

**2019 No.**

**EXITING THE EUROPEAN UNION**

**CLIMATE CHANGE**

**The Greenhouse Gas Emissions Trading Scheme (Amendment)  
(EU Exit) (No. 2) Regulations 2019**

<i>Sift requirements satisfied</i>	***
<i>Made - - - -</i>	***
<i>Laid before Parliament</i>	***
<i>Coming into force in accordance with regulation 1</i>	

The Secretary of State makes these Regulations in exercise of the powers conferred by section 8(1) of the European Union (Withdrawal) Act 2018<sup>(a)</sup>.

The requirements of paragraph 3(2) of Schedule 7 to that Act (relating to the appropriate Parliamentary procedure for these Regulations) have been satisfied.

**PART 1**

**Introduction**

**Citation and commencement**

1. These Regulations may be cited as the Greenhouse Gas Emissions Trading Scheme (Amendment) (EU Exit) (No. 2) Regulations 2019 and come into force on the later of exit day or the 21st day after the day on which these Regulations are laid before Parliament.

**PART 2**

**Amendment of the Greenhouse Gas Emissions Trading Scheme Regulations 2012**

**Amendment of the Greenhouse Gas Emissions Trading Scheme Regulations 2012**

2. The Greenhouse Gas Emissions Trading Scheme Regulations 2012<sup>(b)</sup> are amended by substituting in regulation 3(1) the following for the definition of “the Verification Regulation”—

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<sup>(a)</sup> 2018 c.16.

<sup>(b)</sup> S.I. 2012/3038, amended by S.I. 2013/755 (W.90), 2013/1037, 2013/3135, 2014/3125, 2015/912, 2015/933, 2015/1388 (W.137), 2015/1849, 2016/28, 2017/1207, 2018/306, 2019/107 and S.R. 2016 No.28.

“the Verification Regulation” means—

- (a) in relation to emissions occurring on or after 1st January 2019, Commission Implementing Regulation (EU) 2018/2067 of 19 December 2018 on the verification of data and on the accreditation of verifiers pursuant to Directive 2003/87/EC of the European Parliament and of the Council as amended from time to time;
- (a) in relation to emissions occurring prior to 1st January 2019, 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;”.

## PART 3

### Amendment of the Greenhouse Gas Emissions Trading Scheme (Amendment) (EU Exit) Regulations 2019

#### **Amendment of the Greenhouse Gas Emissions Trading Scheme (Amendment) (EU Exit) Regulations 2019**

**3.** In the Greenhouse Gas Emissions Trading Scheme (Amendment) (EU Exit) Regulations 2019(a), omit regulation 113.

## PART 4

### Amendment of EU Regulations

#### **Amendment of Commission Regulation (EU) No 601/2012**

**4.** 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 is amended in accordance with regulations 5 and 6.

#### **Amendment of Article 15**

**5.** For Article 15(4)(a)(b) substitute—

“(a) with regard to the emission monitoring plan:

- (i) a change of emission factor values laid down in the monitoring plan;
- (ii) a change between calculation methods as laid down in Annex 3, or a change from the use of a calculation method to the use of estimation methodology in accordance with Article 54(2) or vice versa;
- (iii) the introduction of new source streams;
- (iv) changes in the status of the aircraft operator as a small emitter within the meaning of Article 54(1) or with regard to one of the thresholds provided by Article 28a(6) of Directive 2003/87/EC(c);”.

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(a) S.I. 2019/107.

(b) Amended by Article 76(2) of Commission Implementing Regulation (EU) 2018/2066 of 19 December 2018 on the monitoring and reporting of greenhouse gas emissions pursuant to Directive 2003/87/EC of the European Parliament and of the Council and amending Commission Regulation (EU) No 601/2012.

(c) Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a system for greenhouse gas emission allowance trading within the Union and amending Council Directive 96/61/EC.

