STATUTORY INSTRUMENTS

2015 No. 775

CLIMATE CHANGE

The Carbon Accounting (2013–2017 Budgetary Period) Regulations 2015

Made - - - -	*18th March 2015*
Laid before Parliament	*23rd March 2015*
Coming into force - -	*24th March 2015*

The Secretary of State, before making these Regulations, has consulted with the Scottish Ministers, the Welsh Ministers and the Department of the Environment in Northern Ireland, in accordance with section 28(4)(b) of the Climate Change Act 2008 ("the Act")(**1**).

The Secretary of State, in exercise of the powers conferred by sections 26(2) and 27(3) and (4) of the Act, makes the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Carbon Accounting (2013–2017 Budgetary Period) Regulations 2015 and come into force on 24th March 2015.

Interpretation

2.—(1) In these Regulations—

"the 2009 Regulations" means the Carbon Accounting Regulations 2009(**2**);

"aerodrome" has the same meaning as in article 4 of the Climate Change Act 2008 (2020 Target, Credit Limit and Definitions) Order 2009(**3**);

"the annual allocation" means the quantity of allowances calculated as a result of carrying out the calculation set out in Schedule 1;

"credit account" has the same meaning as in regulation 4(1) of the 2009 Regulations;

"the domestic aviation cap" means the figure produced as a result of carrying out the calculation set out in Schedule 2;

(**1**) 2008 c. 27; to which there are amendments not relevant to this S.I. See the definitions of "national authority" and "the relevant Northern Ireland department" in sections 95 and 96 of the Act.
(**2**) S.I. 2009/1257; amended by S.I. 2009/3146.
(**3**) S.I. 2009/1258.

"domestic aviation emissions" means the emissions of carbon dioxide arising from any aircraft during taking off, flying and landing but only when the aerodrome from which the aircraft takes off and the aerodrome at which the aircraft next lands are both located in the United Kingdom;

"the Emissions Trading Directive" means Directive 2003/87/EC of the European Parliament and of the Council establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC(**4**);

"the EU ETS" means the European Union Emissions Trading Scheme established under the Emissions Trading Directive as implemented by the Greenhouse Gas Emissions Trading Scheme Regulations 2012(**5**);

"the Registries Regulation" means Commission Regulation (EU) No 389/2013 establishing a Union Registry pursuant to Directive 2003/87/EC of the European Parliament and of the Council, Decisions No 280/2004/EC and No 406/2009/EC of the European Parliament and of the Council and repealing Commission Regulations (EU) No 920/2010 and No 1193/2011(**6**); and

"the UK registry" means the registry established for the United Kingdom in accordance with the Registries Regulation.

(2) In these Regulations a unit is "cancelled" if a person authorised by the Secretary of State transfers it into the account known as the "Voluntary Cancellation Account" in the UK registry.

(3) In these Regulations "installation" and "operator" have the meanings given by regulation 3(1) of the Greenhouse Gas Emissions Trading Scheme Regulations 2012, and "surrender" means surrender in accordance with regulation 41 of those Regulations.

Crediting and debiting of carbon units as a result of the operation of the EU ETS during the 2013–2017 budgetary period

3.—(1) It is the duty of the Secretary of State to calculate whether an amount of carbon units is to be credited to or debited from the net UK carbon account as a result of the operation of the EU ETS during the 2013–2017 budgetary period.

(2) Calculations under this regulation are to be performed annually, and must be performed—

(a) in respect of 2013, by 31st March 2015; and

(b) in respect of any other year of the 2013–2017 budgetary period ("Year X"), by 15th March in Year X+2.

(3) In order to determine whether carbon units are to be credited or debited in respect of 2013, the Secretary of State must calculate whether the total amount of carbon units surrendered by operators of installations in the United Kingdom in respect of 2013 is greater or less than the annual allocation.

(4) In order to determine whether carbon units are to be credited or debited in respect of Year X, the Secretary of State must calculate whether the total amount of carbon units surrendered by operators of installations in the United Kingdom in respect of Year X is greater or less than the annual allocation.

(5) If the amount of carbon units surrendered is greater than the annual allocation, an amount of carbon units equal to the difference is to be credited to the net UK carbon account in respect of the appropriate year.

(**4**) O.J. No. L 275, 25.10.2003, p.32. This Directive has been amended numerous times, most recently by Regulation (EU) No 421/2014, O.J. No. L 129, 30.4.2014, p.1.
(**5**) S.I. 2012/3038; to which amendments made by S.I. 2013/1037, S.I. 2013/3135, and S.I. 2014/3125 are relevant to this S.I.
(**6**) O.J. No. L 122, 3.5.2013, p.1.

(6) If the amount of carbon units surrendered is less than the annual allocation, an amount of carbon units equal to the difference is to be debited from the net UK carbon account in respect of the appropriate year.

Crediting and debiting of carbon units to take into account domestic aviation emissions during the 2013–2017 budgetary period

4.—(1) It is the duty of the Secretary of State to calculate whether an amount of carbon units is to be credited to or debited from the net UK carbon account to take into account domestic aviation emissions during the 2013–2017 budgetary period.

(2) Calculations under this regulation are to be performed annually, and must be performed—

(a) in respect of 2013, by 31st March 2015; and

(b) in respect of any other year of the 2013–2017 budgetary period ("Year X"), by 15th March in Year X+2.

(3) In order to determine whether carbon units are to be credited or debited in respect of 2013, the Secretary of State must calculate whether domestic aviation emissions in 2013 are greater or less than the domestic aviation cap for 2013.

(4) In order to determine whether carbon units are to be credited or debited in respect of Year X, the Secretary of State must calculate whether domestic aviation emissions in Year X are greater or less than the domestic aviation cap for Year X.

(5) If domestic aviation emissions are greater than the domestic aviation cap, an amount of carbon units equal to the difference is to be credited to the net UK carbon account in respect of the appropriate year.

(6) If domestic aviation emissions are less than the domestic aviation cap, an amount of carbon units equal to the difference is to be debited from the net UK carbon account in respect of the appropriate year.

(7) In calculating domestic aviation emissions and the domestic aviation cap, the Secretary of State must use such data about aviation emissions as appear to the Secretary of State to be the best available data.

Duty to cancel carbon units in the credit account at the end of the 2013-2017 budgetary period

5. It is the duty of the Secretary of State, during a period beginning on 1st January 2018 and ending on 15th May 2019, to ensure that each carbon unit in the credit account is cancelled.

Amendments to the Carbon Accounting Regulations 2009

6.—(1) In regulation 2(2) of the 2009 Regulations, for "National Cancellation Account", substitute "Voluntary Cancellation Account".

(2) Regulation 9 of the 2009 Regulations is amended as follows—

(a) at the end of paragraph (1), add "and the Carbon Accounting ((2013–2017 Budgetary Period) Regulations 2015";

(b) in paragraph (3), after "regulation 6," insert "or regulation 3 or 4 of the Carbon Accounting (2013–2017 Budgetary Period) Regulations 2015,"; and

(c) after paragraph (5) insert—

"(6) In relation to carbon units required to be cancelled in accordance with regulation 5 of the Carbon Accounting (2013–2017 Budgetary Period) Regulations 2015, the register must contain details of—