Draft Legislation: This is a draft item of legislation. This draft has since been made as a UK Statutory Instrument: The Vehicle Emissions Trading Schemes Order 2023 No. 1394

Schedules

Schedule 1

Article 3(1), 34 and 66

Baseline for the CCTS and VCTS

Part 1

Baseline for the CCTS

Interpretation and general

- 1. In this Part—
 - (a) the period beginning with 1st January 2021 and ending with 31st December 2021 is referred to as "2021";
 - (b) the period beginning with 1st January 2022 and ending with 31st December 2022 is referred to as "2022";
 - (c) the period beginning with 1st January 2023 and ending with 31st December 2023 is referred to as "2023";
 - (d) "adjusted specific emissions of CO₂", in relation to a car, means the specific emissions of CO₂ of the car, reduced where applicable by the number of grams of CO₂ per kilometre specified in the certificate of conformity of that car as being due to any eco-innovation;
 - (e) "exempt manufacturer" means a manufacturer to which Article 4, points (b) and (c) of Article 7(4), Article 8 and points (a) and (c) of Article 9(1) of Regulation (EU) 2019/631 did not apply by virtue of Article 2(4) of that Regulation;
 - (f) "excess emissions premium" means a requirement to pay a specified amount where a manufacturer's average specific emissions exceed its specific emissions target under Article 8 of Regulation (EU) 2019/631;
 - (g) "non-ZE car" means a car which has specific emissions of CO₂ greater than zero grams per kilometre;
 - (h) "pool" means a group of manufacturers which formed a pool for the purposes of meeting their obligations under Article 4 of Regulation (EU) 2019/631;
 - (i) "pool manager" means a manufacturer nominated as the manager of a pool in accordance with Article 6.2(b) of Regulation (EU) 2019/631;
 - (j) "specific emissions target" has the same meaning as it had in Regulation (EU) 2019/631, as it stood immediately before the coming into force of this Order;
 - (k) "2021 individual NZE average emissions", in relation to a manufacturer, means the average of the adjusted specific emissions of CO₂ of the non-ZE cars of which that manufacturer is the manufacturer and which were registered during 2021;
 - (1) "2021 individual specific emissions target" means the specific emissions target for a manufacturer for 2021;

- (m) "2021 pool specific emissions target" means the specific emissions target to which the manufacturers in a pool were collectively subject, for the purposes of meeting their obligations under Article 4 of Regulation (EU) 2019/631 for 2021, in accordance with Article 6 of that Regulation;
- (n) "2021 individual performance", in relation to a manufacturer, means the average of the specific emissions of CO₂, as specified in the information published by the Secretary of State pursuant to Article 9.1(b) of Regulation (EU) 2019/631(1), of the non-ZE cars of which the manufacturer was the manufacturer and which were registered during 2021;
- (o) "2021 pool performance", in relation to a pool, means the average of the specific emissions of CO₂, as specified in the information published by the Secretary of State pursuant to Article 9.1(b) of Regulation (EU) 2019/631, of the non-ZE cars of which a member of the pool was the manufacturer and which were registered during 2021;
- (p) "2021 individual excess", in relation to a manufacturer, is calculated by applying the following formula—

$$(A \div B) - 1$$

where----

"A" is the manufacturer's 2021 individual performance; and

"B" is the manufacturer's 2021 individual specific emissions target;

(q) "2021 pool excess", in relation to a pool, is calculated by applying the following formula—

$$(C \div D) - 1$$

where---

"C" is the pool's 2021 pool performance; and

"D" is the pool's 2021 pool specific emissions target.

2. Paragraphs 5 to 19 apply for the purposes of calculating the baseline for a CCTS participant consisting of a manufacturer which is not a member of a pool CCTS participant.

3. Paragraph 20 applies for the purposes of calculating the baseline for a CCTS participant which is a pool CCTS participant.

4. A baseline which is calculated in accordance with this Part, if not a whole number, is calculated to three decimal places only.

Existing manufacturer which met 2021 target

- 5. Paragraph 6 applies for the purpose of calculating the baseline for a CCTS participant—
 - (a) which had a 2021 individual specific emissions target; and
 - (b) in relation to which no excess emissions premium was imposed for 2021 on-

(i) the manufacturer; or

- (ii) the pool manager for a pool of which the manufacturer was a member for 2021.
- 6. Where this paragraph applies, the CCTS participant's baseline is the higher of—
 - (a) the manufacturer's 2021 individual NZE average emissions; or

⁽¹⁾ Available at https://www.vehicle-certification-agency.gov.uk/fuel-consumption-co2/average-emissions-monitoring/co2emissions-from-new-passenger-cars/. A hard copy is available on request from the Department for Transport, Great Minster House, 33 Horseferry Road, London SW1P 4DR.

(b) the manufacturer's 2021 individual specific emissions target.

Exempt manufacturer for 2021

7. The baseline for a CCTS participant which was an exempt manufacturer for 2021 is the manufacturer's 2021 individual NZE average emissions.

Existing manufacturer which did not meet 2021 target

8. Paragraph 9 applies for the purpose of calculating the baseline for a CCTS participant—

- (a) which had a 2021 individual specific emissions target;
- (b) which was not a member of a pool for 2021; and
- (c) on which an excess emissions premium was imposed for 2021.

9. Where this paragraph applies, the CCTS participant's baseline is the number resulting from the application of the following formula—

 $E - (E \times F)$

where----

"E" is the manufacturer's 2021 individual NZE average emissions; and

"F" is the manufacturer's 2021 individual excess.

