



# Climate Change Act 2008

## 2008 CHAPTER 27

### PART 1

#### CARBON TARGET AND BUDGETING

##### *The target for 2050*

#### **1 The target for 2050**

- (1) It is the duty of the Secretary of State to ensure that the net UK carbon account for the year 2050 is at least 80% lower than the 1990 baseline.
- (2) “The 1990 baseline” means the aggregate amount of—
  - (a) net UK emissions of carbon dioxide for that year, and
  - (b) net UK emissions of each of the other targeted greenhouse gases for the year that is the base year for that gas.

#### **2 Amendment of 2050 target or baseline year**

- (1) The Secretary of State may by order—
  - (a) amend the percentage specified in section 1(1);
  - (b) amend section 1 to provide for a different year to be the baseline year.
- (2) The power in subsection (1)(a) may only be exercised—
  - (a) if it appears to the Secretary of State that there have been significant developments in—
    - (i) scientific knowledge about climate change, or
    - (ii) European or international law or policy,that make it appropriate to do so, or
  - (b) in connection with the making of—
    - (i) an order under section 24 (designation of further greenhouse gases as targeted greenhouse gases), or

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- (ii) regulations under section 30 (emissions from international aviation or international shipping).
- (3) The developments in scientific knowledge referred to in subsection (2) are—
  - (a) in relation to the first exercise of the power in subsection (1)(a), developments since the passing of this Act;
  - (b) in relation to a subsequent exercise of that power, developments since the evidential basis for the previous exercise was established.
- (4) The power in subsection (1)(b) may only be exercised if it appears to the Secretary of State that there have been significant developments in European or international law or policy that make it appropriate to do so.
- (5) An order under subsection (1)(b) may make consequential amendments of other references in this Act to the baseline year.
- (6) An order under this section is subject to affirmative resolution procedure.

### **3 Consultation on order amending 2050 target or baseline year**

- (1) Before laying before Parliament a draft of a statutory instrument containing an order under section 2 (order amending the 2050 target or the baseline year), the Secretary of State must—
  - (a) obtain, and take into account, the advice of the Committee on Climate Change, and
  - (b) take into account any representations made by the other national authorities.
- (2) The Committee must, at the time it gives its advice to the Secretary of State, send a copy to the other national authorities.
- (3) As soon as is reasonably practicable after giving its advice to the Secretary of State, the Committee must publish that advice in such manner as it considers appropriate.
- (4) The Secretary of State may proceed to lay such a draft statutory instrument before Parliament without having received a national authority's representations if the authority does not provide them before the end of the period of three months beginning with the date the Committee's advice was sent to the authority.
- (5) At the same time as laying such a draft statutory instrument before Parliament, the Secretary of State must publish a statement setting out whether and how the order takes account of any representations made by the other national authorities.
- (6) If the order makes provision different from that recommended by the Committee, the Secretary of State must also publish a statement setting out the reasons for that decision.
- (7) A statement under this section may be published in such manner as the Secretary of State thinks fit.

### *Carbon budgeting*

### **4 Carbon budgets**

- (1) It is the duty of the Secretary of State—

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- (a) to set for each succeeding period of five years beginning with the period 2008-2012 (“budgetary periods”) an amount for the net UK carbon account (the “carbon budget”), and
  - (b) to ensure that the net UK carbon account for a budgetary period does not exceed the carbon budget.
- (2) The carbon budget for a budgetary period may be set at any time after this Part comes into force, and must be set—
- (a) for the periods 2008-2012, 2013-2017 and 2018-2022, before 1st June 2009;
  - (b) for any later period, not later than 30th June in the 12th year before the beginning of the period in question.

## 5 Level of carbon budgets

- (1) The carbon budget—
- (a) for the budgetary period including the year 2020, must be such that the annual equivalent of the carbon budget for the period is at least [<sup>F1</sup>34%] lower than the 1990 baseline;
  - (b) for the budgetary period including the year 2050, must be such that the annual equivalent of the carbon budget for the period is lower than the 1990 baseline by at least the percentage specified in section 1 (the target for 2050);
  - (c) for the budgetary period including any later year specified by order of the Secretary of State, must be such that the annual equivalent of the carbon budget for the period is—
    - (i) lower than the 1990 baseline by at least the percentage so specified, or
    - (ii) at least the minimum percentage so specified, and not more than the maximum percentage so specified, lower than the 1990 baseline.
- (2) The “annual equivalent”, in relation to the carbon budget for a period, means the amount of the carbon budget for the period divided by the number of years in the period.
- (3) An order under this section is subject to affirmative resolution procedure.
- <sup>F2</sup>(4) .....

