

**DRAFT**



The Environment Agency  
(Greenhouse Gas Emissions)  
Charging Scheme 2025

[*month* 2025]

Version 1.0

# **THE ENVIRONMENT AGENCY (GREENHOUSE GAS EMISSIONS) CHARGING SCHEME 2025**

The Environment Agency, in exercise of its powers under Part 5 of the Greenhouse Gas Emissions Trading Scheme Order 2020, Part 4 of the Air Navigation (Carbon Offsetting and Reduction Scheme for International Aviation) Order 2021, and section 41 and 41A of the Environment Act 1995, and with the approval of the Secretary of State and the UK ETS authority, and the consent of the Treasury, makes the following Charging Scheme.

## **PART 1**

### **GENERAL**

#### **Commencement, extent and citation**

1. This Charging Scheme shall –
  - (a) be referred to as the Environment Agency (Greenhouse Gas Emissions) Charging Scheme 2025 (“the Scheme”),
  - (b) apply only in England, except in relation to charges for functions relating to the UK ETS Registry and National Registry where it extends to the UK,
  - (c) come into force on [1 April 2025], and
  - (d) remain in force until revoked.

#### **Interpretation**

2. In this Scheme -

“the Activity Level Changes Regulation” means Commission Implementing Regulation (EU) 2019/1842 of 31 October 2019 as it forms part of domestic law, as amended from time to time;

“the ANO” means the Air Navigation (Carbon Offsetting and Reduction Scheme for International Aviation) Order 2021, as amended from time to time, and related expressions used in this Scheme shall have the meaning set out in the ANO;

“the Free Allocation Regulation” means Commission Delegated Regulation (EU) 2019/331 of 19 December 2018 as it forms part of domestic law, as amended from time to time;

“the Order” means the Greenhouse Gas Emissions Trading Scheme Order 2020; as amended from time to time, and related expressions used in this Scheme shall have the meaning set out in the Order;

“the National Registry” is the registry administered under the Greenhouse Gas

Emissions (Kyoto Protocol Registry) Regulations 2021 on behalf of the United Kingdom for the purposes of its obligations as a party to the Kyoto Protocol;

"the Regulations" means the Greenhouse Gas Emissions Trading Scheme (Amendment) and National Emissions Inventory Regulations 2005, as amended from time to time, and related expressions used in this Scheme shall have the meaning set out in the Regulations;

"a surrender and return only permission" is a permission under paragraph 16(4)(e) of Schedule 5A of the Order which restricts the permission of an authorised representative appointed to an Aircraft Operator Holding Account, a Maritime Operator Holding Account or an Operator Holding Account in the UK ETS Registry to the surrender or return of allowances;

"the UK ETS Registry" means the UK ETS Registry established by the Order;

"waste installation" means an installation carrying out a [waste incineration regulated activity];

"year" means a period of 12 months commencing on 1st April, unless otherwise stated.

### **Annual increases**

3. Charges under this Scheme shall increase annually on 1 April in each year after the year the Scheme is made, by a sum not exceeding any increase in the Consumer Prices Index published by the Office for National Statistics as at 30 September in the immediately preceding year.

### **Liability to pay charge**

4. The persons set out in sub-paragraphs (a) to (c) are liable to pay charges under this Scheme –
  - (a) in respect of an application referred to in this Scheme, the person or persons making that application;
  - (b) in respect of a subsistence or determination charge referred to in this Scheme, the holder of the permit, emissions monitoring plan or account in the UK ETS Registry or National Registry in respect of which the charge is payable;
  - (c) in respect of charges arising under paragraph [12] of this Scheme, the person or persons upon whom the relevant notice is served.

### **Time of payment**

5. Charges payable under this Scheme are due and payable in full at the following

times –

- (a) in respect of charges relating to an application referred to in this Scheme, on the making of the relevant application;
- (b) subject to paragraph (c), in respect of subsistence charges arising under [Part 2 and Part 5] of this Scheme, annually in advance on 1st April;
- (c) the subsistence charges under [Part 2] arising in the first year in which a permit is issued are payable on demand;
- (d) in respect of subsistence charges arising under [Part 3 and Part 4] of this Scheme, annually in arrears on 1st April;
- (e) in respect of charges arising under paragraph [12] of this Scheme, on the date specified in the relevant notice;
- (f) in respect of charges arising under this Scheme for the determination of emissions or a parameter under the Order or ANO, on demand.