## **Amendment of Article 49**

### **6. For Article 49(1)(a) substitute—**

“1. The operator shall subtract from the emissions of the installation any amount of CO<sub>2</sub> originating from fossil carbon in activities covered by Annex 1 to Directive 2003/87/EC that is not emitted from the installation, but:

- (a) transferred out of the installation to any of the following:
  - (i) a capture installation for the purpose of transport and long-term geological storage in a storage site permitted in accordance with the CCS licensing regime;
  - (ii) a transport network with the purpose of long-term geological storage in a storage site permitted in accordance with the CCS licensing regime;
  - (iii) a storage site permitted in accordance with the CCS licensing regime for the purpose of long-term geological storage;
- (b) transferred out of the installation and used to produce precipitated calcium carbonate, in which the used CO<sub>2</sub> is chemically bound.”

## **Amendment of Commission Implementing Regulation (EU) 2018/2067**

7. Commission Implementing Regulation (EU) 2018/2067 of 19 December 2018 on the verification of data and on the accreditation of verifiers pursuant to Directive 2003/87/EC of the European Parliament and of the Council is amended in accordance with regulations 8 to 61.

### **Amendment of Article 1**

#### **8. In Article 1—**

- (a) in the first paragraph, for “Directive 2003/87/EC” substitute “the 2012 Regulations”;
- (b) omit the second paragraph.

### **Amendment of Article 2**

9. In Article 2 for the words from “Article 14” to the end, substitute “regulation 35(4) and paragraph 2(1)(e)(ii) of Schedule 4 to the 2012 Regulations”.

### **Amendment of Article 3**

#### **10. In Article 3—**

- (a) in the first sentence omit “Article 3 of Directive 2003/87/EC and”;
- (b) before paragraph (1), insert—

“(A1) ‘the 2012 Regulations’ means the Greenhouse Gas Emissions Trading Scheme Regulations 2012;”;
- (c) in paragraph (2), for “harmonised standards, within the meaning of point 9 of Article 2 of Regulation (EC) No 765/2008” substitute “EN ISO 14065:2013**(b)**”;
- (d) in paragraph (3), omit the words “or a natural person otherwise authorised, without prejudice to Article 5(2) of that Regulation,”;
- (e) after paragraph (4), insert—

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(a) Amended by Article 76(3) of Commission Implementing Regulation (EU) 2018/2066 of 19 December 2018 on the monitoring and reporting of greenhouse gas emissions pursuant to Directive 2003/87/EC of the European Parliament and of the Council and amending Commission Regulation (EU) No 601/2012 and regulation 113 of S.I. 2019/107.

(b) ISO 14065:2013 specifies principles and requirements for bodies that undertake validation or verification of greenhouse gas (GHG) assertions, available at <https://www.iso.org/standard/60168.html>. Copy available for inspection at the Department for Business, Energy & Industrial Strategy at 1 Victoria Street, London, SW1H 0ET, United Kingdom.

“(4a) ‘aircraft operator’ means the person who operates an aircraft at the time it performs an aviation activity or, where that person is not known or is not identified by the owner of the aircraft, the owner of the aircraft;

(4b) ‘emissions’ has the meaning given in Article 3(b) of Directive 2003/87/EC;”;

(f) in paragraph (7), for the words from “Article 14(3)” to the end, substitute “regulation 35(4) and paragraph 2(1)(e)(ii) of Schedule 4 to the 2012 Regulations;”;

(g) after paragraph (7), insert—

“(7a) ‘greenhouse gas emissions permit’ has the same meaning as in the 2012 Regulations;

(7b) ‘aviation activity’ has the same meaning as in the 2012 Regulations;”;

(h) in paragraph (11), omit the words from “or pursuant to Article 11” to the end;

(i) after paragraph (12), insert—

“(12a) ‘the CCS licensing regime’ means Chapter 3 of Part 1 of the Energy Act 2008 and other domestic legislation which immediately before exit day implemented Directive 2009/31/EC(a);”;

(j) in paragraph (13), omit point (c);

(k) omit paragraphs (28) and (29).

