

Environment Agency charges proposal for greenhouse gas emissions

Date: November 2024

We are the Environment Agency. We protect and improve the environment.

We help people and wildlife adapt to climate change and reduce its impacts, including flooding, drought, sea level rise and coastal erosion.

We improve the quality of our water, land and air by tackling pollution. We work with businesses to help them comply with environmental regulations. A healthy and diverse environment enhances people's lives and contributes to economic growth.

We can’t do this alone. We work as part of the Defra group (Department for Environment, Food & Rural Affairs), with the rest of government, local councils, businesses, civil society groups and local communities to create a better place for people and wildlife.

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# Foreword

The Environment Agency carries out a wide range of regulatory services. They are fundamental to how we protect the environment. These include flood and coastal erosion risk management, regulation of water quality and abstraction, waste, pollution prevention and the regulation of emissions.

We know it works - England is a much cleaner, greener place because of our activities.

We charge the businesses we regulate for the work we do to regulate them. We are committed to making sure our charges are fair and transparent. We want them to reflect the full cost of the chargeable services we provide.

To achieve this, in 2025, we propose to change our charges to make sure we fully cover the cost of our activities.

# Introduction

Climate change has been recognised as one of the biggest threats to current life on earth. Increased levels of atmospheric pollutants such as carbon dioxide have contributed to increased temperatures not just on land, but in the seas and oceans as well. This is contributing to rising sea levels and extremes in temperature, impacting the health of humans, animals and plants.

Part of our role is to regulate these emissions through the UK Emissions Trading Scheme (UK ETS). This scheme places a cap on the levels of greenhouse gases that can be emitted into the atmosphere. Permits are issued to operators who qualify for the scheme. Operators must monitor and report their emissions on an annual basis, surrendering allowances equal to their emissions. UK ETS continues to expand to cover other greenhouse gas emissions from an increasing number of sectors.

This consultation sets out the updated charges proposed for UK ETS customers, as well as customers of the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), and charges for the UK’s Kyoto Protocol national registry (the national registry). It also sets out charge proposals for areas of UK ETS expansion.

We invite you to share your views.

### Why we are consulting

We have powers under legislation to recover the cost of our regulatory activities from people and organisations that require environmental regulation. This is to make sure these activities are not funded by the taxpayer.

We seek to recover the full cost of our services through charges. We have reviewed our charges to address changes in the cost of delivering our services and inflationary pressures, and to incorporate the cost of new services which will allow us to continue to effectively regulate emissions.

This document outlines our proposed charging structure for regulating UK ETS which also includes both the UK ETS and national registries and CORSIA. We regulate the UK ETS and national registries for the whole of the UK. We have outlined the proposed new charging structure in a way to help you understand all the changes. We would like to know whether you agree with our proposals and would appreciate any suggestions you have on making them fairer in any way.

### The principles we follow

Our aim is to make the environment a better place for people and wildlife while facilitating sustainable development and supporting economic growth.

The proposals we have outlined in this consultation make sure that:

* people only pay for the regulatory service they receive
* we will recover our costs of regulation
* we will not need to use additional taxpayer funds to support our regulatory work

In this consultation our considerations include the need to make sure:

* our costs are reflected in our charges and align with HM Treasury rules in the guidance [managing public money](https://www.gov.uk/government/publications/managing-public-money), (MPM)
* we have regard to the desirability of promoting economic growth (under section 108 of the [Deregulation Act 2015](https://www.legislation.gov.uk/ukpga/2015/20/contents/enacted)) when we carry out our regulatory activities
* our regulatory activities are transparent, accountable, proportionate, consistent, and targeted only at cases where action is needed (in line with the [Legislative and Regulatory Reform Act 2006](https://www.legislation.gov.uk/ukpga/2006/51/introduction))
* we follow the Regulators’ Code (as required under section 22 of the [Legislative and Regulatory Reform Act 2006](https://www.legislation.gov.uk/ukpga/2006/51/introduction))

### What we aim to achieve

We have considered our charges against the need to deliver our regulatory duties. We know our charges can affect those we regulate so we have considered our proposals carefully. We are always interested to hear how you think we can regulate more fairly, while safeguarding the environment more effectively.

Our aim is to achieve a consistent and transparent approach in how we charge.

### Inflationary increase to charges

We propose to continue to update our charges annually in line with inflation so we can maintain full cost recovery. All charges and fees under the Environment Agency (greenhouse gas emissions) charging scheme will be updated annually on 1 April. The Office for National Statistics measure of Consumer Price Index (CPI) inflation as of 30 September in the immediately preceding year will be used. Any increase to these charges will be equal to or less than this measure. Increases will be less if we believe our increased costs do not equate to the CPI measure. We would round the charge to the nearest pound.

