



7th February 2025

To Whom it may concern,

2025 Baseline Data Collection and applying for HSE/USE status: templates and guidance

Between 1 April to 30 June 2025, all installation operators within scope of the UK Emissions Trading Scheme (UK ETS) are required to submit data to their regulator ahead of the next allocation period. This data collection period is also used as the application window for free allocation and for Hospital or small emitter (HSE) and Ultra-small emitter (USE) status.

The baseline data collection is an essential part of the free allocation application, and failure to submit this report by the deadline will result in an operator not receiving free allocation at any point during the second allocation period. It is essential that applicants for HSE or USE status submit all data required to apply to join these lists for the 2026-2030 period in this window.

The Baseline Data Report template has been designed for use by all operators to meet their submission requirements, apply to acquire USE/HSE status and/or to apply to receive FA in the next allocation period. Please note that existing USEs should complete the separate USE template – please see [here](#) (in addition to the BDR if applying for FA and/or HSE status).

The BDR template, verification report template and UKETS12 and UKETS13 guidance are available on gov.uk: <https://www.gov.uk/government/publications/uk-ets-2025-baseline-data-collection-and-hseuse-scheme-status-how-to-meet-the-data-submission-requirements>.

Permanent Cessations guidance

The UK ETS Authority published an initial response to the 2023 Free Allocation Review in November 2024, confirming changes to free allocation rules in the case of permanent cessation of activity.

Legislation to implement these changes has now been made by all four UK parliaments and will apply in relation to any sub-installations which “cease operations” (i.e. at which operations permanently cease) and can be found here: <https://www.legislation.gov.uk/uksi/2025/100/contents/made>.

Under these new rules in force from today, the volume of free allocation which an operator is entitled to in the final year in which operations are carried out at a sub-installation is calculated by reference to the level of activity at the sub-installation in that final year. In order to continue to incentivise decarbonisation, operators will be able to keep their full final year’s entitlement where the permanent cessation of operations at a sub-installation is part of a series of changes which result in a material increase in the carbon efficiency of activities which continue to be carried out at the installation.

Full guidance will be published on gov.uk soon. In the meantime, if you are permanently ceasing operations and have any questions, please contact your regulator.