### New Article 3a

11. After Article 3 insert—

*“Article 3a*  
**Interpretation**

In this Regulation:

(a) references to a national accreditation body are references to the national accreditation body of the United Kingdom appointed in accordance with Article 4(1) of Regulation (EC) No 765/2008;

(b) references to Implementing Regulation (EU) 2018/2066 are to be construed as references to Commission Regulation (EU) No 601/2012 and read in accordance with the following correlation table.

**Correlation table**

Implementing Regulation (EU) 2018/2066	Commission Regulation (EU) No 601/2012
Article 1 to 49	Article 1 to 49
Article 50	—
Article 51 to 54	Article 50 to 53
Article 55	Article 54
Article 56	Article 55
Article 57	—
Article 58	Article 57
Article 59	Article 58
Article 60	Article 59
Article 61 to 65	Article 60 to 64
Article 66	Article 65
Article 67 to 68	Article 66 to 67
Article 69 to 75	Article 69 to 75
Article 76	—

(a) Directive 2009/31/EC of the European Parliament and of the Council of 23 April 2009 on the geological storage of carbon dioxide and amending Council Directive 85/337/EEC, European Parliament and Council Directives 2000/60/EC, 2001/80/EC, 2004/35/EC, 2006/12/EC, 2008/1/EC and Regulation (EC) No 1013/2006. OJ L 140, 5.6.2009, p.114.

#### **Amendment of Article 4**

**12.** In Article 4—

- (a) for “the relevant harmonised standards as defined in point (9) of Article 2 of Regulation (EC) No 765/2008, or parts thereof, the references of which have been published in the *Official Journal of the European Union*” substitute “EN ISO 14065:2013”;
- (b) for “the applicable harmonised standards” substitute “those standards”.

#### **Amendment of Article 6**

**13.** In Article 6—

- (a) in the first paragraph omit “, baseline data report or new entrant data report”;
- (b) in the second paragraph omit “or data relevant for free allocation”.

#### **Amendment of Article 7**

**14.** In Article 7—

- (a) in paragraph 3, omit “responsible for Directive 2003/87/EC”;
- (b) in paragraph 4,
  - (i) in the first subparagraph—
    - (aa) in point (a) omit the words from “or in Annex IV” to the end;
    - (bb) omit point (c);
  - (ii) omit the second subparagraph;
  - (iii) for the third subparagraph, substitute—

“For the purpose of point (d) of this paragraph, the verifier shall obtain clear and objective evidence from the operator or aircraft operator to support the reported aggregated emissions or tonne-kilometres taking into account all other information provided in the operator’s or aircraft operator’s report.”;

- (c) for paragraph 5, substitute—

“5. If the verifier discovers that an operator or an aircraft operator is not complying with Implementing Regulation (EU) 2018/2066, that irregularity shall be included in the verification report even if the monitoring plan concerned has been approved by the competent authority.”;

- (d) in paragraph 6, omit the second subparagraph.

#### **Amendment of Article 9**

**15.** In Article 9(1)—

- (a) in point (b) omit “or the monitoring methodology plan, as appropriate”;
- (b) in point (e) for “greenhouse gas emissions, tonne-kilometre data or data relevant for free allocation” substitute “greenhouse gas emissions or tonne-kilometre data”.

#### **Amendment of Article 10**

**16.** In Article 10(1)—

- (a) omit point (c);

- (b) in point (e), omit the words from “or Article 11(1)” to “as appropriate.”;
- (c) omit point (f);
- (d) in point (g), omit “or the monitoring methodology plan.”;
- (e) for point (h), substitute—
  - “(h) the operator’s or aircraft operator’s annual emission or tonne-kilometre report, as appropriate.”;
- (f) omit point (i);
- (g) for point (m), substitute—
  - “(m)the verification report from the previous year, if the verifier did not carry out the verification for that particular operator or aircraft operator the previous year.”;
- (h) in point (n), omit “or monitoring methodology plan, as appropriate.”;
- (i) in point (p)—
  - (i) for “Directive 2009/31/EC” substitute “the CCS licensing regime”;
  - (ii) for “required by that Directive and the reports required by Article 14 of that Directive” substitute “and reports required by that regime”.