We have chosen the CPI measure as this is widely recognised, understood, and accepted as a measure of cost inflation. It is used by:

* economic regulators to set regulated charges
* government to set taxes and benefits
* employers in wage bargaining
* private sector companies to set payment amounts in business contracts

We therefore believe it is the most appropriate measure of the increases in our own costs. If we believe our charges need to increase by more than the CPI, we will commence another review, seek HM Treasury approval, and carry out a public consultation.

## What we are consulting on

We would like your views on the proposed updates to our charges for UK ETS, CORSIA and UK ETS and national registries. The consultation includes:

* the consultation document, which lays out the proposals for updates to our charging scheme
* the draft charging scheme
* a guide explaining how we calculate our charges

The supporting documents are available on the [Environment Agency’s consultation website](https://consult.environment-agency.gov.uk/environment-and-business/ets), Citizen Space.

This document outlines our charge proposals for:

* UK ETS for installations and aviation
* CORSIA
* UK ETS and national registries
* proposed UK ETS expansion to maritime activities and, energy from waste and waste incineration installations from January 2026

We propose to:

* revise the existing charging scheme for UK ETS installations, aviation and the registry
* incorporate the energy from waste and waste incineration sector into the UK ETS installation regime
* introduce charges for the UK ETS maritime regime as per the [UK ETS Authority consultation](https://www.gov.uk/government/consultations/uk-ets-scope-expansion-maritime-sector) dated 28 November 2024 which sets out who will regulate this sector under the UK ETS
* adjust existing charges for CORSIA as well as introducing separate charges for aeroplane operators regulated under both UK ETS and CORSIA
* adjust the charges to the national registry in line with the changes made for the UK ETS registry trading accounts

We do not intend to update the Clean Development Mechanism (CDM) project activity charges.

### Our powers to charge

The Environment Agency has a statutory role under UK ETS and CORSIA and is the national administrator of the National registry and the UK Designated National Authority for the CDM. We are exercising our charging powers as set out in the [Environment Agency (Greenhouse Gas Emissions) charging scheme 2021](https://webarchive.nationalarchives.gov.uk/ukgwa/20220208190511/https:/www.gov.uk/government/publications/environment-agency-greenhouse-gas-emissions-charging-scheme-2021), made under:

* [part 5 of the Greenhouse Gas Emissions Trading Scheme Order 2020](https://www.legislation.gov.uk/uksi/2020/1265/part/5)
* [part 4 of the Air Navigation (Carbon Offsetting and Reduction Scheme for International Aviation) Order (ANO) 2021](https://www.legislation.gov.uk/uksi/2021/534/part/4)
* [sections 41 and 41A of the Environment Act 1995](https://www.legislation.gov.uk/ukpga/1995/25/part/I/chapter/III/crossheading/charging-schemes)

These powers currently cover all charges referred to in this consultation, with the exception of charges relating to waste installations and the maritime sector.

The draft charging scheme, which is available on the [Environment Agency’s consultation website](https://consult.environment-agency.gov.uk/environment-and-business/ets), Citizen Space, includes all proposed charges referred to in the consultation and is for illustrative purposes. We intend for the majority of charges to take effect from April 2025, but any charging scheme published by that date will include only those charges for which we have the legal power to charge at that date. It is likely that charges relating to waste installations and the maritime sector will be added to the charging scheme at a later date, once the charging powers for those sectors are in force.

Under [managing public money](https://www.gov.uk/government/publications/managing-public-money) guidance, we have a responsibility to recover the costs of our regulatory activity by setting charges at the appropriate level wherever applicable.

For further information on the scheme outlined in this consultation, please refer to our guidance pages for:

* the UK ETS scheme - [participating in the UK ETS](https://www.gov.uk/government/publications/participating-in-the-uk-ets/participating-in-the-uk-ets)
* CORSIA - [CORSIA: how to comply](https://www.gov.uk/guidance/corsia-how-to-comply)
* the UK ETS registry - [UK Emissions Trading](https://view-emissions-trading-registry.service.gov.uk/)

# UK ETS

UK ETS puts a cost on carbon emissions. This encourages businesses to reduce the amount of greenhouse gases they emit to meet the UK’s statutory emissions reduction commitments. The scheme works on the 'cap and trade' principle. A cap is set on the total amount of certain greenhouse gases that operators can emit under the scheme. The cap is reduced over time so that total emissions fall.

Within the cap, companies receive or buy emission allowances. The limit on the total number of allowances available makes sure that they have a value.

Operators in UK ETS must surrender enough allowances annually to cover all their reportable emissions, otherwise large mandatory fines are imposed. If an installations operator reduces its emissions, it can keep the spare allowances to cover its future needs or sell them to another operator.

The UK ETS registry is an online system where allowances are held, traded, and surrendered as required by the scheme. It is also used by traders to hold and trade allowances as an activity unrelated to UK ETS compliance. We administer this system for the whole of the UK.

