

FAQs: HSE applications 2026-2030

This document aims to assist operators in their Hospital and Small Emitter (HSE) application submissions. The submission window opened on the 1st of April 2025 and will close on the 30th of June 2025.

This document is intended to provide guidance for operators of installations. You should always consult the legislation to ensure that you are complying with the relevant requirements. The document covers FAQs in relation to:

1. *Timings*
2. *Baseline Data Report (BDR) template*
3. *HSE eligibility*
4. *Verification/self-declaration*
5. *Free Allocation (FA)*
6. *Joining or leaving the HSE scheme*
7. *Contacts/ further information*

Timings

1. When will the new HSE list be published?

The UK ETS authority must publish the hospital and small emitter list for 2026-2030 on or before 17th October 2025. This is set out in paragraph 5(5) of Schedule 7 to the UK ETS Order.

BDR Template

2. How do I know which parts of the template to complete in order for my HSE application to be complete?

The BDR template can be used to complete your HSE application. The relevant sections are:

- Sheet A - sections I 'Identification of the installation' and II 'Information on this Baseline Data Report'. Note that in section II you must answer questions 1(a) and 1(b); questions 1(c) and 1(d) must be answered if your answer to question 1(a) was 'true'; EITHER question 1(e) OR 1(f) must be answered, and in all cases question 1(g) must be answered.
- Sheet D – section D.I.2 (Emissions)
- Sheet I - part 2 (HSE applicants' supporting evidence)
- If applying for free allocation (FA), the full BDR template should be worked through.

Please see the UKETS 12 guidance document for more information on the relevant sections.¹

3. Who must fill in Sheet I of the BDR template?

Sheet I is relevant for all HSE applicants, FA applicants where electricity generator status may be relevant, and Ultra-Small Emitter (USE) applicants wishing to supply 2024 reportable emissions data. Please refer to the UK ETS 12 guidance document for more information.

4. In Sheet I, HSE applicants are asked to provide information on rated thermal input evidence previously submitted to their regulator. Can a copy of what was previously reported be requested from the regulator?

If the evidence is available in METS, then the regulator does not need this information to be resubmitted. Please advise the regulator as to where it can be found (for example, a submission in METS or documentation associated with the permit.)

HSE eligibility

5. How do I know which Condition (A, B or C) applies to my installation?

Conditions A, B and C describe the types of installation which can apply for HSE status. You must state in your application under which Condition you are applying. You can only select one relevant Condition.

Those conditions are:

Condition A - this applies to an installation applying for HSE status which primarily provides services to a hospital² in the 2024 scheme year. If the regulated activity has not begun at the installation at the date of application, then the regulated activity must start before 1 November 2025 and the installation must primarily provide services to a hospital after that date.

Condition B - this applies to an installation applying for HSE status that commenced a regulated activity on or before 1 January 2021. The following must also apply:

- the installation's reportable emissions in each of the 2021, 2022 and 2023 schemes do not exceed the maximum amount (24,999 tCO_{2(e)})
- where the regulated activity is "combustion of fuels," the installation's rated thermal input is below 35 MW in each of those years.

Condition C - this applies to an installation applying for HSE status that commenced a regulated activity after 1 January 2021. If a regulated activity has not begun to be carried out at the installation at the date of the application, a

¹ <https://assets.publishing.service.gov.uk/media/67eaa750ea9f8afd81056293/ukets12-far-completing-2025-baseline-data-collection-applying-for-hse-use-status.pdf>

² For the meaning of an installation that primarily provides services to a hospital, please refer to paragraph 2 of Schedule 7 to the UK ETS Order.

regulated activity will begin to be carried out at the installation before 1st November 2025. The following must also apply:

- If a regulated activity has begun to be carried out at the installation at the date of the application, the installation's reportable emissions must not exceed the maximum amount in each of the scheme years for which data are available and are not likely to exceed the maximum amount in each of the 2026-2030 scheme years. Additionally, where the regulated activity is "combustion of fuels", the installation's rated thermal input is below 35 MW in each of the scheme years for which data are available and is likely to be below 35 MW in each of the 2026-2030 scheme years.
- If a regulated activity has not begun to be carried out at the installation at the date of the application, but a regulated activity will begin to be carried out at the installation before 1st November 2025, the installation's reportable emissions are not likely to exceed the maximum amount in each of the scheme years in the 2026-2030 allocation period. Additionally, where the regulated activity is "combustion of fuels", the installation's rated thermal input is likely to be below 35 MW in each of the scheme years in the 2026- 2030 allocation period.