### **Amendment of Article 11**

#### **17. In Article 11—**

- (a) in paragraph 3—
  - (i) for point (c), substitute—
    - “(c) the monitoring plan approved by the competent authority as well as the specifics of the monitoring methodology laid down in that monitoring plan.”;
  - (ii) for point (d), substitute—
    - “(d) the nature, scale and complexity of emission sources and source streams as well as the equipment and processes that have resulted in emissions or tonne-kilometre data, including the measurement equipment described in the monitoring plan, the origin and application of calculation factors and other primary data sources.”;
- (b) in paragraph 4—
  - (i) for point (a), substitute—
    - “(a) whether the monitoring plan presented to it is the most recent version approved by the competent authority.”;
  - (ii) in point (b), omit “or of the monitoring methodology plan during the baseline period, as appropriate.”;
  - (iii) in point (c), omit “where applicable.”;
  - (iv) omit point (d).

### **Amendment of Article 13**

#### **18. In Article 13—**

- (a) in paragraph 1, for point (c) substitute—
  - “(c) a data sampling plan setting out the scope and methods of data sampling related to data points underlying the aggregated emissions in the operator or aircraft operator’s emission report or the aggregated tonne-kilometre data in the aircraft operator’s tonne-kilometre report.”;
- (b) in paragraph 2, for “Article 7(4)(b), (c), (d) or the second subparagraph of Article 7(4)” substitute “Article 7(4)(b) or (d)”.

#### **Amendment of Article 14**

**19.** In Article 14—

- (a) in the first paragraph, omit “or monitoring methodology plan, as appropriate”;
- (b) in the second paragraph in point (c), omit “or monitoring methodology plan, as appropriate.”.

#### **Amendment of Article 16**

**20.** In Article 16(2)—

- (a) omit “or monitoring methodology plan, as appropriate”;
- (b) omit point (b);
- (c) for point (c), substitute—  
“for the purposes of verifying an operator’s emission report, the completeness of source streams and emission sources as described in the monitoring plan approved by the competent authority;”;
- (d) in point (d) omit “listed in Annex I to Directive 2003/87/EC”.

#### **Amendment of Article 17**

**21.** In Article 17—

- (a) omit paragraph 3;
- (b) in paragraph 4, omit “or transferred N<sub>2</sub>O is not counted in accordance with Article 50 of that Regulation” and “or N<sub>2</sub>O transferred”;
- (c) omit paragraph 5.

#### **Amendment of Article 18**

**22.** In Article 18, omit paragraph 3.

#### **Amendment of Article 19**

**23.** In Article 19, omit paragraph 3.

#### **Amendment of Article 21**

**24.** In Article 21—

- (a) omit paragraph 4;
- (b) in paragraph 5, omit “baseline data report or new entrant data report.”.

#### **Amendment of Article 22**

**25.** In Article 22—

- (a) in paragraph 1—
  - (i) for the first subparagraph substitute—  
“If the verifier identifies misstatements, non-conformities or non-compliance with Implementing Regulation (EU) 2018/2066 during the verification, it shall inform the operator or aircraft operator thereof on a timely basis and request relevant corrections.”;
  - (ii) for the third subparagraph substitute—

“Where a non-compliance with Implementing Regulation (EU) 2018/2066 has been identified, the operator or aircraft operator shall notify the competent authority and correct the non-compliance as appropriate without undue delay.”;

(b) for paragraph 2, substitute—

“The verifier shall document and mark as resolved in the internal verification documentation all misstatements, non-conformities or non-compliance with Implementing Regulation (EU) 2018/2066 that have been corrected by the operator or aircraft operator during the verification.”;

(c) in paragraph 3—

(i) in the second subparagraph, for “, tonne-kilometre data or data relevant for free allocation” substitute “or tonne-kilometre data”;

(ii) for the fourth subparagraph substitute—

“If the operator or aircraft operator does not correct the non-compliance with Implementing Regulation (EU) 2018/2066 in accordance with paragraph 1 before the verifier issues the verification report, the verifier shall assess whether the uncorrected non-compliance has an impact on the reported data and whether this leads to material misstatement.”.