### Textual Amendments

- F1** Word in s. 5(1)(a) substituted (31.5.2009) by [Climate Change Act 2008 \(2020 Target, Credit Limit and Definitions\) Order 2009 \(S.I. 2009/1258\)](#), arts. 1, **2(2)**
- F2** S. 5(4) omitted (31.5.2009) by virtue of [Climate Change Act 2008 \(2020 Target, Credit Limit and Definitions\) Order 2009 \(S.I. 2009/1258\)](#), arts. 1, **2(3)**

## 6 Amendment of target percentages

- (1) The Secretary of State may by order amend—
- (a) the percentage specified in section 5(1)(a);
  - (b) any percentage specified under section 5(1)(c).
- (2) That power may only be exercised—

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- (a) if it appears to the Secretary of State that there have been significant developments in—
    - (i) scientific knowledge about climate change, or
    - (ii) European or international law or policy,
 that make it appropriate to do so, or
  - (b) in connection with the making of—
    - (i) an order under section 24 (designation of further greenhouse gases as targeted greenhouse gases), or
    - (ii) regulations under section 30 (emissions from international aviation or international shipping).
- (3) The developments in scientific knowledge referred to in subsection (2)(a) are—
- (a) in relation to the first exercise of the power conferred by this section in relation to the percentage specified in section 5(1)(a), developments since June 2000 (the date of the Royal Commission on Environmental Pollution's 22nd Report, “Energy – the Changing Climate”);
  - (b) in relation to the first exercise of the power conferred by this section in relation to any percentage specified under section 5(1)(c), developments since the evidential basis for the order setting that percentage was established;
  - (c) in relation to a subsequent exercise of any of those powers, developments since the evidential basis for the previous exercise was established.
- (4) The power conferred by this section to amend the percentage in section 5(1)(a) includes power to amend or repeal section 5(4) (which directs that targeted greenhouse gases other than carbon dioxide are to be left out of account for the purposes of that provision).
- (5) An order under this section is subject to affirmative resolution procedure.

## **7 Consultation on order setting or amending target percentages**

- (1) Before laying before Parliament a draft of a statutory instrument containing an order under section 5(1)(c) (order setting target percentage) or section 6 (order amending target percentage), the Secretary of State must—
  - (a) obtain, and take into account, the advice of the Committee on Climate Change, and
  - (b) take into account any representations made by the other national authorities.
- (2) The Committee must, at the time it gives its advice to the Secretary of State, send a copy to the other national authorities.
- (3) As soon as is reasonably practicable after giving its advice to the Secretary of State, the Committee must publish that advice in such manner as it considers appropriate.
- (4) The Secretary of State may proceed to lay such a draft statutory instrument before Parliament without having received a national authority's representations if the authority does not provide them before the end of the period of three months beginning with the date the Committee's advice was sent to the authority.
- (5) At the same time as laying such a draft statutory instrument before Parliament, the Secretary of State must publish a statement setting out whether and how the order takes account of any representations made by the other national authorities.

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- (6) If the order makes provision different from that recommended by the Committee, the Secretary of State must also publish a statement setting out the reasons for that decision.
- (7) A statement under this section may be published in such manner as the Secretary of State thinks fit.

## **8 Setting of carbon budgets for budgetary periods**

- (1) The Secretary of State must set the carbon budget for a budgetary period by order.
- (2) The carbon budget for a period must be set with a view to meeting—
  - (a) the target in section 1 (the target for 2050), and
  - (b) the requirements of section 5 (requirements as to level of carbon budgets), and complying with the European and international obligations of the United Kingdom.
- (3) An order setting a carbon budget is subject to affirmative resolution procedure.