Existing manufacturer in non-compliant pool met individual 2021 target

10. Paragraph 11 applies for the purpose of calculating the baseline for a CCTS participant which—

- (a) had a 2021 individual specific emissions target;
- (b) was a member of a pool for 2021 and—
 - (i) an excess emissions premium was imposed on the pool manager for that pool for 2021; but
 - (ii) the manufacturer met its individual 2021 specific emissions target.

11. Where this paragraph applies, the CCTS participant's baseline is the higher of—

- (a) the manufacturer's 2021 individual NZE average emissions; or
- (b) the manufacturer's 2021 individual specific emissions target.

Existing manufacturer in non-compliant pool did not meet individual 2021 target

12. Paragraph 13 applies for the purpose of calculating the baseline for a CCTS participant where—

- (a) the manufacturer had a 2021 individual specific emissions target;
- (b) the manufacturer was a member of a pool for 2021;
- (c) an excess emissions premium was imposed on the pool manager for that pool for 2021; and
- (d) the manufacturer did not meet its 2021 individual specific emissions target.

13. Where this paragraph applies, the CCTS participant's baseline is the number resulting from the application of the following formula—

$$E - (E \times H)$$

where---

"E" is the manufacturer's 2021 individual NZE average emissions; and

"H" is the 2021 pool excess for the pool of which the manufacturer was a member.

New manufacturer in 2022

14. Paragraph 15 applies for the purpose of calculating the baseline for a CCTS participant which—

- (a) did not have a 2021 individual specific emissions target;
- (b) was not an exempt manufacturer for 2021; and
- (c) is the manufacturer of a non-ZE car which was registered during 2022.

15. Where this paragraph applies, the CCTS participant's baseline is the average of the adjusted specific emissions of CO_2 of the non-ZE cars of which that CCTS participant is the manufacturer and which were registered during 2022.

New manufacturer in 2023

16. Paragraph 17 applies for the purpose of calculating the baseline for a CCTS participant which—

- (a) did not have a 2021 individual specific emissions target;
- (b) was not an exempt manufacturer for 2021;
- (c) is not the manufacturer of a non-ZE car which was registered during 2022; and
- (d) is the manufacturer of a non-ZE car which was registered during 2023.

17. Where this paragraph applies, the CCTS participant's baseline is the average of the adjusted specific emissions of CO_2 of the non-ZE cars of which that CCTS participant is the manufacturer and which were registered during 2023.

New manufacturer from 2024

18. Paragraph 19 applies for the purpose of calculating the baseline for a CCTS participant which—

- (a) did not have a 2021 individual specific emissions target;
- (b) was not an exempt manufacturer for 2021;
- (c) is not the manufacturer of a non-ZE car which was registered during 2022 or 2023; and
- (d) becomes a CCTS participant, or a member of a pool CCTS participant, on or after the date on which this Order comes into force.

19. Where this paragraph applies, the CCTS participant's baseline is the average of the adjusted specific emissions of CO_2 of all the non-ZE cars registered during the calendar year preceding the scheme year in which the participant first becomes a CCTS participant, or a member of a pool CCTS participant.

Pool CCTS participant

20.—(1) The baseline for a CCTS participant which is a pool CCTS participant is calculated as follows.

Step 1

Calculate the baseline for each manufacturer which is a member of the pool CCTS participant in accordance with whichever of paragraphs 5 to 19 is applicable to each manufacturer.

Step 2

Multiply each baseline calculated in accordance with step 1-

- (a) by the number of non-ZE cars of which the manufacturer was the manufacturer and which were registered in 2021; or
- (b) where the manufacturer was not the manufacturer of a non-ZE car which was registered in 2021, by the number of non-ZE cars of which the manufacturer is the manufacturer and which were registered during the calendar year in which the manufacturer first became a CCTS participant or a member of a pool CCTS participant.

Step 3

Add together the numbers resulting from step 2.

Step 4

Calculate the total number of non-ZE cars of which the manufacturers which are members of the pool CCTS participant are the manufacturer and which were registered—

- (a) during 2021; or
- (b) where the manufacturer was not the manufacturer of a non-ZE car which was registered in 2021, during the calendar year in which the manufacturer first became a CCTS participant or a member of a pool CCTS participant.

Step 5

Divide the number resulting from step 3 by the number resulting from step 4.

(2) The pool CCTS participant's baseline is the number resulting from step 5.

Part 2

Baseline for the VCTS

Interpretation and general

- 21. In this Part—
 - (a) the period beginning with 1st January 2021 and ending with 31st December 2021 is referred to as "2021";
 - (b) the period beginning with 1st January 2022 and ending with 31st December 2022 is referred to as "2022";
 - (c) the period beginning with 1st January 2023 and ending with 31st December 2023 is referred to as "2023";
 - (d) "adjusted specific emissions of CO₂", in relation to a van, means the specific emissions of CO₂ of the van, reduced where applicable by the number of grams of CO₂ per kilometre specified in the certificate of conformity of that van as being due to any eco-innovation;
 - (e) "exempt manufacturer" means a manufacturer to which Article 4, points (b) and (c) of Article 7(4), Article 8 and points (a) and (c) of Article 9(1) of Regulation (EU) 2019/631 did not apply by virtue of Article 2(4) of that Regulation;
 - (f) "excess emissions premium" means a requirement to pay a specified amount where a manufacturer's average specific emissions exceed its specific emissions target under Article 8 of Regulation (EU) 2019/631;

