 5. The Emissions Trading Charging Scheme which came into effect on 1 April 2012 is revoked in so far as it relates to any period beginning on 1 April 2013.

## **PART 2**

### **CHARGES RELATING TO INSTALLATIONS**

## **INTERPRETATION**

- 6. In this Part -

“annual emissions from the installation” means –

- (a) in relation to installations included in a permit during the whole of the calendar year in the year two years prior to the relevant charge being due, the verified annual reportable emissions figure for that year; and
- (b) in relation to all other installations, the estimated annual reportable emissions;

“the Directive” means Directive 2003/87/EC of the European Parliament and of the Council establishing a scheme for greenhouse gas emissions allowance trading within the Community and amending Council Directive 96/61/EC, as amended from time to time and as adapted by Annex 20 to the EEA agreement;

“estimated annual reportable emissions” means a reasonable estimate made by the Agency and based on verified data where available of –

- (a) in relation to installations included in a permit during the whole of the previous calendar year, the reportable emissions arising from the installation in the previous calendar year; and
- (b) in relation to all other installations, the reportable emissions likely to be emitted from the installation in a calendar year;

“non-emitter” means an installation that does not emit any specified emissions from the part of the regulated activity carried out at the installation;

“permit” means a permit granted under Regulation 9 of the 2005 Regulations or Regulation 10 of the 2012 Regulations;

“regulated activity” means an activity (other than an aviation activity) that (a) is listed in Annex 1 to the Directive and (b) results in specified emissions;

“the 2005 Regulations” means the Greenhouse Gas Emissions Trading Scheme Regulations 2005;

“specified emissions”, in relation to an activity listed in Annex I to the Directive, means emissions of gases specified in Annex I in respect of that activity;

“UKAS” means the United Kingdom Accreditation Service;

“Verification Regulation” means Commission Regulation (EU) No 600/2012 of 21 June 2012 on the verification of greenhouse gas emission reports and tonne-kilometre reports and the accreditation of verifiers pursuant to Directive 2003/87/EC of the European Parliament and of the Council, as amended from time to time;

“verified annual reportable emissions figure” means the annual reportable emissions from the installation verified by a verifier (or in accordance with the Verification Regulation) or notified to the operator by the Agency in accordance with Regulation 30 of the 2005 Regulations or Regulation 44 of the 2012 Regulations; and

“verifier” means a verification body or person accredited (and, if required, endorsed by UKAS) to carry out the verification requirements of Article 15 of Directive 2003/87/EC, where “accredited” means accredited by a member of the ‘European Co-operation for Accreditation’ having regard to the latter’s greenhouse gas verification guidance and verification bodies accredited by organisations other than UKAS must also be endorsed by UKAS.

### PERMIT APPLICATION CHARGE

7. (1) A permit application charge must accompany an application for a permit made under Regulation 10 of the 2012 Regulations.  
 (2) The permit application charge is as follows -

Annual emissions from the installation	Charge
Less than 50kt per year	£1,340
At least 50kt and no more than 500kt	£2,500
More than 500kt per year	£5,970

### SUBSISTENCE CHARGE

8. (1) Subject to paragraph 9, an annual subsistence charge is payable in respect of the subsistence of a permit on 1 April each year.  
 (2) The subsistence charge is as follows -

Annual emissions from the installation	Charge
Less than 50kt	£2,550
At least 50kt and no more than 500kt	£3,320
More than 500kt	£4,080
Non-emitter	£980

### MID-YEAR ADJUSTMENTS

9. Where during a year -
- (a) a permit is granted in relation to an installation under Regulation 10 of the 2012 Regulations;
  - or
  - (b) a permit is partially transferred in accordance with Regulation 12 of the 2012 Regulations,

the subsistence charge relating to the installation (or in the case of a partially transferred permit, the transferred units) for the remainder of the year shall be a proportion of the charge calculated on a daily basis for the remainder of the period commencing on the date of the grant of the permit or the date upon which the transfer took effect, as appropriate.