## **9 Consultation on carbon budgets**

- (1) Before laying before Parliament a draft of a statutory instrument containing an order under section 8 (order setting carbon budget), the Secretary of State must—
  - (a) take into account the advice of the Committee on Climate Change under section 34 (advice in connection with carbon budgets), and
  - (b) take into account any representations made by the other national authorities.
- (2) The Secretary of State may proceed to lay such a draft statutory instrument before Parliament without having received a national authority's representations if the authority does not provide them before the end of the period of three months beginning with the date the Committee's advice was sent to the authority.
- (3) At the same time as laying such a draft statutory instrument before Parliament, the Secretary of State must publish a statement setting out whether and how the order takes account of any representations made by the other national authorities.
- (4) If the order sets the carbon budget at a different level from that recommended by the Committee, the Secretary of State must also publish a statement setting out the reasons for that decision.
- (5) A statement under this section may be published in such manner as the Secretary of State thinks fit.

## **10 Matters to be taken into account in connection with carbon budgets**

- (1) The following matters must be taken into account—
  - (a) by the Secretary of State in coming to any decision under this Part relating to carbon budgets, and
  - (b) by the Committee on Climate Change in considering its advice in relation to any such decision.
- (2) The matters to be taken into account are—
  - (a) scientific knowledge about climate change;

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- (b) technology relevant to climate change;
  - (c) economic circumstances, and in particular the likely impact of the decision on the economy and the competitiveness of particular sectors of the economy;
  - (d) fiscal circumstances, and in particular the likely impact of the decision on taxation, public spending and public borrowing;
  - (e) social circumstances, and in particular the likely impact of the decision on fuel poverty;
  - (f) energy policy, and in particular the likely impact of the decision on energy supplies and the carbon and energy intensity of the economy;
  - (g) differences in circumstances between England, Wales, Scotland and Northern Ireland;
  - (h) circumstances at European and international level;
  - (i) the estimated amount of reportable emissions from international aviation and international shipping for the budgetary period or periods in question.
- (3) In subsection (2)(i) “the estimated amount of reportable emissions from international aviation and international shipping”, in relation to a budgetary period, means the aggregate of the amounts relating to emissions of targeted greenhouse gases from international aviation and international shipping that the Secretary of State or (as the case may be) the Committee estimates the United Kingdom will be required to report for that period in accordance with international carbon reporting practice.
- (4) Such amounts may be estimated using such reasonable method or methods as the Secretary of State or (as the case may be) the Committee considers appropriate.
- (5) The duty in subsection (2)(i) applies if and to the extent that regulations under section 30 do not provide for emissions of targeted greenhouse gases from international aviation and international shipping in the budgetary period or periods in question to be treated as emissions from sources in the United Kingdom for the purposes of this Part.
- (6) Section 30(1) (emissions from international aviation and international shipping not to count as emissions from UK sources for the purposes of this Part, except as provided by regulations) does not prevent the Secretary of State or the Committee from taking into account the matter referred to in subsection (2)(i) for the purposes of this section.
- (7) Nothing in this section is to be read as restricting the matters that the Secretary of State or the Committee may take into account.

*Limit on use of carbon units*

**11 Limit on use of carbon units**

- (1) It is the duty of the Secretary of State to set a limit on the net amount of carbon units that may be credited to the net UK carbon account for each budgetary period.
- (2) The “net amount of carbon units” means—
- (a) the amount of carbon units credited to the net UK carbon account for the period in accordance with regulations under section 27, less
  - (b) the amount of carbon units debited from the net UK carbon account for the period in accordance with such regulations.
- (3) The limit for a budgetary period must be set—

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- (a) for the period 2008-2012, not later than 1st June 2009, and
  - (b) for any later period, not later than 18 months before the beginning of the period in question.
- (4) The Secretary of State must set a limit under this section by order.
- (5) The order may provide that carbon units of a description specified in the order do not count towards the limit.
- (6) An order under this section is subject to affirmative resolution procedure.
- (7) Before laying before Parliament a draft of a statutory instrument containing an order under this section in relation to a budgetary period, the Secretary of State must—
- (a) take into account the advice of the Committee on Climate Change under section 34(1)(b) (advice on use of carbon units) in relation to that period, and
  - (b) consult the other national authorities.

