
EXPLANATORY NOTE

(This note is not part of the Regulations)

The Greenhouse Gas Emissions Trading Scheme Auctioning Regulations 2021 (the “Auctioning Regulations”) provide for the auctioning of allowances used in the UK Emissions Trading Scheme, which was established by the Greenhouse Gas Emissions Trading Scheme Order 2020.

These Regulations amend the Auctioning Regulations. The number of allowances to be auctioned from 2024 onwards is reduced: see amendments to regulation 9 of the Auctioning Regulations. These include an amendment to reflect the fact that there is no free allocation for aviation from 2026 onwards. In addition, the number of allowances that may be used for the cost containment mechanism is adjusted: see amendments to regulation 12 of the Auctioning Regulations.

An impact assessment is available from the Industrial Decarbonisation and Emissions Trading Directorate, Department for Energy Security and Net Zero, 3-8 Whitehall Place, London SW1A 2EG or alongside these Regulations on www.legislation.gov.uk.