When an operator is unable to include evidence of reportable emissions for a complete scheme year, the operator must submit an estimate of the installation's reportable emissions in the 2026 scheme year.

6. Is there a threshold at which hospitals would rejoin the main UK ETS?

There is no reportable emissions/ rated thermal input threshold for installations that primarily provide services to hospitals. Installations who qualify under this Condition (Condition A) can voluntarily apply to join the main scheme if they wish. However, if a hospital-qualifying installation ceases to be an installation that primarily provides services to a hospital in a scheme year, then they will need to re-join the main UK ETS unless the installation was operating in any of the 2021, 2022 and 2023 scheme years and the following apply:

- 1) The installation's reportable emissions in each of the years 2021 – 2023 in which they were operating do not exceed the maximum amount (24,999 tCO_{2(e)}) and
- 2) When the regulated activity carried out at the installation is "combustion of fuels", the installation's rated thermal input is below 35 MW in each of the years 2021 – 2023 in which they were operating.

Installations must apply for FA if they wish to receive FA during the next allocation period, but they are not required to do so.

7. Can I apply to join the HSE list if my rated thermal input was above 35MW in 2021-2023?

Under Conditions B and C, any historical reported emissions must not have exceeded 24,999 tonnes of carbon dioxide equivalent, and the rated thermal input must have not exceeded 35MW. Only installations applying under Condition

A (primarily providing services to a hospital) do not need to meet these requirements.

8. What happens if an HSE emits >25,000 tonnes and it has not applied to join the main UK ETS?

Where the installation is not a hospital qualifying installation, if the installation's reportable emissions in a scheme year exceed the maximum amount (24,999 tCO_{2(e)}), the operator must notify the regulator on or before 31 March in the following year, as per HSE permit Condition 7. The regulator will then issue a "conversion notice" to the operator which will require the operator to re-join the main UK ETS scheme from 1 January (the "date of conversion") in the following scheme year.

If you think you may exceed the maximum amount in the 2026-2030 period, you can apply for FA as well as HSE status during the 01 April to 30 June 2025 window. If you do end up joining the main UK ETS, you will only be eligible for FA in the 2026-2030 period if you apply during this window.

Verification/ Self-declaration

9. Do I need my information verified?

Operators applying for HSE status are required to have the evidence of their historic reportable emissions verified. If you are an existing HSE applying for HSE status, you will have been required to provide emissions reports to your regulator in each scheme year you were an HSE. These emissions reports would have been verified as satisfactory in accordance with the Verification Regulation 2018 or would have been accompanied by the self-declaration outlined at para 11(2)(b) of Schedule 7 to the UK ETS Order. If these reports show that you meet Condition A, B or C for HSE status then you may decide that they can be your evidence of your reportable emissions and, because they have already been verified or accompanied by the self-declaration, you are not required to get them re-verified/re-declared.

10. If I am using the verifier opinion statements from my Annual Emissions Reports as my evidence of verified reportable emissions, do I need to resubmit these with my HSE application submission?

You do not need to upload the verifier opinion statements if they have already been submitted to your regulator, but you are required to state in Sheet I that this is your evidence. The regulator will be able to check all details on METS. If you are also applying for FA, you will need to complete a full BDR and submit the verifier opinion statement with your application.

11. Where do we let the regulator know that we have previously had emissions verified/self-declared?

Please state in Sheet I of the BDR template the years for which you have already submitted verification opinion statements or self-declarations.

Free Allocation

12. In which cases should HSE applicants for the 2026-2030 period also apply for FA?

HSE installations who exceed the HSE emissions thresholds during the period 2026-2030 would then have to join the main UK ETS. HSE installations that join the main scheme during any part of the period 2026-2030 will only be eligible for FA if operators have submitted a full verified BDR in the 2025 submission window.

13. Can you apply for both USE and HSE schemes?

As stated in paragraph 5(7) of Schedule 7 to the UK ETS Order, an application may not be made for USE status and HSE status at the same time.

14. If we are well below the 24,999 tonnes of carbon dioxide equivalent threshold, can we still apply for FA?

Yes, if you meet the criteria for FA.

15. If the installation primarily supplies services to a hospital and is likely to exceed the 24,999 tonnes of carbon dioxide equivalent threshold, is it mandatory to apply for FA?

