

POLICY NOTE

THE CARBON ACCOUNTING SCHEME (SCOTLAND) AMENDMENT REGULATIONS 2016

S.S.I. 2016/46

The above instrument is made in exercise of the powers conferred by sections 13(5), 20(1) and 96(2)(a) of the Climate Change (Scotland) Act 2009 and paragraph 1A of Schedule 2 to the European Communities Act 1972. The instrument is subject to the negative procedure.

Policy Objectives

The purpose of the Carbon Accounting Scheme (Scotland) Amendment Regulations 2016 (“the Regulations”) is to make provision about the circumstances in which carbon units may be credited to or debited from the net Scottish emissions account (“the account”) for the year 2014, and provision as to the details to be contained in a register of such carbon units.

The Regulations achieve this by inserting new provision into the Carbon Accounting Scheme (Scotland) Regulations 2010. In particular, regulation 2(4) inserts provision about the circumstances in which carbon units may be credited to or debited from the account, and regulation 2(5) inserts provision as to the details to be contained in a register of any such units.

The circumstances in which carbon units may be credited to or debited from the net Scottish emissions account for the year 2014 mirror the equivalent provision for the year 2013 (along with details to be contained in a register of these units). The only substantive change is that the “fixed installation cap” is reduced from 16,325,296 (for 2013) to 12,356,118 (for 2014). The “aviation cap” for 2014 remains the same as it was in 2013.

Where emissions in respect of Scotland from aviation activities in the period from 1 January 2014 to 30 April 2015 exceed the “aviation cap”, carbon units equal to the excess must be credited to the account for 2014. Where the amount is less than this cap, carbon units equal to the shortfall must instead be debited from the account.

Where, in respect of other activities in Scotland, the amount of carbon units surrendered in 2014 pursuant to the EU emissions trading scheme (“EU ETS”) exceed the “fixed installation cap” for 2014, carbon units equal to the excess must be credited to the account for 2014. Where the amount is less than this cap, carbon units equal to the shortfall must instead be debited from the account.

Background

The “net Scottish emissions account” for the purposes of the Climate Change (Scotland) Act 2009 means the aggregate amount of net Scottish emissions of greenhouse gases:

- reduced by the amount of carbon units credited to the account; and
- increased by the amount of carbon units debited from the account.

The Scottish Ministers will, by virtue of the Regulations, need to calculate whether, in respect of 2014, any carbon unit is to be credited or debited from the net Scottish emissions account as a result of the operation of the EU ETS. In doing so, Scottish Ministers must determine the amount of carbon units surrendered in 2014 by EU ETS participants in Scotland. An additional amount of carbon units is added to cover CO₂ emissions for all flights departing from Scotland. This combined amount is then compared to Scotland's share of the EU ETS cap for 2014. The EU ETS cap for 2014 has been determined using the same method that was used to determine the cap for 2013. A paper, 'Determining a Scottish EU-ETS cap for 2014' has been provided to SPICe setting out the method used for calculating each component. A copy of the paper has also been published on the Scottish Government's website: <http://www.gov.scot/Topics/Statistics/Browse/Environment/Publications/EUETScap2014>

Consultation

The UK Committee on Climate Change and the UK Government's Department of Energy and Climate Change were consulted on the proposed method for crediting or debiting carbon units, in respect of Scotland, as a result of the operation of the EU ETS.

Impact Assessments

No equality impact assessment has been prepared for this instrument as there are no equality impact issues.

Financial Effects

A Business and Regulatory Impact Assessment (BRIA) is not required as the instrument will not, in itself, impose new regulatory burdens on businesses, charities or the voluntary sector.

Scottish Government
Energy and Climate Change Directorate
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