### **Amendment of Article 23**

26. In Article 23, omit paragraph 4.

### **Amendment of Article 24**

27. In Article 24 in point (c), omit “or monitoring methodology plan, as appropriate”.

### **Amendment of Article 26**

28. For Article 26(1)(c), substitute—

“(c) sufficient information to support the verification opinion, including justifications for judgments made on whether or not the misstatements identified have material effect on the reported emissions or tonne-kilometre data.”.

### **Amendment of Article 27**

29. In Article 27—

(a) in paragraph 1—

(i) for “each emission report, tonne-kilometre report, baseline data report or new entrant data report” substitute “each emission report or tonne-kilometre report”;

(ii) omit point (e);

(b) in paragraph 3—

(i) for point (e), substitute—

“(e) the criteria used to verify the operator’s or aircraft operator’s report, including the permit, where applicable, and versions of the monitoring plan approved by the competent authority as well as the period of validity for each monitoring plan;”;

(ii) omit point (f);

(iii) in point (g) for “per activity referred to in Annex I to Directive 2003/87/EC and per installation or aircraft operator” substitute “per aviation activity and per aircraft operator or per activity, other than aviation, listed in Annex 1 to Directive 2003/87/EC and per installation”;

(iv) omit point (h);

(v) in point (i), omit “or baseline period”;



- (vi) for point (o), substitute—  
“(o) any issues of non-compliance with Implementing Regulation (EU) 2018/2066 which have become apparent during the verification;”;
- (vii) omit points (q) and (r);
- (c) in paragraph 4—
  - (i) for the first sub paragraph, substitute—  
“The verifier shall describe the misstatements, non-conformities and non-compliance with Implementing Regulation (EU) 2018/2066 in sufficient detail in the verification report to allow the operator or aircraft operator as well as the competent authority to understand the following:”;
  - (ii) for point (a), substitute—  
“(a) the size and nature of the misstatement, non-conformity or non-compliance with Implementing Regulation (EU) 2018/2066;”;
  - (iii) in point (c), omit “or the monitoring methodology plan”;
  - (iv) for point (d), substitute—  
“(d) to which Article in Implementing Regulation (EU) 2018/2066 the non-compliance relates.”;
- (d) in paragraph 5, for “a Member State” substitute “the competent authority”.

#### **Amendment of Article 28**

**30.** In Article 28—

- (a) in point (c), omit “or monitoring methodology plan, as appropriate,”;
- (b) omit point (e).

#### **Amendment of Article 30**

**31.** In Article 30(1)—

- (a) for “points (a) to (e)” substitute “points (a) to (d)”;
- (b) in point (c), omit the words from “or Article 11(2)” to the end;
- (c) omit point (e).

#### **Amendment of Article 31**

**32.** In Article 31(3), omit point (d).

#### **Amendment of Article 37**

**33.** In Article 37(5), omit the second subparagraph.

#### **Amendment of Article 38**

**34.** For Article 38(1)(a) substitute—

“(a) knowledge of Directive 2003/87/EC, Implementing Regulation (EU) 2018/2066, this Regulation, relevant standards, and other relevant legislation, applicable guidelines, as well as relevant guidelines and legislation issued by the competent authority or Secretary of State;”.

### **Amendment of Articles 41 and 42**

35. In Articles 41 and 42, for “harmonised standard” in each place it occurs substitute “standard”.

### **Amendment of Article 43**

36. In Article 43—

- (a) for “harmonised standard” in each place it occurs substitute “standard”;
- (b) in paragraph 3—
  - (i) in point (a), omit “or in the monitoring methodology plan, as applicable” and “or monitoring methodology plan”;
  - (ii) in point (b), for “emissions, tonne-kilometre data or data relevant for free allocation” substitute “emissions or tonne-kilometre data.”.