#### *Indicative annual ranges*

### **12 Duty to provide indicative annual ranges for net UK carbon account**

- (1) As soon as is reasonably practicable after making an order setting the carbon budget for a budgetary period, the Secretary of State must lay before Parliament a report setting out an indicative annual range for the net UK carbon account for each year within the period.
- (2) An “indicative annual range”, in relation to a year, is a range within which the Secretary of State expects the amount of the net UK carbon account for the year to fall.
- (3) Before laying a report under this section before Parliament, the Secretary of State must consult the other national authorities on the indicative annual ranges set out in the report.
- (4) The Secretary of State must send a copy of the report to those authorities.

#### *Proposals and policies for meeting carbon budgets*

### **13 Duty to prepare proposals and policies for meeting carbon budgets**

- (1) The Secretary of State must prepare such proposals and policies as the Secretary of State considers will enable the carbon budgets that have been set under this Act to be met.
- (2) The proposals and policies must be prepared with a view to meeting—
- (a) the target in section 1 (the target for 2050), and
  - (b) any target set under section 5(1)(c) (power to set targets for later years).
- (3) The proposals and policies, taken as a whole, must be such as to contribute to sustainable development.
- (4) In preparing the proposals and policies, the Secretary of State may take into account the proposals and policies the Secretary of State considers may be prepared by other national authorities.

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#### **14 Duty to report on proposals and policies for meeting carbon budgets**

- (1) As soon as is reasonably practicable after making an order setting the carbon budget for a budgetary period, the Secretary of State must lay before Parliament a report setting out proposals and policies for meeting the carbon budgets for the current and future budgetary periods up to and including that period.
- (2) The report must, in particular, set out—
  - (a) the Secretary of State's current proposals and policies under section 13, and
  - (b) the time-scales over which those proposals and policies are expected to take effect.
- (3) The report must explain how the proposals and policies set out in the report affect different sectors of the economy.
- (4) The report must outline the implications of the proposals and policies as regards the crediting of carbon units to the net UK carbon account for each budgetary period covered by the report.
- (5) So far as the report relates to proposals and policies of the Scottish Ministers, the Welsh Ministers or a Northern Ireland department, it must be prepared in consultation with that authority.
- (6) The Secretary of State must send a copy of the report to those authorities.

#### **15 Duty to have regard to need for UK domestic action on climate change**

- (1) In exercising functions under this Part involving consideration of how to meet—
  - (a) the target in section 1(1) (the target for 2050), or
  - (b) the carbon budget for any period,
 the Secretary of State must have regard to the need for UK domestic action on climate change.
- (2) “UK domestic action on climate change” means reductions in UK emissions of targeted greenhouse gases or increases in UK removals of such gases (or both).

*Determination whether objectives met*

#### **16 Annual statement of UK emissions**

- (1) It is the duty of the Secretary of State to lay before Parliament in respect of each year, beginning with the year 2008, a statement containing the following information.
- (2) In respect of each greenhouse gas (whether or not a targeted greenhouse gas), it must—
  - (a) state the amount for the year of UK emissions, UK removals and net UK emissions of that gas,
  - (b) identify the methods used to measure or calculate those amounts, and
  - (c) state whether any of those amounts represents an increase or decrease compared to the equivalent amount for the previous year.
- (3) It must state the aggregate amount for the year of UK emissions, UK removals and net UK emissions of all greenhouse gases.



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- (4) If in accordance with international carbon reporting practice a change of method is such as to require adjustment of an amount for an earlier year in the same budgetary period, it must specify the adjustment required and state the adjusted amount.
- (5) If emissions of a greenhouse gas from international aviation or international shipping are not required to be included in the statement by virtue of subsection (2), it must state any amounts relating to such emissions that the United Kingdom is required to report for the year in accordance with international carbon reporting practice.
- (6) It must—
  - (a) state the total amount of carbon units that have been credited to or debited from the net UK carbon account for the year, and
  - (b) give details of the number and type of those carbon units.
- (7) It must state the amount of the net UK carbon account for the year.
- (8) It must state—
  - (a) the amount of net UK emissions of carbon dioxide for the year 1990,
  - (b) the amount of net UK emissions of each targeted greenhouse gas other than carbon dioxide for the year that is the base year for that gas, and
  - (c) a baseline amount for each greenhouse gas that is not a targeted greenhouse gas, determined on such basis as the Secretary of State considers appropriate.
- (9) The amount referred to in subsection (8)(c) may be—
  - (a) the amount of net UK emissions of the gas for the year 1990 or a different year, or
  - (b) the average amount of net UK emissions of the gas for a number of years.
- (10) The statement required by this section must be laid before Parliament not later than 31st March in the second year following that to which it relates.
- (11) The Secretary of State must send a copy of the statement to the other national authorities.

