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STATUTORY INSTRUMENTS

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**2016 No. 786**

**CLIMATE CHANGE**

**The Climate Change Act 2008 (Credit Limit) Order 2016**

*Made - - - - 20th July 2016*

*Coming into force in accordance with article 1*

A draft of this instrument was laid before and approved by a resolution of each House of Parliament, in accordance with sections 11(6) and 91(1) of the Climate Change Act 2008 (“the Act”)(**1**).

Before the draft was so laid, the Secretary of State—

- (a) took into account the advice of the Committee on Climate Change under section 34(1) (b) in relation to the 2018-2022 budgetary period in accordance with section 11(7)(a) of the Act; and
- (b) consulted the Scottish Ministers, the Welsh Ministers and the Department of the Environment in Northern Ireland in accordance with section 11(7)(b) of the Act(**2**).

Accordingly the Secretary of State, in exercise of the powers conferred by section 11(4) and (5) of the Act, makes the following Order:

**Citation and coming into force**

**1.** This Order may be cited as the Climate Change Act 2008 (Credit Limit) Order 2016 and comes into force on the day after the day on which it is made.

**Interpretation**

**2.** In this Order—

“the Emissions Trading Directive” means [Directive 2003/87/EC](#) of the European Parliament and of the Council establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council [Directive 96/61/EC](#)(**3**); and

“the EUETS” means the scheme for greenhouse gas allowance trading established under the Emissions Trading Directive as implemented by the Greenhouse Gas Emissions Trading

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(1) [2008 c.27](#).

(2) See the definitions of “national authority” and “the relevant Northern Ireland department” in sections 95 and 96.

(3) OJ No L 275, 25.10.2003, p32; amended by [Directive 2004/101/EC](#) (OJ No L 338, 13.11.2004, p18), [Directive 2008/101/EC](#) (OJ No L 8, 13.1.2009, p3), [Directive 2009/29/EC](#) (OJ No L 140, 5.6.2009, p63), Regulation (EC) 219/2009 (OJ L 87, 31.3.2009, p109), Treaty of Accession of Croatia (2012) (OJ No L 112, 24.4.2012 p59), Decision (EU) No 1359/2013 (OJ No L 343, 19.12.2013, p1), Regulation (EU) No 421/2014 (OJ No L 129, 30.4.2014, p1) and Decision (EU) 2015/1814 (OJ L 264, 9.10.2015, p1).

Scheme Regulations 2012<sup>(4)</sup> (including that scheme as amended from time to time), or any replacement for that scheme that has effect for any of the 2018-2022 budgetary period.

**Limit on the net amount of carbon units**

3.—(1) The limit on the net amount of carbon units<sup>(5)</sup> that may be credited to the net UK carbon account for the 2018-2022 budgetary period is 55,000,000 carbon units.

(2) Carbon units credited to or debited from the net UK carbon account as a result of the operation of the EU ETS in respect of each year of the 2018-2022 budgetary period in accordance with regulations made under section 27(3) of the Climate Change Act 2008 do not count towards the limit in paragraph (1).

*Neville-Rolfe*  
Minister of State  
Department for Business, Energy and Industrial  
Strategy

20th July 2016

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<sup>(4)</sup> [S.I. 2012/3038](#); as amended by [S.I. 2013/1037](#), [2014/3125](#), and [2015/1849](#).

<sup>(5)</sup> See the definition of “carbon units” in regulation 3 of the Carbon Accounting Regulations 2009 ([S.I. 2009/1257](#)) which is made under section 26(1) of the Climate Change Act 2008.

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## EXPLANATORY NOTE

*(This note is not part of the Order)*

This Order sets a limit of the net amount of carbon units that may be credited to the net UK carbon account for the 2018-2022 budgetary period of 55,000,000 carbon units. Article 3(2) sets out certain carbon units which are excluded from the level of the limit. They are carbon units credited to and debited from the net UK carbon account as a result of the operation of the EU emissions trading scheme during the 2018-2022 budgetary period in accordance with regulations made under section 27(3) of the Climate Change Act 2008. Carbon units are defined in regulation 3 of the Carbon Accounting Regulations 2009 ([S.I. 2009/1257](#)).

A full impact assessment of the effect that this instrument will have on the costs of business and the voluntary sector is available from the Department for Business, Energy and Industrial Strategy at 3 Whitehall Place, London, SW1A 2AW and published with its Explanatory Memorandum alongside this instrument on [www.legislation.gov.uk](http://www.legislation.gov.uk).