
STATUTORY INSTRUMENTS

2021 No. 1455

The Greenhouse Gas Emissions Trading
Scheme (Amendment) Order 2021

PART 2

Greenhouse Gas Emissions Trading Scheme Order 2020 amended

Schedule 6 amended (permits)

24.—(1) Schedule 6 is amended as follows.

Paragraph 3 substituted

(2) For paragraph 3 substitute—

“Greenhouse gas emissions permits: issue of permit

3. A greenhouse gas emissions permit for an installation may be issued only if—
- (a) a monitoring plan has been approved in relation to the installation under the Monitoring and Reporting Regulation 2018; and
 - (b) the regulator considers that from the date on which the permit comes into force the operator of the installation will be capable of monitoring and reporting the installation’s reportable emissions in accordance with the monitoring and reporting conditions of the permit.”.

Paragraph 4 amended (greenhouse gas emissions permits: content of permit)

(3) In paragraph 4—

- (a) in sub-paragraph (1)(f) omit “Articles 11 to 13 of” in each place;
- (b) for sub-paragraph (6)(b) substitute—
 - “(b) a condition requiring the operator, in accordance with the Activity Level Changes Regulation, to prepare an activity level report that is verified as satisfactory in accordance with the Verification Regulation 2018(1) and to submit the report (and the verification report) to the regulator—
 - (i) on or before 31st March in each scheme year; or
 - (ii) in the case of an installation in relation to which the Activity Level Changes Regulation has effect with the modifications referred to in paragraph 5 of Schedule 8A—

(1) “Verification Regulation 2018” is defined in article 4(1) of [S.I. 2020/1265](#) as Commission Implementing Regulation (EU) 2018/2067 of 19 December 2018. Article 25 of that Order provides that the Regulation has effect for the purposes of the UK Emissions Trading Scheme, subject to modifications.

- (aa) on or before 31st March in the first eligible scheme year (within the meaning of that Schedule) or, if later, within 3 months after the date on which the final annual number of allowances to be allocated in respect of the installation is approved under paragraph 4(6) of that Schedule;
- (bb) on or before 31st March in each subsequent scheme year;”.

Paragraph 6 amended (variation of permits)

- (4) In paragraph 6(3)—
 - (a) in paragraph (a) for “paragraph 9(3)” substitute “paragraph 9(3), (3A)”;
 - (b) after paragraph (b)(ii) insert—
 - “(ii) paragraph 19C (capacity increases);”.

Paragraph 7 amended (transfer of permits: application)

- (5) In paragraph 7(5) in the definition of “existing permit” for “paragraph 9(5)” substitute “paragraph 9(3A) or (5)”.

Paragraph 8 amended (transfer of permits: contents of application)

- (6) In paragraph 8—
 - (a) after sub-paragraph (1) insert—
 - “(1A) Where an application is made—
 - (a) the new operator’s monitoring plan referred to in sub-paragraph (1)(d)(i) must be treated as if it had been submitted to the regulator for approval under Article 12 of the Monitoring and Reporting Regulation 2018; or
 - (b) if sub-paragraph (1)(d)(ii) or (e) applies, the new or transferring operator’s specification of the parts of an existing monitoring plan that it is proposed be varied must be treated as a significant modification within the meaning of Article 15 of that Regulation notified to the regulator for approval under that Article.”;
 - (b) after sub-paragraph (3) insert—
 - “(4) Where sub-paragraph (2) applies—
 - (a) the new operator’s monitoring methodology plan referred to in sub-paragraph (2)(a)(i) must be treated as if it had been submitted to the regulator for approval under Article 8 of the Free Allocation Regulation; or
 - (b) if sub-paragraph (2)(a)(ii) or (b) applies, the new or transferring operator’s specification of the parts of an existing monitoring methodology plan that it is proposed be varied must be treated as a significant modification within the meaning of Article 9 of that Regulation notified to the regulator for approval under that Article.”.

Paragraph 9 amended (transfer of permits: grant of application)

- (7) In paragraph 9—
 - (a) for sub-paragraph (1) substitute—
 - “(1) An application for the transfer or partial transfer of a permit may be granted only if—
 - (a) the regulator considers that, from the transfer date, the new operator—
 - (i) will be the operator of the installation;

- (ii) will be capable of monitoring and reporting the installation’s reportable emissions in accordance with the monitoring and reporting conditions of the permit (including as varied under this paragraph); and
 - (iii) where the application is for the transfer or partial transfer of a greenhouse gas emissions permit of an installation that is an FA installation, will be capable of complying with the free allocation conditions of the permit (including as varied under this paragraph);
 - (b) the monitoring plan or the variations referred to in paragraph 8(1)(d) and, in the case of an application for the partial transfer of the permit, the variations referred to in paragraph 8(1)(e) have been approved under the Monitoring and Reporting Regulation 2018 (see paragraph 8(1A)); and
 - (c) where the application is for the transfer or partial transfer of a greenhouse gas emissions permit of an installation that is an FA installation, the monitoring methodology plan or the variations referred to in paragraph 8(2)(a) and, in the case of an application for the partial transfer of the permit, the variations referred to in paragraph 8(2)(b) have been approved under the Free Allocation Regulation (see paragraph 8(4)).”;
- (b) in sub-paragraph (1A) for “sub-paragraph (1)(c) does not apply” substitute “sub-paragraph (1)(a)(iii) and (c) do not apply”;
- (c) after sub-paragraph (3) insert—
- “(3A) But if the new operator already holds a permit (the “existing permit”) for an installation that is on the same site as the transferred units, the regulator may, instead of issuing a new greenhouse gas emissions permit to the new operator under sub-paragraph (3), vary the existing permit under paragraph 6 so that it includes such variations as the regulator considers necessary to take account of the transferred units and transferred activities; and if the regulator does so—
- (a) the regulator must make such corresponding variations under paragraph 6 to the permit (the “original permit”) held by the transferring operator as the regulator considers appropriate to take account of the transfer;
 - (b) the variations to the existing permit and the original permit have effect from the transfer date, which must be set out in the existing permit and the original permit.”.

Paragraph 10 amended (transfer of permits: underreporting discovered after transfer)

- (8) In paragraph 10(5) for “sub-paragraph (5)” substitute “sub-paragraph (3A) or (5)”.