
EXPLANATORY NOTE

(This note is not part of the Order)

This Order, which comes into force on 31st May 2009, does three things.

Article 2 amends section 5 of the Climate Change Act 2008 (c. 27), by altering the percentage amount in subsection (1)(a) and by repealing subsection (4). That alteration has the effect that the Secretary of State may only set a budget for the 2018–2022 budgetary period which is equivalent to a 34% reduction in the net UK carbon account in 2020 (rather than 26%). The repeal of section 5(4) has the effect that compliance is to be calculated by reference to emissions of all targeted greenhouse gases (rather than just carbon dioxide).

Article 3 sets a limit on the net amount of carbon units that may be credited to the net UK carbon account for the 2008–2012 budgetary period of zero carbon units. Carbon units credited to and debited from the net UK carbon account under regulation 6 of the Carbon Accounting Regulations 2009 (S.I. 2009/1257) (those units credited and debited as a result of the operation of the EU Emissions Trading Scheme) are excluded from the level of the limit, as are allowances under the EU Emissions Trading Scheme that are acquired by the administrator of a trading scheme established under Part 3 of the Climate Change Act 2008 and credited to the net UK carbon account under regulation 5 of those Regulations.

Article 4 defines what are to be regarded “international aviation” and “international shipping” for the purposes of section 30(1) of the Climate Change Act 2008.

An impact assessment has been produced on the EU Climate and Energy package, the revised EU Emissions Trading System Directive and meeting the UK non-traded target through UK carbon budgets. It can be obtained at the website of the Department of Energy and Climate Change: www.decc.gov.uk.