Under UK ETS in England, we are responsible for regulating:

* installations, which include electricity generation and the main energy-intensive industries, hospitals and small emitters (HSEs)
* commercial and non-commercial aircraft operators, resident or registered in England and outside the United Kingdom

Based on the [Developing the UK Emissions Scheme: main response (3 July 2023)](https://www.gov.uk/government/consultations/developing-the-uk-emissions-trading-scheme-uk-ets), from 2026, we expect to regulate:

* waste installations - energy from waste and waste incineration installations
* the maritime sector

### Why we are proposing changes to charges

We have a duty to recover the costs associated with regulating and managing climate change schemes, such as UK ETS and CORSIA. We fund this work through charges.

This work includes:

* operating the relevant helpdesks
* opening ‘manage your UK Emissions Trading Scheme’ reporting (METS) accounts and assessing new permits and emission monitoring plans
* opening registry accounts and administering the registries (where applicable)
* maintaining permits, free allocations (where applicable), emission monitoring plans, and METS accounts
* monitoring compliance with the schemes and addressing non-compliance
* transfer, surrender or revocation of permits

The UK established the current UK ETS scheme in 2021 following the UK’s exit from the European Union. The [Environment Agency (greenhouse gas emissions) charging scheme](https://webarchive.nationalarchives.gov.uk/ukgwa/20220208190511/https:/www.gov.uk/government/publications/environment-agency-greenhouse-gas-emissions-charging-scheme-2021) was introduced in April 2021. Charges were implemented based on our experience of previous schemes and our understanding of the regulatory work required to achieve full compliance with the new scheme.

We have reviewed the regulatory activity required and recalculated our charges for all activities, so the proposed changes reflect the true cost for the work we do to fulfil our statutory duties.

## UK ETS charge proposals: installations

We propose to:

* maintain charges for permit applications
* reduce charges for permit transfers, surrenders and revocations
* reduce charges for HSEs to increase their emissions target
* increase charges for annual subsistence
* increase charges for allocations from the new entrant reserve

We propose to implement the updated charging scheme for UK ETS installations, aviation and registries from April 2025.

### UK ETS installations permit application charge

Our proposed permit application charge for UK ETS installations includes:

* reviewing and approval of new permit applications
* setting up METS reporting service accounts
* setting up a UK ETS registry account when needed

There is no change to the work we carry out in this process and therefore the charge has remained relatively the same.

#### Table 1: Proposed permit application charge for UK ETS installations

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Charge scheme paragraph | Charge activity | Current charge | Proposed charge | Percentage change |
| 8.(2) | Installation permit application charge | £1,492 | £1,494 | 0% |

#### Question 1: Do you agree or disagree with the proposed change to the permit application charge for UK ETS installations?

* strongly agree
* agree
* neither agree nor disagree
* disagree
* strongly disagree
* do not know
* not applicable

Why do you think this?

### UK ETS installations subsistence charges

We will continue to have separate subsistence charges for the 3 groups:

* installations with free allocation of allowances
* installations without free allocation of allowances
* hospitals and small emitters

Currently UK ETS chargeable activities differ for operators who do or do not receive a free allocation of allowances. These groups have different subsistence fees.

Our proposed charges will continue to fund activities we carry out to regulate participants whether they receive a free allocation of allowances or not. These activities are similar for both sets of participants and include:

* helpdesk and communications
* auditing, monitoring compliance and addressing non-compliance
* administering METS and the UK ETS registry, including account management
* determining variations and responding to notifications
* reviewing annual activity reports

We estimated the time it would take to review annual activity level reports, which was a new activity required for the implementation of UK ETS in 2021. Our review has shown this activity takes longer than the original estimate. This extra time is reflected in the increased subsistence charge.

In April 2025, we propose to introduce 2 new activities in addition to reviewing the annual activity reports for installations with a free allocation. These will require an increase in our administration and regulation.

The new activities are:

1. **Return of allowances** – operators are issued with a ‘return of allowance’ notice if there is a reduction in their measured activity levels compared to historical activity levels.
2. **Withholding allowances** – operators are issued with a ‘withholding allowances’ notice if we have reason to believe they are not entitled to their annual allocation of allowances.

To make sure we recover our full costs (as required by [managing public money](https://www.gov.uk/government/publications/managing-public-money)), we propose to include the cost of these activities in the fee for annual permit subsistence (with free allocation).

An additional number of HSEs qualify for this status with emissions targets, instead of allowance surrender obligations. As a result, they do not require registry accounts or third-party verification of emissions and therefore have a separate lower subsistence fee.

#### Table 2: Proposed annual subsistence charges for UK ETS installations

| Charge scheme paragraph | Charge activity | Current charge | Proposed charge | Percentage change |
| --- | --- | --- | --- | --- |
| 9.(2)(a) | Installation annual subsistence permit in receipt of a free allocation | £3,689 | £4,790 | 29.8% |
| 9.(2)(b) | Installation annual subsistence for permit not in receipt of a free allocation | £2,396 | £3,348 | 39.7% |
| 9.(2)(d) | Installation annual subsistence for hospital or small emitter permits | £2,270 | £2,450 | 7.9% |

#### Question 2: Do you agree or disagree with the proposed change to the annual subsistence charges for UK ETS installations?

