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The Environment Agency (UK Emissions Trading Scheme) Charging Scheme 2021

April 2021

THE ENVIRONMENT AGENCY (UK EMISSIONS TRADING SCHEME) CHARGING SCHEME 2021

The Environment Agency, in exercise of its powers under Part 5 of the Greenhouse Gas Emissions Trading Scheme Order 2020 and section 41 of the Environment Act 1995, and with the approval of the Secretary of State and the UK ETS authority, and the consent of the Treasury, makes the following Charging Scheme.

PART 1

GENERAL

Commencement, extent and citation

1. This Charging Scheme shall –
 - (a) be referred to as the Environment Agency (UK Emissions Trading Scheme) Charging Scheme 2021 (“the Scheme”),
 - (b) extend only to England, except in relation to charges for functions of the registry administrator, where it extends to the UK,
 - (c) come into force on 1st April 2021, and
 - (d) remain in force until revoked.

Interpretation

2. In this Scheme -

“the Order ” means the Greenhouse Gas Emissions Trading Scheme Order 2020 and expressions used in this Scheme shall have the meaning set out in the Order;

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

Liability to pay charge

3. The persons set out below are liable to pay the charges 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 monitoring plan or account in the registry in respect of which the charge is payable;

- (c) in respect of charges arising under paragraph 11 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 on the making of the relevant application;
 - (b) in respect of subsistence charges arising under Part 2 and Part 4 of this Scheme, annually in advance on 1st April;
 - (c) in respect of subsistence charges arising under Part 3 of this Scheme, annually in arrears on 1st April;
 - (d) in respect of charges arising under paragraph 11 of this Scheme, on the date specified in the relevant notice;
 - (e) in respect of charges for the determination of emissions arising under this Scheme on demand.

Abatement of charges

- 5. The Agency may, by notice to the person liable for the charge, waive or reduce any charge specified in this Scheme if it considers it to be significantly disproportionate in a particular case, having regard to the actual costs and expenses incurred or to be incurred by the Agency in relation to a particular application or subsistence period.

Revocation

- 6. The Environment Agency (EU Emissions Trading Scheme) (England) Charging Scheme 2018 which came into effect on 1st April 2018 is revoked in so far as it relates to subsistence charges due for any period beginning on 1st April 2021.

PART 2

CHARGES RELATING TO INSTALLATIONS

Permit application charge

7. (1) A permit application charge must accompany an application for a permit made under Schedule 6, paragraph 1 or Schedule 7, paragraph 7 to the Order.

(2) The permit application charge is £1,232 (composed of £948 for permit determination and £284 for the opening of an operator holding account in the registry).

Subsistence charge

8. (1) Subject to sub-paragraphs (3) and (4), a subsistence charge is payable annually in respect of the subsistence of a permit for a year.

(2) The subsistence charge is –
 - (a) £3,046 for installations with greenhouse gas emissions permits in receipt of a free allocation of allowances (composed of £2,704 for regulatory activity and £342 for registry administration);
 - (b) £1,978 for installations with greenhouse gas emissions permits not in receipt of a free allocation of allowances (composed of £1,645 for regulatory activity and £333 for registry administration);
 - (c) £1,874 for installations with hospital or small emitter permits.

(3) Where during a relevant year –

- (a) a permit is issued in relation to an installation under Schedule 6, paragraph 3 or Schedule 7, paragraph 9 to the Order; or
- (b) a permit is partially transferred in accordance with Schedule 6, paragraph 9 to the Order,

the charge relating to the installation (or in the case of a partially transferred permit, the transferred units) will be $N/365$ of the subsistence charge, where N is the number of days remaining in the relevant year after the day on which the permit is granted or the transfer took effect, as appropriate.

- (4) Where an operator has paid the subsistence charge for a year in full and during that year –

(a) a permit is surrendered under Schedule 6, paragraph 11 to the Order;
or

(b) a permit is revoked under Schedule 6, paragraph 12 to the Order,

the Environment 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.

Transfer charge

9. A transfer charge of £1,340 (composed of £985 for regulatory activity and £355 for related registry administration costs) must accompany an application to transfer a permit, in whole or in part made under Schedule 6, paragraph 7 to the Order.

Surrender charge

10. A surrender charge of £1,279 (composed of £1,137 for regulatory activity and £142 for related registry administration costs) must accompany an application to surrender a permit made under Schedule 6, paragraph 11 to the Order.

Revocation charge

11. A revocation charge of £1,052 (composed of £910 for regulatory activity and £142 for related registry administration costs) is payable in respect of a revocation notice served under Schedule 6, paragraph 12 to the Order.

Charge for allocation from new entrant reserve

12. A charge of £1,120 must accompany an application for an allocation from the new entrant reserve under article 5 of Commission Delegated Regulation (EU) 2019/331 of 19 December 2018 (as it has effect in domestic law) as amended by the Greenhouse Gas Emissions Trading Scheme (Amendment) Order 2020.

Determination charge

13. A charge of £125 per hour is payable in relation to time spent by the Environment Agency in determining reportable emissions under article 45 of the Order.

PART 3

CHARGES RELATING TO AVIATION

Application charges

14. An application charge of £1,110 (composed of £826 for emissions monitoring plan determination and £284 for the opening of an aircraft operator holding account in the registry) shall accompany an application to determine an emissions monitoring plan made under article 28(1) of the Order.

Subsistence charge

15. (1) Subject to sub-paragraph (2) a subsistence charge of £2,425 (composed of £1,930 for regulatory activity and £495 for registry administration costs) is payable annually in respect of subsistence as an aircraft operator under the Order, for a calendar year.

(2) In the year that the emissions monitoring plan is issued under article 29(1) of the Order (the relevant year), the charge will be $N/365$ of the subsistence charge, where N is the number of days remaining in the relevant year after the day on which the emissions monitoring plan was issued.

Determination charge

16. A charge of £125 per hour is payable in relation to time spent by the Environment Agency in determining emissions under article 45 of the Order.

PART 4

SPECIFIC CHARGES RELATING TO THE REGISTRY

Application charges

17. The following charges must accompany the following applications in relation to the registry –

Application	Charge
Application for a trading account in the registry.	£355
Application by an account holder to nominate an authorised representative in addition to the 2 authorised representatives nominated on account opening, change an authorised representative or nominate an additional authorised representative.	(a) £142, where previous due diligence has been undertaken; (b) £304 where no previous due diligence has been undertaken.

Subsistence charge

18. An annual subsistence charge of £404 is payable in relation to the maintenance of a trading account in the registry.

PART 5

CHARGES RELATING TO PROJECT ACTIVITIES

Interpretation

19. In this Part –

"the Regulations" means the Greenhouse Gas Emissions Trading Scheme (Amendment) and National Emissions Inventory Regulations 2005 (as amended by the Greenhouse Gas Emissions Trading Scheme (Amendment) and National Emissions Inventory (Amendment) Regulations 2014) and expressions used in this Part shall have the meaning set out in the Regulations.

Application charges

20. The following charges must accompany the following applications made under regulation 5(1) or (2) of the Regulations –

Application	Charge
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 capacity of more than 20 megawatts.	£700
Where the application relates to any other Article 12 project activity.	£250