- (g) "non-ZE van" means a van which has specific emissions of CO₂ greater than zero grams per kilometre;
- (h) "pool" means a group of manufacturers which formed a pool for the purposes of meeting their obligations under Article 4 of Regulation (EU) 2019/631;
- (i) "pool manager" means a manufacturer nominated as the manager of a pool in accordance with Article 6.2(b) of Regulation (EU) 2019/631;
- (j) "specific emissions target" has the same meaning as it had in Regulation (EU) 2019/631, as it stood immediately before the coming into force of this Order;
- (k) "2021 individual NZE average emissions", in relation to a manufacturer, means the average of the adjusted specific emissions of CO_2 of the non-ZE vans of which that manufacturer is the manufacturer and which were registered during 2021;
- (l) "2021 individual specific emissions target" means the specific emissions target for a manufacturer for 2021;
- (m) "2021 pool specific emissions target" means the specific emissions target to which the manufacturers in a pool were collectively subject, for the purposes of meeting their obligations under Article 4 of Regulation (EU) 2019/631 for 2021, in accordance with Article 6 of that Regulation;
- (n) "2021 individual performance", in relation to a manufacturer, means the average of the specific emissions of CO₂, as specified in the information published by the Secretary of State pursuant to Article 9.1(b) of Regulation (EU) 2019/631, of the non-ZE vans of which the manufacturer was the manufacturer and which were registered during 2021;
- (o) "2021 pool performance", in relation to a pool, means the average of the specific emissions of CO₂, as specified in the information published by the Secretary of State pursuant to Article 9.1(b) of Regulation (EU) 2019/631, of the non-ZE vans of which a member of the pool was the manufacturer and which were registered during 2021;
- (p) "2021 individual excess", in relation to a manufacturer, is calculated by applying the following formula—

$$(A \div B) - 1$$

where----

"A" is the manufacturer's 2021 individual performance; and

"B" is the manufacturer's 2021 individual specific emissions target;

(q) "2021 pool excess", in relation to a pool, is calculated by applying the following formula—

$$(C \div D) - 1$$

where----

"C" is the pool's 2021 pool performance; and

"D" is the pool's 2021 pool specific emissions target.

22. Paragraphs 25 to 39 apply for the purposes of calculating the baseline for a VCTS participant consisting of a manufacturer which is not a member of a pool VCTS participant.

23. Paragraph 40 applies for the purposes of calculating the baseline for a VCTS participant which is a pool VCTS participant.

24. A baseline which is calculated in accordance with this Part, if not a whole number, is calculated to three decimal places only.

Existing manufacturer which met 2021 target

25. Paragraph 26 applies for the purpose of calculating the baseline for a VCTS participant—

- (a) which had a 2021 individual specific emissions target; and
- (b) in relation to which no excess emissions premium was imposed for 2021 on-

(i) the manufacturer; or

(ii) the pool manager for a pool of which the manufacturer was a member for 2021.

26. Where this paragraph applies, the VCTS participant's baseline is the higher of-

- (a) the manufacturer's 2021 individual NZE average emissions; or
- (b) the manufacturer's 2021 individual specific emissions target.

Exempt manufacturer for 2021

27. The baseline for a VCTS participant which was an exempt manufacturer for 2021 is the manufacturer's 2021 individual NZE average emissions.

Existing manufacturer which did not meet 2021 target

28. Paragraph 29 applies for the purpose of calculating the baseline for a VCTS participant—

- (a) which had a 2021 individual specific emissions target;
- (b) which was not a member of a pool for 2021; and
- (c) on which an excess emissions premium was imposed for 2021.

29. Where this paragraph applies, the VCTS participant's baseline is the number resulting from the application of the following formula—

 $E - (E \times F)$

where----

"E" is the manufacturer's 2021 individual NZE average emissions; and

"F" is the manufacturer's 2021 individual excess.

Existing manufacturer in non-compliant pool met individual 2021 target

30. Paragraph 31 applies for the purpose of calculating the baseline for a VCTS participant which—

- (a) had a 2021 individual specific emissions target;
- (b) was a member of a pool for 2021 and—
 - (i) an excess emissions premium was imposed on the pool manager for that pool for 2021; but
 - (ii) the manufacturer met its individual 2021 specific emissions target.

31. Where this paragraph applies, the VCTS participant's baseline is the higher of—

- (a) the manufacturer's 2021 individual NZE average emissions; or
- (b) the manufacturer's 2021 individual specific emissions target.

Existing manufacturer in non-compliant pool did not meet individual 2021 target

32. Paragraph 33 applies for the purpose of calculating the baseline for a VCTS participant where—

- (a) the manufacturer had a 2021 individual specific emissions target;
- (b) the manufacturer was a member of a pool for 2021;
- (c) an excess emissions premium was imposed on the pool manager for that pool in relation to 2021; and
- (d) the manufacturer did not meet its 2021 individual specific emissions target.

33. Where this paragraph applies, the VCTS participant's baseline is the number resulting from the application of the following formula—

$$E - (E \times H)$$

where----

"E" is the manufacturer's 2021 individual NZE average emissions; and

"H" is the 2021 pool excess for the pool of which the manufacturer was a member.