## **17 Powers to carry amounts from one budgetary period to another**

- (1) The Secretary of State may decide to carry back part of the carbon budget for a budgetary period to the preceding budgetary period.

The carbon budget for the later period is reduced, and that for the earlier period increased, by the amount carried back.

- (2) The amount carried back under subsection (1) must not exceed 1% of the carbon budget for the later period.
- (3) The Secretary of State may decide to carry forward the whole or part of any amount by which the carbon budget for a budgetary period exceeds the net UK carbon account for the period.

The amount of the carbon budget for the next budgetary period is increased by the amount carried forward.

- (4) Before deciding to carry an amount back or forward under this section, the Secretary of State must—
  - (a) consult the other national authorities, and

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(b) obtain, and take into account, the advice of the Committee on Climate Change.

(5) Any such decision must be made no later than 31st May in the second year after the end of the earlier of the two budgetary periods affected.

## **18 Final statement for budgetary period**

(1) It is the duty of the Secretary of State to lay before Parliament in respect of each budgetary period a statement containing the following information.

(2) In respect of each targeted greenhouse gas, it must state the final amount for the period of UK emissions, UK removals and net UK emissions of that gas.

That is the total of the amounts (or adjusted amounts) stated under section 16 (annual statement of UK emissions) in respect of that gas for the years included in the period.

(3) It must—

(a) state the final amount of carbon units that have been credited to or debited from the net UK carbon account for the period, and

(b) give details of the number and type of those carbon units.

(4) It must state the final amount of the net UK carbon account for the period.

(5) It must state whether the Secretary of State has decided to carry an amount back under section 17(1) (power to carry amount back from the budget for the next budgetary period), and if so what amount.

(6) It must state the amount of the carbon budget for the period.

That is the amount originally set, subject to any exercise of the powers conferred by section 17 (powers to carry amounts from one budgetary period to another) and any alteration of the budget under section 21.

(7) Whether the carbon budget for a period has been met shall be determined by reference to the figures given in the statement laid before Parliament under this section in respect of that period.

(8) If the carbon budget for the period has not been met, the statement must explain why it has not been met.

(9) The statement required by this section must be laid before Parliament not later than 31st May in the second year following the end of the period to which it relates.

(10) The Secretary of State must send a copy of the statement to the other national authorities.

## **19 Duty to report on proposals and policies for compensating for budget excess**

(1) As soon as is reasonably practicable after laying a statement before Parliament under section 18 in respect of a period for which the net UK carbon account exceeds the carbon budget, the Secretary of State must lay before Parliament a report setting out proposals and policies to compensate in future periods for the excess emissions.

(2) So far as the report relates to proposals and policies of the Scottish Ministers, the Welsh Ministers or a Northern Ireland department, it must be prepared in consultation with that authority.

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- (3) The Secretary of State must send a copy of the report to those authorities.

## **20 Final statement for 2050**

- (1) It is the duty of the Secretary of State to lay before Parliament in respect of the year 2050 a statement containing the following information.
- (2) In respect of each targeted greenhouse gas, it must state the amount for that year of UK emissions, UK removals and net UK emissions of that gas.
- That is the amount stated for that year in respect of that gas under section 16 (annual statement of UK emissions).
- (3) It must—
- (a) state the amount of carbon units that have been credited to or debited from the net UK carbon account for the year, and
  - (b) give details of the number and type of those carbon units.
- (4) It must state the amount of the net UK carbon account for that year.
- (5) Whether the target in section 1 (the target for 2050) has been met shall be determined by reference to the figures given in the statement laid before Parliament under this section.
- (6) If the target has not been met, the statement must explain why it has not been met.
- (7) The statement required by this section must be laid before Parliament not later than 31st May 2052.
- (8) The Secretary of State must send a copy of the statement to the other national authorities.