10. Where an operator has paid the subsistence charge for a year in full and during that year -
- (a) a permit is surrendered under Regulation 16 of the 2005 Regulations or Regulation 13 of the 2012 Regulations; or
  - (b) a permit is revoked under Regulation 17(1) of the 2005 Regulations or Regulation 14(1)(a) of the 2012 Regulations,

the Agency will refund the operator a proportion of the subsistence charge in respect of the remainder of the year calculated on a daily basis commencing on the date on which the notice of surrender or revocation takes effect.

### **VARIATION CHARGE**

11. (1) Subject to sub-paragraph (2), the following charges apply to the variation of a permit -

<b>Variation</b>	<b>Charge</b>
(a) Application for variation of a permit pursuant to the conditions of a permit	£430
(b) Variation of a permit under Regulation 11(2), (3)(b) or (4) of the 2012 Regulations	£430

- (2) No variation charge is payable:

- (a) where the Agency considers that a variation amounts to a change of a purely administrative nature; or
- (b) in relation to a variation issued under Regulation 11(4)(b)(iii) and pursuant to Schedule 5, paragraph 6(5) of the 2012 Regulations.

### **TRANSFER CHARGE**

12. A transfer charge of £430 must accompany an application to transfer a permit, in whole or in part made under Regulation 12 of the 2012 Regulations.

### **SURRENDER CHARGE**

13. A surrender charge of £670 must accompany an application to surrender a permit made under Regulation 16(1) of the 2005 Regulations or Regulation 13 of the 2012 Regulations.

### **REVOCATION CHARGE**

14. A revocation charge of £670 is payable in respect of a revocation notice served under Regulation 17(2) of the 2005 Regulations or Regulation 14 of the 2012 Regulations.

#### **CHARGE FOR ALLOCATION FROM NEW ENTRANT RESERVE**

15. A charge of £1,120 must accompany an application for an allocation from the new entrant reserve under Schedule 5, paragraphs 2 or 3 of the 2012 Regulations.

#### **CHARGE FOR INCREASE TO EMISSIONS TARGET**

16. A charge of £1,120 must accompany an application by an excluded installation for an increase in the emissions target for the installation under Schedule 5, paragraph 6 of the 2012 Regulations.

#### **DETERMINATION CHARGE**

17. A charge of £125 per hour is payable in relation to time spent by the Agency in determining reportable emissions under Regulation 44 of the 2012 Regulations or Article 70 of the Monitoring and Reporting Regulation.

### **PART 3**

#### **CHARGES RELATING TO AVIATION**

#### **INTERPRETATION**

18. In this Part -

"estimated aviation emissions" means a reasonable estimate made by the Agency of the aviation emissions of the aircraft operator for the relevant year.

#### **APPLICATION CHARGES**

19. The following charges must accompany the following applications -

<b>Application</b>	<b>Charge</b>
(a) Application for a benchmarking plan under Schedule 7, paragraph 2 of the 2012 Regulations	£830
(b) Application for a free allocation from the special reserve (including an application for a benchmarking plan) under Schedule 8, paragraphs 2 and 6 of the 2012 Regulations	£1120
(c) Application for an emissions plan under	£750

**VARIATION CHARGE**

20. The following charges apply to the variation of an emissions plan -

Variation	Charge
(a) Application for variation of an emissions plan pursuant to the conditions in an emissions plan	£430
(b) Variation of an emissions plan under Regulation 37(1), (2)(b) or (3) of the 2012 Regulations	£430

**SUBSISTENCE CHARGE**

21. (1) Subject to paragraphs (2) and (3), the following charges apply to the subsistence of a person as a UK aircraft operator -

Aviation emissions	Charge
Where the estimated aviation emissions are less than 50 kilotonnes	(a) £1920; plus (b) £630
Where the estimated aviation emissions are between 50 and 500 kilotonnes	(a) £2490; plus (b) £830
Where the estimated aviation emissions are over 500 kilotonnes	(a) £3060; plus (b) £1020.