New manufacturer in 2022

34. Paragraph 35 applies for the purpose of calculating the baseline for a VCTS participant which—

- (a) did not have a 2021 individual specific emissions target;
- (b) was not an exempt manufacturer for 2021; and
- (c) is the manufacturer of a non-ZE van which was registered during 2022.

35. Where this paragraph applies, the VCTS participant's baseline is the average of the adjusted specific emissions of CO_2 of the non-ZE vans of which that VCTS participant is the manufacturer and which were registered during 2022.

New manufacturer in 2023

36. Paragraph 37 applies for the purpose of calculating the baseline for a VCTS participant which—

- (a) did not have a 2021 individual specific emissions target;
- (b) was not an exempt manufacturer for 2021;
- (c) is not the manufacturer of a non-ZE van which was registered during 2022; and
- (d) is the manufacturer of a non-ZE van which was registered during 2023.

37. Where this paragraph applies, the VCTS participant's baseline is the average of the adjusted specific emissions of CO_2 of the non-ZE vans of which that VCTS participant is the manufacturer and which were registered during 2023.

New manufacturer from 2024

38. Paragraph 39 applies for the purpose of calculating the baseline for a VCTS participant which—

- (a) did not have a 2021 individual specific emissions target;
- (b) was not an exempt manufacturer for 2021;

- (c) is not the manufacturer of a non-ZE van which was registered during 2022 or 2023; and
- (d) becomes a VCTS participant, or a member of a pool VCTS participant, on or after the date on which this Order comes into force.

39. Where this paragraph applies, the VCTS participant's baseline is the average of the adjusted specific emissions of CO_2 of all the non-ZE vans registered during the calendar year preceding the scheme year in which the participant first becomes a VCTS participant, or a member of a group of manufacturers which is a pool VCTS participant.

Pool VCTS participant

40.—(1) The baseline for a VCTS participant which is a pool VCTS participant is calculated as follows.

Step 1

Calculate the baseline for each manufacturer which is a member of the pool VCTS participant in accordance with whichever of paragraphs 25 to 39 is applicable to each manufacturer.

Step 2

Multiply each baseline calculated in accordance with step 1—

- (a) by the number of non-ZE vans of which the manufacturer was the manufacturer and which were registered in 2021; or
- (b) where the manufacturer was not the manufacturer of a van which was registered in 2021, by the number of non-ZE vans of which the manufacturer is the manufacturer and which were registered during the calendar year in which the manufacturer first became a VCTS participant or a member of a pool VCTS participant.

Step 3

Add together the numbers resulting from step 2.

Step 4

Calculate the total number of non-ZE vans of which the manufacturers which are members of the pool VCTS participant are the manufacturer and which were registered—

- (a) during 2021; or
- (b) where the manufacturer was not the manufacturer of a van which was registered in 2021, during the calendar year in which the manufacturer first became a VCTS participant or a member of a pool VCTS participant.

Step 5

Divide the number resulting from step 3 by the number resulting from step 4.

(2) The pool VCTS participant's baseline is the number resulting from step 5.

Schedule 2

Article 3(1)

Car club conditions

1. The conditions which must be met by a person (referred to in this Schedule as "the operator") in order to be treated as a car club for the purposes of articles 20, 22, 52 or 54 (CRTS credits and VRTS credits: car clubs) are set out in the following paragraphs of this Schedule.

2. The operator offers a service to the public (a "car club service") which meets the following criteria—

- (a) the operator offers cars, vans or SPVs for hire which are-
 - (i) located in, or close to, residential or commercial areas where customers and potential customers of the service live or work;
 - (ii) capable of being booked for periods of time up to a maximum of ten days;
 - (iii) permanently available to customers to book;
 - (iv) directly accessible to customers after booking without the assistance of the operator;
 - (v) paid for by customers on the basis of each mile travelled in the vehicle during the booking, or on the basis of the period of time for which the vehicle is booked, or a combination of both;
 - (vi) capable of being booked without the customer having to enter into a new agreement with the operator for each booking; and
 - (vii) equipped with information about the vehicle, for reference by the customer;
- (b) the operator makes available to customers a pricing structure, a booking system, a digital or telephone helpline and information about how to use the car club service; and
- (c) customers are liable for financial or other penalties incurred whilst using the vehicle, other than financial penalties in excess of the original penalty resulting from a failure by the operator to inform the customer about the penalty in a timely manner.
- **3.** The operator ensures that the vehicles used for the purpose of providing the car club service are—
 - (a) roadworthy, kept clean and regularly serviced and maintained;
 - (b) covered by a comprehensive insurance policy provided by a third party or the operator; and
 - (c) covered by a national breakdown and recovery policy.
 - 4. The operator has and publishes—
 - (a) an equality and diversity policy;
 - (b) a statement of how the car club service operates;
 - (c) an environmental policy and environmental impact statement; and
 - (d) a complaints policy.

5. If the operator intends to cease providing the car club service, it gives its customers a period of two months' notice before the cessation, where this is reasonably practicable.