### **Amendment of Article 44**

37. In Article 44, omit the second paragraph.

### **Amendment of Articles 46, 47, 48 and 49**

38. In Articles 46, 47, 48, and 49, for “harmonised standard” in each place it occurs substitute “standard”.

### **Amendment of Article 50**

39. In Article 50—

- (a) in paragraph 3, for “harmonised standard” substitute “standard”;
- (b) omit paragraph 5.

### **Amendment of Articles 51 and 52**

40. In Articles 51 and 52, for “harmonised standard” in each place it occurs substitute “standard”.

### **Amendment of Article 54**

41. In Article 54(4), in the second subparagraph for “Member States” substitute “The national accreditation body”.

### **Amendment of Article 55**

42. In Article 55—

- (a) in paragraph 1, for “national accreditation bodies appointed pursuant to Article 4(1) of Regulation (EC) No 765/2008” substitute “national accreditation body”;
- (b) omit paragraphs 2 to 4;
- (c) in paragraph 5, omit the words “and be granted formal recognition by the Member State.”;
- (d) in paragraph 6, for “harmonised standard” substitute “standard”.

### **Omission of Article 56**

43. Omit Article 56.

#### **Amendment of Article 57**

44. In Article 57(4), for “harmonised standard” substitute “standard”.

#### **Amendment of Article 58**

45. In Article 58(2), omit the third subparagraph.

#### **Amendment of Article 59**

46. In Article 59(1)—

- (a) in point (a), for “harmonised standard pursuant to Regulation (EC) No 765/2008” substitute “standard”;
- (b) in point (b), omit the words from “Delegated Regulation” to “in Annex I of this Regulation,”.

#### **Amendment of Article 60**

47. In Article 60(2)(a) omit the words from “Delegated Regulation” to “in Annex I of this Regulation,”.

#### **Amendment of Article 63**

48. In Article 63(2), for “harmonised standard pursuant to Regulation (EC) No 765/2008” substitute “standard”.

#### **Omission of Articles 65 to 68**

49. Omit Articles 65 to 68.

#### **Amendment of Article 69**

50. In Article 69(1)—

- (a) for “Member States” substitute “The competent authority”;
- (b) omit the words from “or in accordance with Article 13” to the end.

#### **Amendment of Article 70**

51. In Article 70—

- (a) in paragraph 1—
  - (i) for “Member State” substitute “the Secretary of State”;
  - (ii) omit the words “; or where applicable, the national authority entrusted with the certification of verifiers,”;
- (b) in paragraph 2, for “pursuant to Article 18 of Directive 2003/87/EC in a Member State, the Member State” substitute “in the United Kingdom, the Secretary of State with the agreement of the other authorities”.

#### **Amendment of Article 71**

52. In Article 71(1)—

- (a) omit “of each Member State”;
- (b) for “those Member States” substitute “the United Kingdom”;
- (c) omit point (d).

### **Amendment of Article 72**

**53.** In Article 72—

- (a) for “the following parties:” substitute “the competent authority.”;
- (b) omit points (a) and (b).

### **Amendment of Article 73**

**54.** In Article 73(1), omit “of the Member State where the verifier is carrying out the verification” and “which has accredited that verifier”.

### **Omission of Articles 74 and 75**

**55.** Omit Articles 74 and 75.

### **Amendment of Article 76**

**56.** In Article 76—

- (a) in paragraph 1—
  - (i) in the first subparagraph omit “other national accreditation bodies.”;
  - (ii) omit the second subparagraph;
- (b) in paragraph 2, omit point (b).

### **Amendment of Article 77**

**57.** In Article 77(1)(b), for “emissions, tonne-kilometre reports, baseline data reports or new entrant data reports” substitute “emissions or tonne-kilometre reports”.

### **Amendment of Article 79**

**58.** In Article 79, omit “This Regulation shall be binding in its entirety and directly applicable in all Member States.”.