### *Alteration of budgets or budgetary periods*

## **21 Alteration of carbon budgets**

- (1) An order setting the carbon budget for a period may not be revoked after the date by which a budget for the period was required to be set.
- (2) An order setting the carbon budget for a period may be amended after the date by which a budget for the period was required to be set only if it appears to the Secretary of State that, since the budget was originally set (or previously altered), there have been significant changes affecting the basis on which the previous decision was made.
- (3) An order setting the carbon budget for a period may be amended after the period has begun only if it appears to the Secretary of State that there have been such changes since the period began.
- (4) An order setting the carbon budget for a period may not be amended after the period has ended.
- (5) An order revoking or amending an order setting a carbon budget is subject to affirmative resolution procedure.

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## **22 Consultation on alteration of carbon budgets**

- (1) Before laying before Parliament a draft of a statutory instrument containing an order under section 21 (alteration of carbon budgets), the Secretary of State must—
  - (a) obtain, and take into account, the advice of the Committee on Climate Change, and
  - (b) take into account any representations made by the other national authorities.
- (2) The Committee must, at the time it gives its advice to the Secretary of State, send a copy to the other national authorities.
- (3) As soon as is reasonably practicable after giving its advice to the Secretary of State, the Committee must publish that advice in such manner as it considers appropriate.
- (4) The Secretary of State may proceed to lay such a draft statutory instrument before Parliament without having received a national authority's representations if the authority does not provide them before the end of the relevant period.
- (5) The relevant period is—
  - (a) if the budgetary period to which the order relates has begun, one month beginning with the date the Committee's advice was sent to the authority, or
  - (b) otherwise, three months beginning with that date.
- (6) At the same time as laying such a draft statutory instrument before Parliament, the Secretary of State must publish a statement setting out whether and how the order takes account of any representations made by the other national authorities.
- (7) If the order makes provision different from that recommended by the Committee, the Secretary of State must also publish a statement setting out the reasons for that decision.
- (8) A statement under this section may be published in such manner as the Secretary of State thinks fit.

## **23 Alteration of budgetary periods**

- (1) The Secretary of State may by order amend section 4(1)(a) so as to alter—
  - (a) the length of the budgetary periods, or
  - (b) the dates in the calendar year on which the budgetary periods begin and end.
- (2) This power may only be exercised if it appears to the Secretary of State necessary to do so in order to keep the budgetary periods under this Part in line with similar periods under any agreement at European or international level to which the United Kingdom is a party.
- (3) The power may not be exercised in such a way that any period falls outside a budgetary period.
- (4) An order may make such consequential amendments of the provisions of this Act as appear to the Secretary of State to be necessary or expedient.
- (5) Before making an order under this section the Secretary of State must consult the other national authorities.
- (6) An order under this section is subject to affirmative resolution procedure.

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### *Targeted greenhouse gases*

## **24 Targeted greenhouse gases**

- (1) In this Part a “targeted greenhouse gas” means—
  - (a) carbon dioxide,
  - (b) methane,
  - (c) nitrous oxide,
  - (d) hydrofluorocarbons,
  - (e) perfluorocarbons,
  - (f) sulphur hexafluoride, and
  - (g) any other greenhouse gas designated as a targeted greenhouse gas by order made by the Secretary of State.
- (2) The order may make such consequential amendments of the provisions of this Act as appear to the Secretary of State to be necessary or expedient.
- (3) Before making an order under this section, the Secretary of State must—
  - (a) consult the other national authorities, and
  - (b) obtain, and take into account, the advice of the Committee on Climate Change.
- (4) As soon as is reasonably practicable after giving its advice to the Secretary of State, the Committee must publish that advice in such manner as it considers appropriate.
- (5) If the order makes provision different from that recommended by the Committee, the Secretary of State must publish a statement setting out the reasons for that decision.
- (6) The statement may be published in such manner as the Secretary of State thinks fit.
- (7) An order under this section is subject to affirmative resolution procedure.

## **25 Base years for targeted greenhouse gases other than CO<sub>2</sub>**

- (1) The base years for the purposes of this Act for targeted greenhouse gases other than carbon dioxide are—

| <i>Gas</i>           | <i>Base year</i> |
|----------------------|------------------|
| methane              | 1990             |
| nitrous oxide        | 1990             |
| hydrofluorocarbons   | 1995             |
| perfluorocarbons     | 1995             |
| sulphur hexafluoride | 1995             |

- (2) The Secretary of State may make provision by order amending the table in subsection (1) so as to—
  - (a) specify the base year for a gas designated as a targeted greenhouse gas by order under section 24(1), or
  - (b) specify a different base year from that for the time being specified in relation to any targeted greenhouse gas other than carbon dioxide.