6. The operator provides the following information to the administrator within the time period specified—

- (a) on or before 1st February of each year following a scheme year during which the operator met the conditions in this Schedule—
 - (i) a list of the ZE cars, ZE vans or ZE SPVs of which the operator has exclusive use for the purposes of providing the car club service;
 - (ii) the make, model and vehicle identification numbers of each such vehicle;
 - (iii) the number of customer bookings of each such vehicle; and
 - (iv) a copy of the documents referred to in paragraph 4;
- (b) within the period specified in a request given in writing by the administrator, confirmation that the operator meets the conditions in this Schedule;
- (c) without delay after a ZE car, ZE van or ZE SPV in relation to which a CRTS participant, a VRTS participant or an SPV manufacturer has acquired half a CRTS or VRTS credit has sustained damage giving rise to a duty to notify the Secretary of State in accordance

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with paragraph 1 or 2 of Schedule 3A to the Road Vehicles (Registration and Licensing) Regulations 2002, confirmation that such notification has been given;

- (d) within the period specified in a request given in writing by the administrator, confirmation that the operator has exclusive use, for the purposes of providing a car club service, of a ZE car, ZE van or ZE SPV in relation to which a CRTS participant, a VRTS participant or an SPV manufacturer has acquired half a CRTS or VRTS credit, as the case may be; and
- (e) as soon as reasonably practicable in the event that the operator intends to cease providing the car club service, notification of that planned cessation and the operator's proposals for managing it, including the proposals for disposal of the vehicles used to provide the service.

Schedule 3

Article 3(6)

Determination of the specific emissions of CO₂ of completed vans

General

1. In this Schedule—

" A_f " means a reference to A_f (the frontal area of a vehicle) in point 3.2.3.2.3.3 of Sub-Annex 7 to Annex 21 to Regulation (EU) 2017/1151;

"DM_{base}" means the default mass of the base vehicle, calculated in accordance with the formula in paragraph 11;

"interpolation family" has the meaning given in point 5.6 of Annex 21 to Regulation (EU) 2017/1151;

"interpolation method" means the interpolation method referred to in point 3.2.3.2 or 3.2.4 of Sub-Annex 7 to Annex 21 to Regulation (EU) 2017/1151;

"road load matrix family" has the meaning given in point 5.8 of Annex 21 to Regulation (EU) 2017/1151;

"small series type-approval" means small series type-approval granted in accordance with Article 42 of Regulation (EU) 2018/858;

"technically permissible maximum laden mass" has the meaning given in point 3.2.23 of Annex 21 to Regulation (EU) 2017/1151;

"TMH" means the test mass of vehicle H of the interpolation family, as referred to in point 3.2.3.2.2.1 of Sub-Annex 7 to Annex 21 to Regulation (EU) 2017/1151;

"TM _{ind}" means a reference to TM_{ind} (the individual test mass of a vehicle) in point 3.2.3.2.2.1 or 3.2.4.1.1.1 of Sub-Annex 7 to Annex 21 to Regulation (EU) 2017/1151;

"TML" means the test mass of vehicle L of the interpolation family, as referred to in point 3.2.3.2.2.1 of Sub-Annex 7 to Annex 21 to Regulation (EU) 2017/1151;

"vehicle H" means test vehicle H of the interpolation family, as described in point 4.2.1.1.2 of Sub-Annex 4 to Annex 21 to Regulation (EU) 2017/1151;

"vehicle L" means test vehicle L of the interpolation family, as described in point 4.2.1.1.2 of Sub-Annex 4 to Annex 21 to Regulation (EU) 2017/1151.

2. The administrator must keep under review whether the multiplier of 1.375 in paragraphs 11(b) and 12(c) of this Schedule, and in paragraph 12(f) of Schedule 7, is the appropriate multiplier for calculating the specific emissions of CO_2 of completed vans based on an incomplete base vehicle.

3. If, following the review in paragraph 2, the administrator finds that there is significant divergence between the specific emissions of CO_2 of completed vans based on incomplete base vehicles as determined in accordance with this Schedule, on the one hand, and the actual emissions of CO_2 of such vans on the other, the administrator may make a recommendation to the relevant national authorities(**2**) to amend this Order accordingly.

4. The administrator must keep under review the representativeness of monitoring emissions of CO_2 of a completed vans based on an incomplete base vehicle, as determined in accordance with paragraphs 10 to 19 of this Schedule and as notified to the administrator in accordance with paragraph 12(c) of Schedule 7, when compared to the actual emissions of CO_2 of the corresponding completed van.

5. If, following the review in paragraph 4, the administrator finds that the average difference between the monitoring emissions and the actual emissions, as referred to in that paragraph, exceeds 4% for two scheme years, the administrator may make a recommendation to the relevant national authorities to amend this Order accordingly.

Specific emissions of CO₂ of a completed van which undergoes emissions testing at the final stage

6. For a completed van which was type-approved in accordance with Annex 21 to Regulation (EU) 2017/1151, its specific emissions of CO_2 are those specified in the certificate of conformity of the completed van.

Specific emissions of CO₂ of a completed van based on a complete base vehicle

7. For a completed van, other than one to which paragraph 6 applies, which is based on a complete base vehicle, its specific emissions of CO_2 are those of the complete base vehicle, as specified in the certificate of conformity or the individual vehicle approval certificate of that base vehicle.

Specific emissions of CO₂ of a completed van based on an incomplete base vehicle: general

8. For a completed van, other than one to which paragraph 6 applies, which is based on an incomplete base vehicle, its specific emissions of CO_2 are the monitoring emissions of CO_2 of that incomplete base vehicle, as calculated in accordance with paragraphs 9 to 19 and notified to the administrator in accordance with paragraph 12(c) of Schedule 7.

9. The monitoring emissions of CO_2 of an incomplete base vehicle are calculated in accordance with the interpolation method, using the same method as was applied for the type-approval of the base vehicle, but subject to the modifications in paragraphs 10 to 19.