(2) In the year that the emissions plan is issued under Regulation 34 of the 2012 Regulations ("the relevant year"), the charge will be  $N/365$  of any of the sums specified in paragraphs (b) in the table above, where N is the number of days remaining in the relevant year after the day on which the emissions plan was issued.

(3) In the year that a person permanently ceases to be a UK aircraft operator ("the relevant year"), the charge will be  $N/365$  of any of the sums specified in paragraphs (b) in the table above, where N is the number of days in the relevant year up to and including the day on which the UK aircraft operator has completed all requirements connected with its aviation activities performed in the relevant year.

22. The Agency will not make a refund of the subsistence charge where the person liable to pay it does not remain a UK aircraft operator for all of the period in respect of which the charge is payable or has been determined.

#### **DETERMINATION CHARGE**

23. A charge of £125 per hour is payable in relation to time spent by the Agency in determining emissions under Regulation 44 of the 2012 Regulations or Article 70 of the Monitoring and Reporting Regulation.

### **PART 4**

#### **CHARGES RELATING TO THE REGISTRY**

#### **INTERPRETATION**

24. In this Part –

“the Registries Regulation 2010” means Commission Regulation (EU) No 920/2010 of 7 October 2010 for a standardised and secured system of registries pursuant to Directive 2003/87/EC of the European Parliament and of the Council and Decision No 280/2004/EC of the European Parliament and of the Council;

“the Registries Regulation 2011” means Commission Regulation (EU) No 1193/2011 of 18 November 2011 establishing a Union Registry for the trading period commencing on 1 January 2013, and subsequent trading periods, of the Union emissions trading scheme pursuant to Directive 2003/87/EC of the European Parliament and of the Council and Decision 280/2004/EC of the European Parliament and of the Council and amending Commission Regulations (EC) No 2216/2004 and (EU) No 920/2010, as amended from time to time; and

“Registry” means-

- (a) any registry operated by the Agency for the purpose of meeting the obligations of the United Kingdom referred to in Article 3(1) of the Registries Regulation 2010; or
- (b) the registry established by Article 4(1) of the Registries Regulation 2011.

#### **APPLICATION CHARGES**

25. (1) Subject to paragraph (2), the following charges must accompany the following applications in relation to the Registry –

<b>Application</b>	<b>Charge</b>
Application for a person holding account or trading account	£190
Application for a verifier account	£190
Application by the holder of a person holding account or trading account to nominate an	£55



authorised representative (in addition to the 2 authorised representatives required to be nominated at the same time as the account application), change an authorised representative or nominate an additional authorised representative	
Application by a verifier to nominate or change an authorised representative	£55

(2) Where, in respect of a verifier, the application for a verifier account included a nomination of only one person to act as its authorised representative, there will be no charge for that verifier's first subsequent application to nominate or change an authorised representative.

(3) A charge of £125 per hour is payable in relation to time spent by the Agency in assessing applications for external trading platform accounts.

### **SUBSISTENCE CHARGE**

26. An annual subsistence charge of £380 is payable in relation to the maintenance of a person holding account or trading account.

## **PART 5**

### **CHARGES RELATING TO PROJECT ACTIVITIES**

#### **INTERPRETATION**

27. In this Part -
- "the Regulations" means the Greenhouse Gas Emissions Trading Scheme (Amendment) and National Emissions Inventory Regulations 2005 and expressions used in this Part shall have the meaning set out in the Regulations;
- "Least Developed Country" means a country listed in Schedule 1 to the Regulations.

#### **APPLICATION CHARGES**

28. The following charges must accompany the following applications made under regulation 8(1) or (2) of the Regulations, unless an application relates to a proposed project activity in a Least Developed Country –

<b>Application</b>	<b>Charge</b>
Where the application relates to a proposed Article 6 project activity	£700
Where the application relates to a proposed Article 12 project activity for the production of hydro-electric power with a generating	£700

capacity of more than 20 megawatts	
Where the application relates to any other Article 12 project activity	£250

**Signed for and on behalf of the Environment Agency**

**Jonathan C. Robinson**

**Director, Resources and Legal Services**

**27th March 2013**

**LIT 7691  
VERSION 3  
02/04/13**