



UK ETS Authority publishes response on free allocation for installations that cease activity, and consultations on scope expansion to the maritime sector and non-pipeline transport for CCUS into the UK ETS

The UK ETS Authority – made up of the UK Government, Scottish Government, Welsh Government and the Department of Agriculture, Environment and Rural Affairs for Northern Ireland who jointly run the scheme – has today launched two consultations. One consultation is seeking input on the details of the scheme’s expansion to include the maritime sector. The second consultation is seeking input on the details of the scheme’s expansion to include non-pipeline transport for CCUS.

The Authority has also published an initial response to the 2023 Free Allocation Review consultation, covering decisions on free allocation rules for sites that cease activity.

Read the announcement and Authority ministers’ statement on the publications [here](#).

Overview of the publications and consultations

Free allocation initial response: permanent cessations

This initial response to the 2023 Free Allocation Review covers the proposals on changes to free allocation rules in the case of permanent cessation of activity.

It confirms that UK ETS installations that cease operations will have their free allocation entitlement adjusted to reflect their actual activity levels in their final year of operation. To continue to incentivise decarbonisation, installations that close for the purpose of decarbonising their operations will be able to apply to

keep their full final year's free allocation. Implementing legislation will be laid shortly and will be in force by early 2025.

Read the response [here](#).

The UK ETS Authority will publish further updates on the Free Allocation Review in due course, and will invite stakeholders to a webinar on the Review in the New Year.

Consultation on Scope Expansion to Maritime

The purpose of this consultation is to provide more detail and consult on the implementation of how maritime will be incorporated in the scheme from 2026 and to propose and consult on potential future expansion of the UK ETS to additional maritime emissions. In particular, it seeks views on:

- The scope of the scheme (definition of a domestic voyage, thresholds for inclusion, the inclusion of methane and nitrous oxide emissions and exemptions from the scheme)
- Details around how to adjust the UK ETS cap to include emissions from the maritime sector, including in the event of an updated decarbonisation strategy for the sector.
- Participating in the scheme (regulatory regime and operator requirements, monitoring, reporting and verification, point of obligation and guidance)
- Impacts of the scheme (decarbonisation impacts, potential distributional impacts and carbon leakage risk; equality considerations)
- Potential future expansion of the UK ETS to additional maritime emissions, with a future review of the threshold and coverage of international routes

Read the consultation document [here](#) and respond on Citizen Space [here](#).

The deadline for responses is 23 January 2025.

Consultation on Non-Pipeline Transport to CCUS

Following commitments made in July 2023, the Authority has set out its

intention to recognise transfers of CO₂ to permanent geological storage via non-pipeline transport (NPT) methods e.g. shipping, rail, or road.

The aim of this consultation is to provide more detail and consult on the regulatory framework required to recognise and implement NPT of CO₂ in the ETS. This will help enable economically viable access to CCS for dispersed industrial sites without pipeline access.

In particular, the consultation proposes options and/or seeks views on:

- ETS NPT Regulatory Framework
- Accounting for NPT transport emissions
- Shipping and Multiport Journeys
- Intermediate CO₂ storage facilities and CO₂ mixing
- Interactions between our proposed NPT policy and GGRs
- Our minded to position that our NPT policy will not require an adjustment to the ETS cap

Read the consultation document [here](#) and respond on Citizen Space [here](#).

The deadline for responses is 23 January 2025.

Consultation Engagement

The Authority is hosting informative webinars on the two consultations. Registration for both will close at 17:00 on Wednesday 4 December.

Maritime consultation overview webinar

Date: Thursday 5 December

Time: 10:30 – 12:00

[Sign up to attend here](#)

Non-pipeline transport consultation overview Webinar

Date: Thursday 5 December

Time: 13:30 – 15:00

[Sign up to attend here](#)

How to Respond to the consultations

1. Citizen Space – A dedicated platform used by the Department for Energy Security and Net Zero to help you find, share and participate in consultations.
2. Email - ukets.consultationresponses@energysecurity.gov.uk