Monitoring emissions of CO₂: modifications relating to fuel consumption and CO₂ emissions

10. For a completed van which does not fall within paragraph 15, TM_{ind} is replaced by DM_{base} , calculated in accordance with the formula in paragraph 11, but subject to paragraphs 13 and 14.

11. The formula in this paragraph is: $DM_{base} = (MRO_{base} \times B_0) + 25 \text{ kilograms} + MVL$, where—

- (a) MRO_{base} is the mass in running order of the base vehicle;
- (b) B_0 is the body mass value of 1.375; and
- (c) MVL is the mass representative of the vehicle load, calculated in accordance with paragraph 12.

⁽²⁾ See section 47 of the Climate Change Act 2008 for the meaning of "relevant national authority".

12. The mass representative of the vehicle load for the purposes of paragraph 11(c) is 28% of ((TPMLM - MRO_{base}) x B₀) - 25 kilograms,

where----

- (a) TPMLM is the technically permissible maximum laden mass of the base vehicle;
- (b) MRO_{base} is the mass in running order of the base vehicle; and
- (c) B_0 is the body mass value of 1.375.

13. Where DM_{base} is lower than TML, TM_{ind} is replaced by TML.

14. Where DM_{base} is higher than TMH, TM_{ind} is replaced by TMH.

15. For a completed van which is subject to individual vehicle approval or small series type-approval, TM_{ind} is replaced by the mean of TML and TMH.

Monitoring emissions of CO₂: modifications relating to aerodynamic drag

16. Paragraph 17 applies where an incomplete base vehicle belongs to a road load matrix family and the interpolation method is used to calculate aerodynamic drag in accordance with point 3.2.3.2.2.3 of Sub-Annex 7 to Annex 21 to Regulation (EU) 2017/1151.

17. Where this paragraph applies, the manufacturer of the base vehicle may replace A_f with—

- (a) the frontal area of the vehicle representative of the road load matrix family; or
- (b) the mean value of the frontal area of vehicle H and of vehicle L.

18. Paragraph 19 applies where—

- (a) the interpolation method is not used to calculate aerodynamic drag in accordance with point 3.2.3.2.2.3 of Sub-Annex 7 to Annex 21 to Regulation (EU) 2017/1151; or
- (b) the incomplete base vehicle does not belong to a road load matrix family.

19. Where this paragraph applies, A_f is replaced by the frontal area of vehicle H.

Schedule 4

Article 11(3) and 43(3)

Low-volume CRTS participants and low-volume VRTS participants

Part 1

General

1. A CRTS participant may be treated as a low-volume CRTS participant, and a VRTS participant may be treated as a low-volume VRTS participant, in accordance with Part 2 or 3 of this Schedule if—

- (a) the participant is not part of a group of connected manufacturers;
- (b) the participant is a pool CRTS participant or a pool VRTS participant, as the case may be; or
- (c) the participant is part of a group of connected manufacturers, but it operates its own production facility and design centre, within the meaning of paragraph 2.
- **2.** For the purposes of paragraph 1(c)—

Draft Legislation: This is a draft item of legislation. This draft has since been made as a UK Statutory Instrument: The Vehicle Emissions Trading Schemes Order 2023 No. 1394

- (a) a participant operates its own production facility if it has exclusive use of the manufacturing or assembly plant at which the cars or the vans of which it is the manufacturer are manufactured or assembled; and
- (b) a participant operates its own design centre if it controls and has exclusive use of the facility at which the cars or the vans of which it is the manufacturer are designed and developed.

Part 2

Participants with fewer than 1,000 car or van registrations during a scheme year

3. A CRTS participant which is the manufacturer of fewer than 1,000 cars which are registered during a scheme year is a low-volume CRTS participant for that scheme year.

4. A VRTS participant which is the manufacturer of fewer than 1,000 vans which are registered during a scheme year is a low-volume VRTS participant for that scheme year.

Part 3

Participants with 1,000 to 2,499 car or van registrations during a scheme year

5. A CRTS participant which is the manufacturer of fewer than 2,500 cars, but more than 999 cars, which are registered during a scheme year may apply to be a low-volume CRTS participant for that scheme year in accordance with this Part.

6. A VRTS participant which is the manufacturer of fewer than 2,500 vans, but more than 999 vans, which are registered during a scheme year may apply to be a low-volume VRTS participant for that scheme year in accordance with this Part.

7. An application under this Part may not relate to the 2030 scheme year.

8. A CRTS participant or VRTS participant which makes an application under this Part is referred to as "the applicant".

9. An application under this Part must be—

- (a) made by the applicant to the administrator;
- (b) made on or before 30th April of the year following the first scheme year to which the application relates;
- (c) signed by or on behalf of the applicant to confirm that the information in the application is true and accurate; and
- (d) submitted in hard copy and by electronic means.