* strongly agree
* agree
* neither agree nor disagree
* disagree
* strongly disagree
* do not know
* not applicable

Why do you think this?

### 

### UK ETS installations supplementary charges

For UK ETS installations there are several supplementary activities with separate charges. We need to charge for these activities to fund the work required. These supplementary charges are explained below.

Permit transfers - when a permit is partially or fully transferred to another legal entity (for example, a permit holder sold part of its installation, or the whole installation).

Permit surrenders - when a permit holder surrenders its permit as it has ceased operating, and we have to close the account.

Revocation of a permit - when we revoke a permit, where it has not been surrendered by a permit holder. The charge is for the associated work in closing the account.

HSE target increases - where a permit holder has made an application for a change or an increase to an emission target, and we need to calculate the new emissions targets for each scheme year and vary their permit. (If the permit holder is an HSE, they can only increase emissions targets up to the maximum amount of 24,999 tonnes of carbon dioxide equivalent.)

Allocation from new entrant reserve - for installations new to the scheme that did not undertake the data collection exercise to allow for the authority to calculate their levels of free allocation. A limited number of allowances has been set aside from the cap to allow for this.

Determination of UK ETS reportable emissions charge is an hourly rate for us to determine emissions where an annual emissions report has not been submitted by the 31 March deadline.

Estimate of parameter value charge is where an annual activity level report has not been submitted by 31 March, is incomplete, or has not been verified. We charge an hourly rate for the associated work to make a conservative estimate of the activity level.

We have reviewed the time taken to carry out these processes and this is reflected in the reduction of some of the charges, and some charges remaining the same as outlined in table 3.

#### Table 3: Proposed supplementary charges for UK ETS installations

| Charge scheme paragraph | Charge activity | Current charge | Proposed charge | Percentage change |
| --- | --- | --- | --- | --- |
| 10 | Application to transfer an installation permit | £1,623 | £1,321 | -18.6% |
| 11 | Application to surrender an installation permit | £1,549 | £1,508 | -2.6% |
| 12 | Revocation notice for an installation permit | £1,274 | £1,010 | -20.7% |
| 13 | Charge for an allocation from the new entrant reserve | £1,357 | £1,443 | 6.3% |
| 14 | Charge for increase to emissions target by a hospital or small emitter | £1,357 | £1,154 | -14.9% |
| 15.(a)  15.(b) | Determination charge | £151 per hour | £151 per hour | no change |

#### Question 3: Do you agree or disagree with the changes to the proposed transfer, surrender and revocation charges for UK ETS installations?

* strongly agree
* agree
* neither agree nor disagree
* disagree
* strongly disagree
* do not know
* not applicable

Why do you think this?

#### Question 4: Do you agree or disagree with the change to the allocation from new entrant reserve charge for UK ETS installations?

* strongly agree
* agree
* neither agree nor disagree
* disagree
* strongly disagree
* do not know
* not applicable

Why do you think this?

#### Question 5: Do you agree or disagree with the proposed change to the charge for increase to emissions target for hospitals and small emitters?

* strongly agree
* agree
* neither agree nor disagree
* disagree
* strongly disagree
* do not know
* not applicable

Why do you think this?

## UK ETS charge proposals: waste installations

The UK ETS installations scheme is being expanded to include energy from waste and waste incineration installations.

The UK ETS authority has consulted on the policy ([UK Emissions Trading Scheme scope expansion: waste](https://www.gov.uk/government/consultations/uk-emissions-trading-scheme-scope-expansion-waste)) and intends to publish a response in mid-2025. This consultation proposes that starting from 1 January 2026, for the first 2-years, operators of energy from waste and waste incineration installations will need to monitor their emissions annually and report their verified emissions to the Environment Agency (known as monitoring, reporting and verification (MRV)).

The consultation confirms that those who qualify for the scheme will enter UK ETS as full participants from 1 January 2028.

### UK ETS waste installations charges

Based on the proposals in the UK ETS authority consultation, our proposed charges during the MRV transition period for waste and waste incineration installations are presented as 2 separate charges to reflect the staged nature of the implementation of the scheme. We propose a charge for the regulatory activities we carry out, and a charge for the work we do in relation to the UK ETS registry, in common with existing activity for the UK ETS.

The proposed separate regulatory charges for permit applications and annual subsistence will apply from 1 January 2026 (prorated). For the UK ETS registry account, the registry portion of these charges will apply from either 1 January 2028 or when the account is opened (prorated), whichever is earlier. These charges will have had inflation applied to them in April 2026 and 2027 and therefore the registry portion will be different or higher than set out in table4.

The charges for the 2 components in both table 4 for permit applications and table 5 for annual subsistence, when added together, are the same as the proposed permit application and annual subsistence fees (without free allocation) as shown in tables 1 and 2. This will be the subsistence category waste installations will fall into once they are fully participating in the UK ETS scheme.