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- (3) An order may—
  - (a) designate a particular base year, or
  - (b) designate a number of base years and provide that the average amount of net UK emissions of a gas for those years is to be treated for the purposes of this Act as the amount of net UK emissions for the base year.
- (4) The power in subsection (2)(b) may only be exercised if it appears to the Secretary of State that there have been significant developments in European or international law or policy that make it appropriate to do so.
- (5) Before making an order under this section, the Secretary of State must—
  - (a) consult the other national authorities, and
  - (b) obtain, and take into account, the advice of the Committee on Climate Change.
- (6) As soon as is reasonably practicable after giving its advice to the Secretary of State, the Committee must publish that advice in such manner as it considers appropriate.
- (7) If the order makes provision different from that recommended by the Committee, the Secretary of State must publish a statement setting out the reasons for that decision.
- (8) The statement may be published in such manner as the Secretary of State thinks fit.
- (9) An order under this section is subject to affirmative resolution procedure.

*Carbon units, carbon accounting and the net UK carbon account*

## 26 Carbon units and carbon accounting

- (1) In this Part a “carbon unit” means a unit of a kind specified in regulations made by the Secretary of State and representing—
  - (a) a reduction in an amount of greenhouse gas emissions,
  - (b) the removal of an amount of greenhouse gas from the atmosphere, or
  - (c) an amount of greenhouse gas emissions allowed under a scheme or arrangement imposing a limit on such emissions.
- (2) The Secretary of State may make provision by regulations for a scheme—
  - (a) for registering or otherwise keeping track of carbon units, or
  - (b) for establishing and maintaining accounts in which carbon units may be held, and between which they may be transferred, by the Secretary of State.

The regulations may, in particular, provide for an existing scheme to be adapted for these purposes.
- (3) The regulations may make provision—
  - (a) appointing a body to administer the scheme;
  - (b) establishing a body for that purpose and making such provision in relation to the appointment of members, staffing, expenditure, procedure and otherwise as the Secretary of State considers appropriate;
  - (c) conferring power on the Secretary of State to give guidance or directions to the body administering the scheme;

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- (d) conferring power on the Secretary of State to delegate the performance of any of the functions conferred or imposed on the Secretary of State by the regulations;
  - (e) requiring the payment by persons using the scheme of charges (of an amount determined by or under the regulations) towards the cost of operating it.
- (4) If an existing body is appointed to administer the scheme, the regulations may make such modifications of any enactment relating to that body as the Secretary of State considers appropriate.

## **27 Net UK carbon account**

- (1) In this Part the “net UK carbon account” for a period means the amount of net UK emissions of targeted greenhouse gases for the period—
- (a) reduced by the amount of carbon units credited to the net UK carbon account for the period in accordance with regulations under this section, and
  - (b) increased by the amount of carbon units that in accordance with such regulations are to be debited from the net UK carbon account for the period.
- (2) The net amount of carbon units credited to the net UK carbon account for a budgetary period must not exceed the limit set under section 11 (limit on use of carbon units) for the period.
- (3) The Secretary of State must make provision by regulations about—
- (a) the circumstances in which carbon units may be credited to the net UK carbon account for a period,
  - (b) the circumstances in which such units must be debited from that account for a period, and
  - (c) the manner in which this is to be done.
- (4) The regulations must contain provision for ensuring that carbon units that are credited to the net UK carbon account for a period cease to be available to offset other greenhouse gas emissions.
- (5) The regulations must contain provision—
- (a) for determining whether the total amount of carbon units allocated to the United Kingdom for each budgetary period under schemes or arrangements imposing a limit on emissions from sources in the United Kingdom represent an amount of net UK emissions of targeted greenhouse gases for the period greater than the carbon budget for the period, and
  - (b) for ensuring that, if this is the case, carbon units representing the amount of such emissions in excess of the budget are not used to offset greenhouse gas emissions in the United Kingdom or elsewhere.