10. An application under this Part must be accompanied by the following information—

- (a) the name and contact details of the applicant;
- (b) whether the application relates to the CRTS, the VRTS or both;
- (c) if the applicant is a group of connected manufacturers, an application under Schedule 5;
- (d) the number of cars (if the application relates to the CRTS) or vans (if the application relates to the VRTS) of which the applicant is the manufacturer and which were registered in the three calendar years preceding the first scheme year to which the application relates, if this information is available;

- (e) the following details relating to the cars or the vans of which the applicant is the manufacturer, as specified on the certificate of conformity or the individual vehicle approval certificate—
 - (i) the test mass;
 - (ii) the specific emissions of CO₂;
 - (iii) the number of seating positions, including the driver;
 - (iv) the maximum net power;
 - (v) the maximum speed;
 - (vi) the electric range, where applicable;
- (f) whether the applicant is the manufacturer of any SPVs, and if so what type of SPVs they are, for the purposes of point 5 of Part A of Annex 1 to Regulation (EU) 2018/858;
- (g) the total number of the applicant's employees in the calendar year preceding the first scheme year to which the application relates, and the number of such employees who are based in the United Kingdom;
- (h) whether the applicant has exclusive use of the manufacturing or assembly plant at which the cars or the vans of which it is the manufacturer are manufactured or assembled, and if not, the name and contact details of the person with whom the applicant makes arrangements for such manufacture or assembly, together with information concerning which cars or vans of which the applicant is the manufacturer are included in such arrangements;
- (i) the price list for the cars or vans of which the applicant is the manufacturer in the calendar year preceding the first scheme year to which the application relates;
- (j) the expected price list for the cars or vans of which the applicant is the manufacturer in the scheme years to which the application relates;
- (k) the proposed timetable for the registration of ZE cars or ZE vans manufactured by the applicant; and
- (l) the estimated number of cars or vans of which the applicant is the manufacturer to be registered in the scheme years to which the application relates.

11. For a vehicle which has an individual vehicle approval certificate, the applicant is only required to provide the information specified in paragraph 10(e) to the extent that the information is included on the certificate.

12. The administrator may only reject an application made under this Part if—

- (a) the applicant is not eligible to be a low-volume CRTS participant or a low-volume VRTS participant because it does not fall within paragraph 5 or 6, as the case may be; or
- (b) the application is incomplete and the applicant does not provide the missing information within the time period specified in a request for the information made in writing by the administrator.

13. If a valid application is made under this Part and the administrator has not notified the applicant of an objection to the application before 1st October of the year following the first scheme year to which the application relates, the application is granted.

14. Where an application is granted in accordance with paragraph 13, the applicant is a low-volume CRTS participant or a low-volume VRTS participant, as the case may be, and subject to paragraph 7, for the first scheme year to which the application relates and the two subsequent scheme years.

15. Where an application is rejected in accordance with paragraph 12(b), the applicant may resubmit a valid application on or before 30th June of the year following the first scheme year to which the application relates.

16. An applicant which ceases to be a low-volume CRTS participant or a low-volume VRTS participant following expiry of the three scheme years mentioned in paragraph 14 may re-apply to be a low-volume CRTS participant or a low-volume VRTS participant by making a further application in accordance with this Part.

17. An application granted under this Part may be revoked by the administrator if the CRTS participant or VRTS participant is no longer eligible to be a low-volume CRTS participant or a low volume VRTS participant.

18. A revocation under paragraph 17 must be notified by the administrator to the CRTS participant or VRTS participant in writing and takes effect from the start of the scheme year which follows the scheme year in which the revocation is notified.

Schedule 5

Article 11(2), 32(2), 43(2) and 64(2)

Application by two or more manufacturers to be a pool participant in the Trading Schemes

1. Two or more manufacturers may together apply to the administrator to be a pool participant in the Trading Schemes in accordance with this Schedule.

2. An application under this Schedule may relate to a single scheme year only.

3. An application under this Schedule must be made on or before 30th April of the year following the scheme year for which the manufacturers wish to be a pool participant.

4. An application under this Schedule may only be made by manufacturers which are connected at the end of the scheme year to which the application relates.

- 5. An application under this Schedule must identify—
 - (a) the manufacturers which are to be a pool participant;
 - (b) the Trading Scheme or Schemes for which the manufacturers wish to be a pool participant; and
 - (c) the manufacturer which will be-
 - (i) the contact point for the pool participant; and
 - (ii) responsible for receiving notice of any civil penalty under Part 6 on behalf of the pool participant.
- 6. For the purposes of paragraph 5(b)—
 - (a) if an application under this Schedule is made in relation to the CCTS, it must also be made in relation to the CRTS, and vice versa; and
 - (b) if an application under this Schedule is made in relation to the VCTS, it must also be made in relation to the VRTS, and vice versa.
- 7. An application under this Schedule must be accompanied by evidence demonstrating that—
 - (a) the manufacturers are connected, as specified in paragraph 4; and
 - (b) the manufacturer identified to the administrator in accordance with paragraph 5(c) is capable of fulfilling the roles identified in that paragraph.

8. The administrator may only reject an application under this Schedule if it is not made in accordance with this Schedule.

9. Where the administrator grants an application made in accordance with this Schedule, the group of manufacturers is a pool participant for the Trading Scheme, and for the scheme year, to which the application relates.