After 1 January 2028, the normal installation permit application and annual subsistence charges will apply.

We will only apply the following proposed charges once legislation for these new activities comes into force. This is expected before 1 January 2026.

#### Table 4: Proposed MRV transition period charges for waste and waste incineration sector installations: permit application

| Charge scheme paragraph | Charge activity | Current charge | Proposed charge | When proposed charge to apply |
| --- | --- | --- | --- | --- |
| 8.(3) | Waste installation permit application charge for a permit determination only | not applicable | £721 | Before 1 January 2026 |
| 25 | Waste installation permit application charge to open an operator holding account in the UK ETS Registry | not applicable | £773 | The earlier of 1 January 2028 or when registry account is opened. At this point, this charge will have been adjusted for inflation. |

#### Table 5: Proposed MRV transition period charges for waste and waste incineration sector installations: annual subsistence

| Charge scheme paragraph | Charge activity | Current charge | Proposed charge | When proposed charge to apply |
| --- | --- | --- | --- | --- |
| 9.(2)(c) | Annual permit subsistence for waste participants – regulatory charge | not applicable | £2,317 | Before 1 January 2026 |
| 27 | Annual permit subsistence for a waste installation operator holding account in the UK ETS Registry | not applicable | £1,031 | The earlier of 1 January 2028 or when registry account is opened. At this point, this charge will have been adjusted for inflation |

#### Question 6: Do you agree or disagree with the proposed charges for permit applications for the MRV transition period into UK ETS, for energy from waste and waste incineration installations?

* strongly agree
* agree
* neither agree nor disagree
* disagree
* strongly disagree
* do not know
* not applicable

Why do you think this?

#### Question 7: Do you agree or disagree with the proposed charges for annual subsistence for the MRV transition period into UK ETS, for energy from waste and waste incineration installations?

* strongly agree
* agree
* neither agree nor disagree
* disagree
* strongly disagree
* do not know
* not applicable

Why do you think this?

## UK ETS charge proposals: maritime

Following a consultation by the UK ETS Authority, it was confirmed in the response document that it intends to expand to include emissions from the maritime sector from 1 January 2026 ([Developing the UK Emissions Trading Scheme (UK ETS) main response](https://www.gov.uk/government/consultations/developing-the-uk-emissions-trading-scheme-uk-ets)).

The consultation proposes that the scheme will apply to ships of 5,000 gross tonnage and above which travel from a UK port to another UK port, including voyages which start and end at the same port. It also proposes to include emissions at berth and movements within UK ports from ships travelling domestically and internationally.

A further [policy consultation](https://www.gov.uk/government/consultations/uk-ets-scope-expansion-maritime-sector) has been published on 28 November 2024, which set outs the Environment Agency as the regulator for the sector under the UK ETS. We have calculated the charges for this scheme using our experience from regulating installations and aviation operators.

If regulations are implemented for the maritime regime, we propose to introduce the following charges from 1 January 2026 or the date the legislation is implemented:

* an emissions monitoring plan (EMP) application charge
* a subsistence charge
* a charge for determining emissions

We propose to implement the new charging scheme for the maritime regime from the date when UK ETS regulation of the maritime sector commences and charging powers are in place. This is expected to be 1 January 2026. The [Greenhouse Gas Emissions Trading Scheme Order 2020](https://www.legislation.gov.uk/uksi/2020/1265/contents) (Order) will be amended to incorporate the maritime sector.

### UK ETS maritime charges

Our proposed EMP application charge will cover:

* reviewing and approval of EMPs
* setting up METS reporting service accounts
* setting up a UK ETS registry account with one authorised representative with a surrender only permission

Our proposed subsistence charge will cover:

* helpdesk and communications
* auditing, monitoring compliance and addressing non-compliance
* administering METS and the UK ETS registry, including account management
* determining variations and responding to notifications reviewing emissions and improvement reports

#### Table 6: Proposed charges for UK ETS maritime

| Charge scheme paragraph | Charge activity | Current charge | Proposed charge | Percentage change |
| --- | --- | --- | --- | --- |
| 22 | Application charge for an emissions monitoring plan | not applicable | £2,246 | New charge |
| 23.(1) | Annual subsistence charge | not applicable | £2,725 | New charge |
| 24 | Determination charge | not applicable | £151 per hour | New charge |

The determination of UK ETS emissions charges is an hourly rate applied when an annual emissions report is not submitted by the 31 March deadline.

#### Question 8: Do you agree or disagree with the proposed application charge for UK ETS maritime?

* strongly agree
* agree
* neither agree nor disagree
* disagree
* strongly disagree
* do not know
* not applicable

Why do you think this?

#### Question 9: Do you agree or disagree with the proposed annual subsistence charge for UK ETS maritime?

* strongly agree
* agree
* neither agree nor disagree
* disagree
* strongly disagree
* do not know
* not applicable

Why do you think this?