An installation that primarily supplies services to a hospital would remain in the HSE scheme regardless of whether their emissions exceeded the maximum amount or not. Other than voluntarily rejoining the UK ETS, the only reason that a hospital-qualifying installation would fall out of the HSE scheme is if they ceased primarily supplying services to a hospital, although certain exceptions would apply (see answer to question 3 above). It is not mandatory to apply for FA, but this is the only opportunity to apply for FA if you wish to apply to be eligible for FA if you re-joined the main UK ETS.

16. If we are applying for HSE status and also wish to apply for FA, can we do the latter in 2026 instead of the first window from April to June 2025? Or should we apply for both during this window?

Both applications must be made in the first stage of the BDR window (1 April – 30 June 2025).

17. With the allocation period running from 2027 instead of 2026, how would this influence organisations who are looking to change from the HSE to the main UK ETS and be in receipt of FA? Could they receive FA in 2026?

If an eligible installation on the HSE list is planning or expecting to be removed from the list in 2025 or 2026 and wishes to apply for FA for the 2026 scheme year, the operator should apply for FA (i.e. submit a full verified BDR and MMP) during the 1 April to 30 June 2025 window. The 2023 activity data from the BDR will be used to determine FA for 2026. This will be allocated in 2026. FA for the 2027-2030 allocation period will be determined using data from the baseline period from the BDR as normal.

Joining or leaving the HSE scheme

18. How would a site be able to move from the USE scheme to the HSE scheme?

If you exceed the USE threshold in a scheme year, you must notify your regulator by 31 March of the following year. You will then be taken off the USE list from 1 January in the following year. Instead of joining the main UK ETS, you can ask your regulator to join the HSE scheme. To be eligible to join the HSE scheme, your regulator must be satisfied that you are not an 'ineligible installation' (see paragraph 4(4) of Schedule 7 to the UK ETS Order).

19. If I'm an existing USE, and want to apply for HSE status, what do I do?

All existing USEs should complete the separate USE template (designed for existing USEs to report 2021-2023 emissions) and get this verified.³

If you are applying for HSE status, you should also complete the HSE section of the BDR (or the full BDR to apply for FA alongside HSE status). Please make it clear in communications with your regulator the status for which you are applying.

20. If a current HSE permit holder is wanting to surrender their permit after the BDR submission window, does a BDR need to be submitted?

If you are not surrendering until sometime in 2026, you would need to submit a BDR and apply for HSE status. If not, you will enter the main scheme in 2026 and you will need to surrender allowances against your reportable emissions for 2026.

If your permit is live during the data collection window, then you have an obligation to submit information during this submission window. Please see Article 27A of the UK ETS Order for information on what to submit as an operator not applying for FA, nor to join the HSE or USE list. Information can also be found on this in the UKETS 12 guidance document.

Contacts/ Further Information

Where can I download the BDR template, verification report, and associated UKETS 12 guidance?

Please visit: <https://www.gov.uk/government/publications/uk-ets-2025-baseline-data-collection-and-hseuse-scheme-status-how-to-meet-the-data-submission-requirements>

Where can I download the USE template, verification report, and associated guidance (for current USEs)?

Please visit: <https://www.gov.uk/guidance/opt-out-of-the-uk-ets-if-your-installation-is-an-ultra-small-emitter>

³https://assets.publishing.service.gov.uk/media/6788c0a52cca34bdaf58a2eb/USE_Data_Collection_Template_FINAL.xlsx

If you have questions, comments or general queries related to UK ETS policy,
please contact: emissions.trading@energysecurity.gov.uk

**If you have questions related to your specific circumstances, please contact
your regulator using the below contact email addresses:**

For sites in England, please contact the Environment Agency at:
etsdatacollection@environment-agency.gov.uk

For sites in Scotland, please contact the Scottish Environment Protection Agency
(SEPA) at: emission.trading@sepa.org.uk.

For sites in Wales, please contact Natural Resources Wales (NRW) at:
GHGHelp@naturalresourceswales.gov.uk.

For sites in Northern Ireland, please contact the Northern Ireland Environment
Agency (NIEA) at: emissions.trading@daera-ni.gov.uk.

For offshore sites, please contact the Offshore Petroleum Regulator for Environment
and Decommissioning (OPRED) at: OPRED@energysecurity.gov.uk.