## **28 Procedure for regulations under section 26 or 27**

- (1) The following provisions apply in relation to regulations under section 26 (carbon units and carbon accounting) or section 27 (net UK carbon account).
- (2) The regulations are subject to affirmative resolution procedure if—
- (a) they are the first regulations to be made under those sections,
  - (b) they specify a carbon unit of a kind not previously specified in regulations made under those sections,

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- (c) they alter the amount by which—
    - (i) a carbon unit that is credited to the net UK carbon account for a period reduces the net UK carbon account for that period, or
    - (ii) a carbon unit that is debited from the net UK carbon account for a period increases the net UK carbon account for that period, or
  - (d) they make modifications of an enactment contained in primary legislation.
- (3) Otherwise the regulations are subject to negative resolution procedure.
- (4) The Secretary of State must consult the other national authorities—
- (a) in the case of regulations subject to affirmative resolution procedure, before laying before Parliament a draft of a statutory instrument containing the regulations;
  - (b) in the case of regulations subject to negative resolution procedure, before making the regulations.
- (5) The Secretary of State must obtain, and take into account, the advice of the Committee on Climate Change before laying before Parliament a draft of a statutory instrument containing—
- (a) the first regulations to be made under those sections, or
  - (b) regulations making provision of the kind described in paragraph (b) or (c) of subsection (2).

*Other supplementary provisions*

**29 UK emissions and removals of greenhouse gases**

- (1) In this Part—
- (a) “UK emissions”, in relation to a greenhouse gas, means emissions of that gas from sources in the United Kingdom;
  - (b) “UK removals”, in relation to a greenhouse gas, means removals of that gas from the atmosphere due to land use, land-use change or forestry activities in the United Kingdom;
  - (c) the “net UK emissions” for a period, in relation to a greenhouse gas, means the amount of UK emissions of that gas for the period reduced by the amount for the period of UK removals of that gas.
- (2) The amount of UK emissions and UK removals of a greenhouse gas for a period must be determined consistently with international carbon reporting practice.

**30 Emissions from international aviation or international shipping**

- (1) Emissions of greenhouse gases from international aviation or international shipping do not count as emissions from sources in the United Kingdom for the purposes of this Part, except as provided by regulations made by the Secretary of State.
- (2) The Secretary of State may by order define what is to be regarded for this purpose as international aviation or international shipping.

Any such order is subject to affirmative resolution procedure.



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- (3) The Secretary of State must, before expiry of the period ending with 31st December 2012—
  - (a) make provision by regulations as to the circumstances in which, and the extent to which, emissions from international aviation or international shipping are to be regarded for the purposes of this Part as emissions from sources in the United Kingdom, or
  - (b) lay before Parliament a report explaining why regulations making such provision have not been made.
- (4) The expiry of the period mentioned in subsection (3) does not affect the power of the Secretary of State to make regulations under this section.
- (5) Regulations under this section—
  - (a) may make provision only in relation to emissions of a targeted greenhouse gas;
  - (b) may, in particular, provide for such emissions to be regarded as emissions from sources in the United Kingdom if they relate to the transport of passengers or goods to or from the United Kingdom.
- (6) Regulations under this section may make provision—
  - (a) as to the period or periods (whether past or future) in which emissions of the targeted greenhouse gas are to be taken into account as UK emissions of that gas, and
  - (b) as to the manner in which such emissions are to be taken into account in determining UK emissions of that gas for the year that is the base year for that gas.
- (7) They may, in particular—
  - (a) designate a different base year, or
  - (b) designate a number of base years,and provide for the emissions in that year, or the average amount of emissions in those years, to be treated for the purposes of this Act as UK emissions of that gas for the year that is the base year for that gas.
- (8) For the purposes of this section the base year for carbon dioxide is the year that is the baseline year for the purposes of this Part.

### **31 Procedure for regulations under section 30**

- (1) Before making regulations under section 30, the Secretary of State must obtain, and take into account, the advice of the Committee on Climate Change.
- (2) As soon as is reasonably practicable after giving its advice to the Secretary of State, the Committee must publish that advice in such manner as it considers appropriate.
- (3) If the regulations make provision different from that recommended by the Committee, the Secretary of State must publish a statement setting out the reasons for that decision.
- (4) The statement may be published in such manner as the Secretary of State thinks fit.
- (5) Regulations under section 30 are subject to affirmative resolution procedure.

**Status:**

Point in time view as at 04/04/2011.

**Changes to legislation:**

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