#### Question 10: Do you agree or disagree with the proposed determination hourly rate for UK ETS maritime?

* strongly agree
* agree
* neither agree nor disagree
* disagree
* strongly disagree
* do not know
* not applicable

Why do you think this?

## UK ETS charge proposals: aviation and CORSIA

We propose to:

* increase the current annual subsistence charges for UK ETS aviation
* reduce the current annual subsistence charges for CORSIA
* require operators with obligations under both UK ETS aviation and CORSIA to pay charges for both schemes (previously they paid once for both)
* increase the EMP application charge for UK ETS aviation and CORSIA

CORSIA requires qualifying aeroplane operators to offset their growth in international aviation carbon dioxide emissions above their 2019 baseline levels. These operators will need to report their independently verified emissions annually to us. We also inform aeroplane operators of their offsetting obligations annually and at the end of each compliance period.

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Currently operators with obligations under both UK ETS aviation and CORSIA pay one charge. This was due to the limited scope of the previous IT system as operators under both schemes had a combined EMP, one account, and submitted annual reports in a similar form.

From 1 April 2025, we propose operators who participate in both UK ETS aviation and CORSIA will have:

* 2 distinct EMPs
* 2 accounts in the METS reporting service
* 2 distinct annual reports

We propose operators who participate in both schemes pay both charges from 1 April 2025.

Those with CORSIA only obligations will continue to pay a lower subsistence fee because there are no associated registry costs.

#### Question 11: Do you agree or disagree with the proposal to apply separate charges for operators who participate in both UK ETS aviation and CORSIA regimes?

* yes
* no
* do not know
* not applicable

Why do you think this?

### UK ETS aviation charges

The UK ETS aviation EMP application charge covers:

* reviewing and approval of EMPs
* setting up METS reporting service accounts
* setting up a UK ETS registry account with one authorised representative with a surrender and return only permission.

The UK ETS aviation subsistence charge covers:

* helpdesk and communications
* auditing and monitoring compliance
* administering METS and the UK ETS registry, including account management
* determining variations and responding to notifications
* reviewing emissions and improvement reports

The determination charge is a fee for us to determine your emissions where an annual emissions report has not been submitted by the 31 March deadline. Our review has shown that the hourly rate is still effectively recovering our costs, so we are not proposing to change this charge.

#### Table 7: Proposed charges for UK ETS aviation

| Charge scheme paragraph | Charge activity | Current charge | Proposed charge | Percentage change |
| --- | --- | --- | --- | --- |
| 16 | Aviation emissions monitoring plan application charge | £1,344 | £2,073 | 54.2% |
| 17.(1) | Aviation annual subsistence charge | £2,937 | £3,147 | 7.2% |
| 18 | determination charge | £151 per hour | £151 per hour | no change |

#### Question 12: Do you agree or disagree with the proposed change to the application charge for an emissions monitoring plan for UK ETS aviation?

* strongly agree
* agree
* neither agree nor disagree
* disagree
* strongly disagree
* do not know
* not applicable

Why do you think this?

#### Question 13: Do you agree or disagree with the proposed change to the subsistence charge for UK ETS aviation?

* strongly agree
* agree
* neither agree nor disagree
* disagree
* strongly disagree
* do not know
* not applicable

Why do you think this?

### CORSIA charges

The CORSIA EMP application charge covers:

* reviewing and approval of the EMP
* set up of the METS reporting service accounts

We propose to increase the CORSIA EMP application charge as the full cost of this service is significantly higher than the current charge. This is due to an underestimation when the current charges were calculated.

The proposed CORSIA annual subsistence charge is more reflective of the true cost of these activities. It covers:

* helpdesk and communications
* auditing, monitoring compliance and addressing non-compliance
* administering METS, including account management
* determining variations and responding to notifications
* reviewing emissions and improvement reports

Where an annual emissions report has not been submitted by the 31 March, we will estimate your emissions. This work is charged at an hourly rate. Our review has a shown that the hourly rate is still effectively recovering our costs, so we are not proposing to change this charge.

Our review has a shown that the hourly rate is still effectively recovering our costs, so we are not proposing to change this charge.

#### Table 8: Proposed charges for CORSIA.

| Charge scheme paragraph | Charge activity | Current charge | Proposed charge | Percentage change |
| --- | --- | --- | --- | --- |
| 19 | CORSIA emissions monitoring plan application charge | £1,000 | £1,782 | 78.2% |
| 20.(1) | CORSIA annual subsistence charge | £2,338 | £2,293 | -1.9% |
| 21 | Charge for estimating emissions | £151 per hour | £151 per hour | No change |

#### Question 14: Do you agree or disagree with the proposed change to the emissions monitoring plan application charge for CORSIA?

* strongly agree
* agree
* neither agree nor disagree
* disagree
* strongly disagree
* do not know
* not applicable

Why do you think this?

#### Question 15: Do you agree or disagree with the proposed change to the annual subsistence charge for CORSIA?

* strongly agree
* agree
* neither agree nor disagree
* disagree
* strongly disagree
* do not know
* not applicable

Why do you think this?