### **Amendment of Annex 1**

**59.** In Annex 1—

- (a) before the table—
  - (i) after “using” insert “aviation activities or in relation to the activities other than aviation using”;
  - (ii) omit the words from “and other activities pursuant to Articles 10a” to the end;
- (b) in the table—
  - (i) in the rows for activity group 10—
    - (aa) for “Directive 2003/87/EC” substitute “the 2012 Regulations”;
    - (bb) for “Directive 2009/31/EC” in each place it occurs substitute “the CCS licensing regime”;
  - (ii) in the rows for activity group 11 for “Directive 2009/31/EC” substitute “the CCS licensing regime”;
  - (iii) omit the rows for activity groups 98 and 99.

### **Amendment of Annex 2**

**60.** In Annex 2, for “the harmonised standard pursuant to Regulation (EC) No 765/2008” substitute “EN ISO 14065:2013”.

### Amendment of Annex 3

61. In Annex 3, for “the harmonised standard pursuant to Regulation (EC) No 765/2008” substitute “EN ISO/IEC 17011:2017(a)”.

## PART 5

### Revocation

#### Revocation of Commission Delegated Regulation (EU) 2019/331

62. Commission Delegated Regulation (EU) 2019/331 of 19 December 2018 determining transitional Union-wide rules for harmonised free allocation of emission allowances pursuant to Article 10a of Directive 2003/87/EC of the European Parliament and of the Council is revoked.

	<i>Name</i>
	Minister of State
Date	Department for Business, Energy and Industrial Strategy

#### EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations are made in exercise of the powers conferred by section 8 of the European Union (Withdrawal) Act 2018 in order to address failures of retained EU law to operate effectively and other deficiencies arising from the withdrawal of the United Kingdom from the European Union.

The Greenhouse Gas Emissions Trading Scheme (Amendment) (EU Exit) Regulations 2019 (the “Exit Regulations”) related to the continuation of the monitoring, reporting, accreditation and verification obligations of the EU Emissions Trading Scheme (EU ETS) in a no deal scenario. These Regulations address further deficiencies to the functioning of those obligations as a result of the coming into force of Article 76 of Commission Implementing Regulation (EU) 2018/2066 of 19 December 2018 on the monitoring and reporting of greenhouse gas emissions (“the new monitoring regulation”) and Commission Implementing Regulation (EU) 2018/2067 of 19 December 2018 on the verification of data and on the accreditation of verifiers (“the new verification regulation”).

Part 2 amends the Greenhouse Gas Emissions Trading Scheme Regulations 2012 (the “2012 Regulations”) to update the definition of “the Verification Regulation”.

Part 3 amends the Exit Regulations as a consequence of the amendments made by Article 76 of the new monitoring regulation, to Commission Regulation (EU) 601/2012 of 21 June 2012 on the monitoring and reporting of greenhouse gas emissions (“the previous monitoring regulation”).

In Part 4, regulations 5 and 6 address further deficiencies in the previous monitoring regulation introduced by Article 76 of the new monitoring regulation.

The remainder of Part 4 makes amendments to the new verification regulation to ensure the operability of verification requirements after exit. Part 4 also amends the new verification

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(a) ISO/IEC 17011:2017 specifies requirements for the competence, consistent operation and impartiality of accreditation bodies assessing and accrediting conformity assessment bodies. Available at: <https://www.iso.org/standard/67198.html>. Copy available for inspection at the Department for Business, Energy & Industrial Strategy at 1 Victoria Street London, SW1H 0ET, United Kingdom.

regulation to exclude provisions relating to free allocation, introduced by Commission Delegated Regulation (EU) 2019/331 of 19 December 2018 determining transitional Union-wide rules for harmonised free allocation of emission allowances pursuant to Article 10a of Directive 2003/87/EC of the European Parliament and of the Council (the “FAR”) as after exit, in a no deal scenario the UK will no longer continue participating in the free allocation process.

Part 5 provides for the revocation of the FAR.

An impact assessment has not been produced for this instrument as no, or no significant, impact on the private or voluntary sector is foreseen.

DRAFT