



19 December 2025

Dear operator,

Please see important information below on the following:

- Publication of the 2021-2026 allocation table
- New Activity Level Report template to be published in January 2026 – this must be used for reporting 2025 data
- New Activity Level Report workflow in METS
- Instructions on completing activity level reports for type 1 and type 2 incumbents
- Information about the second stage of the application process for free allocation for 2027-2030 which will take place between 1 April and 30 June 2026

### **Publication of the 2021-2026 allocation table**

**The 2021-2026 allocation table has now been published by the UK ETS Authority and is available to view [here](#).**

Please note that the entitlement listed here is subject to change through the activity level change process. Regulators and the UK ETS Authority will continue to process activity level reports submitted by 31 March 2025.

- If you are a type 1 incumbent this may lead to adjustments to 2025 and 2026 entitlement
- If you are a type 2 incumbent the 2026 entitlement may also be adjusted using the 2024 and 2025 two-year rolling average once you submit your activity level report by 31 March 2026

Further information on type 1 and type 2 incumbents can be found below.

If you have any questions on free allocation policy, please get in contact with the UK ETS Authority at [emissions.trading@energysecurity.gov.uk](mailto:emissions.trading@energysecurity.gov.uk).

We also provide the below reminders on the upcoming deadlines in relation to free allocation.

### **New Activity Level Report template**

As you will be aware, the Activity Level Report (ALR) submission deadline is 31 March 2026.

**The current version of your ALR template cannot be used to add your 2025 activity level data, and instead you must use a new updated ALR template. The updated ALR template will be available in January 2026, and we will let you know when this is available to download.**

### **New ALR workflow task in METS**

ALRs are no longer be attached and submitted to the AEM workflow in METS. A separate ALR task will be created alongside the AEM task. The Primary Operator user will see the task on their Dashboard, and this workflow will allow you to upload the completed ALR spreadsheet and submit it to your verifier.

### **Instructions on completing activity level reports for type 1 and type 2 incumbents**

You are a type 1 incumbent if:

- You were in receipt of free allocation in 2021-2025, and there has been no change in your electricity generator status.
- Type 1 incumbents should complete the new ALR template using the data import function for your 2024 data. Please ensure you use the report sent to you by your regulator. If you haven't had this returned to you by your regulator yet, please use the version you submitted via METS. You should then complete the ALR with your 2025 data.

You are a type 2 incumbent if:

- You were not in receipt of free allocation in 2021-2025, you completed the first stage of the baseline data collection, and you will receive FA from 2026.

or

- You were in receipt of free allocation in 2021-2025, but you are losing your electricity generator status from 2026,

or

- You were in receipt of free allocation in 2021-2025, and you retain the electricity generator status but the restrictions do not apply as you met the condition in Article 2b of the Free Allocation Regulation.

Type 2 incumbents that are receiving FA for the first time should complete the new ALR template and include data for the 2024 and 2025 scheme years.

Type 2 incumbents that were in receipt of FA in 2021-2025, and are no longer an electricity generator, or do not have the restrictions applied, should complete the new ALR template. You should manually enter your 2024 data, taking this from the version of that has been reviewed and returned to you by your regulator. If you haven't had this returned to you by your regulator yet, please use the version you submitted via METS. You should then complete the ALR with your 2025 data.

Please note, the historical activity level (HAL) of type 2 incumbents that has been used to calculate FA for the 2026 scheme year has been determined using the 2023 scheme year only as the baseline period. Therefore, you should use the 2023 activity level submitted in your baseline data report as your HAL in Sheet B+C in the ALR template.

### **Sub-installation started normal operation after 1 January 2023**

If your regulator has not determined your HAL because the start of normal operation of your sub-installation(s) was after 1 January 2023, please contact your regulator to discuss your reporting requirements.

- If you have any questions regarding the calculation of your 2026 FA or the completion of your ALR, please contact your regulator at [opred@energysecurity.gov.uk](mailto:opred@energysecurity.gov.uk).

### **FA Application stage 2**

The second stage of the application for free allocation for 2027-2030 will take place between 1 April and 30 June 2026. You will only be required to complete this if you submitted the first stage of your FA application between 1 April – 30 June 2025.

We will notify operators in advance when further guidance on compliance with the requirements of this second stage application has been published. Please see the recently published main response to the Free Allocation Review [here](#).

If you have any questions, please let us know, or contact the UK ETS Authority if these questions are related to policy.

Thank you