## UK ETS and national registries

UK ETS operators need a UK ETS registry account to fulfil their surrender obligations and receive, if eligible, free allowances.

The cost of opening this compliance account is included in the permit and EMP application fee and covers one authorised representative with a surrender and return only permission to act on behalf of the account holder. A second representative can be added to an account for an additional charge.

The subsistence fees cover the ongoing costs for managing the account.

Recent legislative changes introduced a new permission to only allow the surrender or return of allowances by authorised representatives. This requires fewer checks due to its low-risk nature. Only one of these representatives is needed on an account for these transactions.

To trade from a compliance account, there must be at least 2 authorised representatives with the appropriate permissions. Changing a representative's role to allow trading needs additional documentation for thorough due diligence.

Additionally, organisations or individuals can apply for a trading account in the UK ETS registry or a national registry account for carbon unit trading. Each account type has a charge for opening an account, an annual subsistence fee and a charge for changing an authorised representative. Both types of accounts include 2 authorised representatives in the account opening fees.

We propose to:

* increase UK ETS trading and national accounts opening fees
* increase subsistence charges for UK ETS trading and national accounts
* increase the charge for adding or replacing an authorised representatives with a person who is not already approved on a UK ETS or national registry account (new users)
* increase the charge for adding or replacing an authorised representatives with a person who is already an authorised representative on a UK ETS or national registry account (existing users)
* introduce a new charge for adding an authorised representative with a ‘surrender and return only’ permission on a UK ETS registry account

For the implementation of UK ETS in 2021, it was assumed the new IT systems could reduce the team’s administrative burden. When these systems were implemented, these efficiencies were not realised. This has had implications of the work needed to be carried out by the UK ETS registry and national registry team. The additional work needed has been reflected in the increase in charges for users of the UK ETS registry and the national registry.

#### Table 9: Proposed charges UK ETS and national registries

| Charge scheme paragraph | Charge activity | Current charge | Proposed charge | Percentage change |
| --- | --- | --- | --- | --- |
| 25 | Application for a trading account or a person holding account in the registry | £430 | £1,169 | 171.8% |
| 25 | Application for additional or replacement authorised representative with due diligence (new user) charge | £368 | £402 | 9.2% |
| 25 | Additional or replacement authorised representative without due diligence (existing user) charge | £172 | £241 | 40.1% |
| 26 | Registry annual subsistence charge | £489 | £2,123 | 334% |
| 25 | Authorised representative with surrender and return only permission without due diligence | not applicable | £241 | New charge |

#### Question 16: Do you agree or disagree with the change to the proposed charge for an application for a trading account or a person holding account in the registry?

* strongly agree
* agree
* neither agree nor disagree
* disagree
* strongly disagree
* do not know
* not applicable

Why do you think this?

#### Question 17: Do you agree or disagree with the change to the proposed charge for additional or replacement authorised representatives for a new user in the registry?

* strongly agree
* agree
* neither agree nor disagree
* disagree
* strongly disagree
* do not know
* not applicable

Why do you think this?

#### Question 18: Do you agree or disagree with the change to the proposed charge for additional or replacement authorised representatives for an existing user in the registry?

* strongly agree
* agree
* neither agree nor disagree
* disagree
* strongly disagree
* do not know
* not applicable

Why do you think this?

#### Question 19: Do you agree or disagree with the change to the proposed charge for the registry annual subsistence charge?

* strongly agree
* agree
* neither agree nor disagree
* disagree
* strongly disagree
* do not know
* not applicable

Why do you think this?

#### Question 20: Do you agree or disagree with the introduction of a proposed charge for an authorised representative with surrender and return only permissions for the registry?

* strongly agree
* agree
* neither agree nor disagree
* disagree
* strongly disagree
* do not know
* not applicable

Why do you think this?

### Additional comments about the UK ETS charge proposals

#### Question 21: Please share any additional comments that you think may help us improve our current proposals for UK ETS.

## Additional questions

We would like to keep you informed about the outcomes of this consultation. For further information on privacy and how we will use your information please refer to the ‘Responding to this consultation’ section at the end of this consultation document.

#### If you would like to receive emails acknowledging your response and or telling you when we have published the summary of responses, please select from:

* yes, I would like to receive an email acknowledging my response
* yes, I would like to receive an email to let me know the consultation response document is published

If you have selected any of the above, please tell us your email address:

#### Can we publish your response? We will not include personal information.

This is a required question, please tick one of the following:

* yes
* no

If you answered no, please tell us why below as we will need to understand this when responding to any Freedom of Information requests.

