



Offshore Petroleum Regulator  
for Environment & Decommissioning

**Offshore Petroleum Regulator for  
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**UK ETS permit holders**

11<sup>th</sup> May 2021

Dear Operator,

**RE: UK ETS Authority publishes the free allocation table for 2021-2025 allocation period.**

The UK ETS authority has assessed the applications for a free allocation of allowances for the 2021 to 2025 allocation period.

The allocation table has been [published](#) by the UK ETS authority today. The table includes the final annual number of allowances to be allocated to each relevant installation in each scheme year in the period 2021 to 2025. The allocation table includes entries for those installations whose applications were determined as valid by the UK ETS authority, with the exception of installations that ceased operation on or before 31 December 2020.

For those installations included in the allocation table, the number of allowances you will be allocated is based on the calculation:

Free allocation of allowances = Historic Activity Level \* benchmark \* correction factor

The industry benchmarks used in the calculations were updated and [published](#) by the European Commission in March. These benchmarks are different to those used for free allocation calculations under Phase III of the EU ETS. The UK authority has [confirmed](#) that there is no Cross-sectoral Correction Factor for the 2021 to 2025 allocation period and so the calculation for all installations except electricity generators is the benchmark multiplied by the Historic Activity Level.

For electricity generators whose application for a free allocation of allowances under the heat benchmark were determined as valid, you will have a Linear Reduction Factor applied. This is set out in Article 16a(6) of the Free Allocation Regulation (as amended by the [Greenhouse Gas Emissions Trading Scheme \(Amendment\) Order 2020](#)). For those installations whose applications were determined to be invalid, or partially invalid, you will receive a notice, setting out the UK ETS authority's decision and reasoning.

If you have any questions about the allocation table, please contact the UK ETS authority directly, on [emissions.trading@beis.gov.uk](mailto:emissions.trading@beis.gov.uk)

Yours faithfully,

Environmental Management Team