Schedule 6

Article 12(3), 13(2), 44(3) and 45(2)

Percentage of total car or van registrations for the purpose of calculating CRTS allowances and VRTS allowances

Part 1

Percentage of total car registrations for the purpose of calculating CRTS allowances

Scheme year	Percentage of total car registrations for the purpose of calculating CRTS allowances
2024	78%
2025	72%
2026	67%
2027	62%
2028	48%
2029	rowspan="1" colspan="1"34%
2030	20%

Part 2

Percentage of total van registrations for the purpose of calculating VRTS allowances

Scheme year	Percentage of total van registrations for the purpose of calculating VRTS allowances
2024	90%
2025	84%
2026	76%
2027	66%
2028	54%
2029	42%
2030	30%

Schedule 7

Article 73(1) and 74(3)

Information provisions

Part 1

Information relating to cars and ZE SPVs of category M1

- 1. The information referred to in article 73(1)(a) and article 74(3)(a) is—
 - (a) the manufacturer;
 - (b) the type-approval number and, where applicable, extension;
 - (c) the type, variant and version (where applicable);
 - (d) the make and commercial name;
 - (e) the category of vehicle type-approved;
 - (f) the mass in running order;
 - (g) the specific emissions of CO_2 ;
 - (h) the footprint: the wheel base, the track width of the steered axle and the track width of the other axle;
 - (i) the fuel type and fuel mode;
 - (j) the engine capacity;
 - (k) the electric energy consumption;
 - (l) the code for any eco-innovation and the CO₂ emissions reduction due to that eco-innovation;
 - (m) the maximum net power;
 - (n) the vehicle identification number;
 - (o) the test mass;
 - (p) the category of vehicle registered;
 - (q) the vehicle family identification number;
 - (r) the electric range, where applicable;
 - (s) the date of first registration;
 - (t) the road-load co-efficients: f0, f1 and f2;
 - (u) the frontal area;
 - (v) the tyre rolling resistance class.

2. The information mentioned in sub-paragraphs (t), (u) and (v) of paragraph 1 is only required to be provided to the administrator if the administrator makes a request in writing for the information to be provided by a CRTS participant or CCTS participant.

3. Paragraph 4 applies in relation to a car which is fuelled by both petrol and liquified petroleum gas, or by both petrol and compressed natural gas, and in relation to which the certificate of conformity or the individual vehicle approval certificate includes specific emissions of CO_2 for both types of fuel.

4. For a car to which this paragraph applies, the administrator must record the specific emissions of CO_2 in relation to the liquified petroleum gas or the compressed natural gas, as the case may be.

5. For a car which is fuelled by both petrol and ethanol (E85), the administrator must record the specific emissions of CO_2 in relation to the petrol.

Part 2

Information relating to vans, ZE SPVs of category N1 and certain ZE SPVs of category N2

- 6. The information referred to in article 73(1)(b) and article 74(3)(b) is—
 - (a) the manufacturer;
 - (b) the type-approval number and, where applicable, extension;
 - (c) the type, variant and version (where applicable);
 - (d) the make and commercial name;
 - (e) the category of vehicle type-approved;
 - (f) the category of vehicle registered;
 - (g) the specific emissions of CO_2 ;
 - (h) the mass in running order;
 - (i) the technically permissible maximum laden mass;
 - (j) the footprint: the wheel base, the track width of the steered axle and the track width of the other axle;
 - (k) the fuel type and fuel mode;
 - (l) the engine capacity;
 - (m) the electric energy consumption;
 - (n) the code for any eco-innovation and the CO₂ emissions reduction due to that ecoinnovation;
 - (o) the vehicle identification number;
 - (p) the test mass;
 - (q) the vehicle family identification number;
 - (r) the electric range, where applicable;
 - (s) the date of first registration;
 - (t) the maximum net power;
 - (u) the road-load co-efficients: f0, f1 and f2;
 - (v) the frontal area;
 - (w) the tyre rolling resistance class.

7. The information mentioned in sub-paragraphs (u), (v) and (w) of paragraph 6 is only required to be provided to the administrator if the administrator makes a request in writing for the information to be provided by a VRTS participant or VCTS participant.

8. Paragraph 9 applies in relation to a van which is fuelled by both petrol and liquified petroleum gas, or by both petrol and compressed natural gas, and in relation to which the certificate of conformity or the individual vehicle approval certificate includes specific emissions of CO_2 for both types of fuel.

9. For a van to which this paragraph applies, the administrator must record the specific emissions of CO_2 in relation to the liquified petroleum gas or the compressed natural gas, as the case may be.

10. For a van which is fuelled by both petrol and ethanol (E85), the administrator must record the specific emissions of CO_2 in relation to the petrol.

Part 3

Information relating to the base vehicle of completed vans

11. The information referred to in article 73(1)(c) is set out in paragraphs 12 and 13.

12. Where the completed van is based on an incomplete base vehicle, the information in relation to the base vehicle is—

- (a) the vehicle identification number;
- (b) the vehicle family identification number, determined in accordance with point 5.0 of Annex 21 to Regulation (EU) 2017/1151;
- (c) the monitoring CO₂ emissions, calculated in accordance with paragraphs 9 to 19 of Schedule 3;
- (d) the frontal area, calculated in accordance with paragraphs 16 to 19 of Schedule 3;
- (e) the rolling resistance of the individual vehicle, as identified for the purposes of point 3.2.3.2.2.2 or point 3.2.4.1.1.2 of Sub-Annex 7 to Annex 21 to Regulation (EU) 2017/1151;
- (f) the monitoring mass, being the mass in running order multiplied by 1.375;
- (g) the mass in running order;
- (h) the mass representative of the vehicle load, calculated in accordance with paragraph 11(c) of Schedule 3.

13. Where the completed van is based on a complete base vehicle, the information in relation to the base vehicle is—

- (a) the vehicle identification number;
- (b) the vehicle family identification number, determined in accordance with point 5.0 of Annex 21 to Regulation (EU) 2017/1151;
- (c) the specific emissions of CO_2 of the base vehicle; and
- (d) the mass in running order.