To help us analyse and assess the consultation responses, we would like you to answer a few questions about:

* you or your organisation
* your business

#### Please tell us if you are responding as an individual or on behalf of an organisation or group. Select one answer only from the following options:

1. responding as an individual
2. responding on behalf of an organisation or group
3. other

If you selected (b) ‘responding on behalf of an organisation or group’, please tell us the name of your organisation or group:

If you selected (c) 'other' please specify:

#### Which UK ETS scheme do you participate in?

1. Stationary installation
2. Aviation
3. Maritime
4. Registry traders
5. Do not participate in UK ETS

If you answered (a) ‘stationary installation’ please select the most relevant sector from the options below:

* Combustion
* Mineral oil refining
* Iron, steel and ferrous
* Cement and lime
* Manufacturing of glass and similar
* Ceramics
* Paper and pulp
* Aluminium and non-ferrous
* Chemical industry and other sectors
* Energy from waste and or waste incineration installation
* Hospital
* Small energy emitter

#### Please tell us how you found out about this consultation:

* from Environment Agency
* from another organisation
* through an organisation, group or trade association you are a member of
* press article
* social media, for example, Facebook
* through a meeting you attended
* other (please specify below)

# Responding to this consultation

This consultation runs for 8 weeks from 29 November 2024 until midnight on 24 January 2025.

### How to respond

You can view the consultation and supporting documents on Citizen Space, which is the Environment Agency’s consultation website, using this link <https://consult.environment-agency.gov.uk/environment-and-business/ets>.

The consultation will close on 24 January 2025. We will consider all responses received by this date before finalising our proposals to submit for approval by government.

Please submit your response on Citizen Space, as this provides an easy and efficient way to respond. It will also help us to:

* gather all responses in one place
* summarise responses quickly and accurately
* reduce the cost of the consultation

### Respond by email

If you prefer, you can submit your response by email using the response form, which you will find under the ‘Related’ section of the consultation on Citizen Space. Please email your response form with the subject header of ‘Charges consultation: ETS’ to [GHGTeam@environment-agency.gov.uk](mailto:GHGTeam@environment-agency.gov.uk?subject=Charges%20consultation:%20ETS).

### Ask for a copy of the consultation document

Contact us if you would like a copy of the consultation document sent to you. You can do this by contacting our Greenhouse gas helpdesk email [GHGTeam@environment-agency.gov.uk](mailto:GHGTeam@environment-agency.gov.uk?subject=Charges%20consultation:%20ETS).

## How we will use your information

After the consultation has closed, the Environment Agency will summarise responses in a consultation response document and make this publicly available on GOV.UK. We may include comments or quotes, unless you specifically request that we keep your response confidential.

We will not publish names of individuals or personal data, but we will publish the name of the organisation for those responses made on behalf of organisations. We will not respond individually to responses. If you have asked to be notified, we will contact you to let you know when the consultation response document is published.

In accordance with the Freedom of Information Act 2000, we may be required to publish your response to this consultation but will not include any personal information. If you have requested your response to be kept confidential, we may still be required to provide a summary of it.

### Privacy notice

The Environment Agency would like to keep you informed about the outcomes of this consultation. If you would like to receive an email acknowledging your response and telling you when we have published the consultation response document, please provide your email address with your response.

By giving us your email address, you consent for us to email you about the consultation. We will keep your details until we have notified you of the response document publication.

We will not share your details with any other third party without your clear and full consent, unless required to by law.

You can withdraw your consent to receive these emails at any time by contacting us at: [GHGTeam@environment-agency.gov.uk](mailto:GHGTeam@environment-agency.gov.uk?subject=Charges%20consultation:%20ETS).

The Environment Agency is the data controller for the personal data you provide. For more information on how we deal with your personal data please see our [personal information charter on GOV.UK](https://www.gov.uk/government/organisations/environment-agency/about/personal-information-charter).

You can email our Data Protection team: [dataprotection@environment-agency.gov.uk](mailto:dataprotection@environment-agency.gov.uk).

## Publishing our consultation response

We aim to publish our response to the consultation on GOV.UK within 12 weeks of this consultation closing and before we implement any changes. A link to this document will be added to the consultation page of Citizen Space.

### Consultation principles

We are running this consultation in accordance with the guidance set out in the government's [consultation principles](https://www.gov.uk/government/publications/consultation-principles-guidance).

If you have any complaints about the way this consultation has been carried out (the process), please email [consultation.enquiries@environment-agency.gov.uk](mailto:consultation.enquiries@environment-agency.gov.uk?subject=Charges%20consultation:%20ETS). Otherwise, for all other queries relating to this consultation please email [GHGTeam@environment-agency.gov.uk](mailto:GHGTeam@environment-agency.gov.uk?subject=Charges%20consultation:%20ETS).

# **Would you like to find out more about us or your environment?**

Then call us on

03708 506 506 (Monday to Friday, 8am to 6pm)

Email: [enquiries@environment-agency.gov.uk](mailto:enquiries@environment-agency.gov.uk)

Or visit our website

[www.gov.uk/environment-agency](https://www.gov.uk/environment-agency)

## **incident hotline**

0800 807060 **(24 hours)**

## **floodline**

0345 988 1188 **(24 hours)**

Find out about call charges (<https://www.gov.uk/call-charges>)

## **Environment first**

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