### **Abatement of charges**

- 6. The Environment Agency may, by notice to the person liable for the charge, waive or reduce any charge specified in this Scheme if it considers it to be significantly disproportionate in a particular case, having regard to the actual costs and expenses incurred or to be incurred by the Environment Agency in relation to a particular application or subsistence period.

### **Revocation**

- 7. The Environment Agency (Greenhouse Gas Emissions) (England) Charging Scheme 2021, which came into effect on 1st April 2021, is revoked for any period on or after [1st April 2025].

## **PART 2**

### **CHARGES RELATING TO INSTALLATIONS**

#### **Permit application charge for Installations**

- 8. (1) A permit application charge must accompany an application for a permit made under [Schedule 6, paragraph 1 or Schedule 7, paragraph 7] to the Order.  
(2) For installations other than waste installations, the permit application

charge is [£1,494] (covering the permit determination and the opening of an Operator Holding Account in the UK ETS Registry with one Authorised Representative with a surrender and return only permission).

(3) For waste installations, the permit application charge is [£721] (covering the permit determination only).

## **Subsistence charge**

9. (1) Subject to sub-paragraphs (3) and (4), a subsistence charge is payable annually for any full or part year during which that permit has effect in respect of the subsistence of that permit.

(2) The subsistence charge is –

(a) [£4,790] for installations, other than waste installations, with greenhouse gas emissions permits in receipt of a free allocation of allowances (covering regulatory activity and UK ETS Registry administration);

(b) [£3,348] for installations, other than waste installations, with greenhouse gas emissions permits not in receipt of a free allocation of allowances (covering regulatory activity and UK ETS Registry administration);

(c) [£2,317] for waste installations with greenhouse gas emissions permits (covering regulatory activity only);

(d) [£2,450] for installations with hospital or small emitter permits.

(3) Where during a relevant year –

(a) a permit is issued in relation to an installation or waste installation under Schedule 6, paragraph 3 or Schedule 7, paragraph 9 to the Order; or

(b) a permit is partially transferred in accordance with Schedule 6, paragraph 9 to the Order,

the charge relating to the installation or waste installation (or in the case of a partially transferred permit, the transferred units) will be  $N/365$  of the subsistence charge, where  $N$  is the number of days remaining in the relevant year after the day on which the permit is granted or the transfer took effect, as appropriate.

(4) Where an operator has paid the subsistence charge for a year in full and during that year –

- (a) a permit is surrendered under Schedule 6, paragraph 11 to the Order;  
or
- (b) a permit is revoked under Schedule 6, paragraph 12 to the Order,

the Environment Agency will refund to the operator a proportion of the subsistence charge in respect of the remainder of the year calculated on a daily basis commencing on the date on which the notice of surrender or revocation takes effect.

### **Transfer charge**

- 10. A transfer charge of [£1,321] (covering regulatory activity and any related UK ETS Registry administration costs) must accompany an application to transfer a permit, in whole or in part made under Schedule 6, paragraph 7 to the Order.

### **Surrender charge**

- 11. A surrender charge of [£1,508] (covering regulatory activity and any related UK ETS Registry administration costs) must accompany an application to surrender a permit made under Schedule 6, paragraph 11 to the Order.

### **Revocation charge**

- 12. A revocation charge of [£1,010] (covering regulatory activity and any related UK ETS Registry administration costs) is payable in respect of a revocation notice served under Schedule 6, paragraph 12 to the Order.

### **Charge for allocation from new entrant reserve**

- 13. A charge of [£1,443] must accompany an application for an allocation by a new entrant under article 5 of the Free Allocation Regulation.

### **Charge for increase to emissions target**

- 14. A charge of [£1,154] must accompany an application by a hospital or small emitter to increase its installation's emissions target under Schedule 7, paragraph 19A to the Order.

### **Determination charge**

- 15. A charge of [£151] per hour is payable in relation to time spent by the Environment Agency:
  - (a) determining reportable emissions under article 45 of the Order; and
  - (b) making a conservative estimate of the value of any parameter under article 34H(4) of the Order or article 3(4) of the Activity Level Changes Regulation.

## **PART 3**

### **CHARGES RELATING TO AVIATION**

#### **UK Emissions Trading Scheme**

##### **Application charge**

16. An application charge of [£2,073] (covering the emissions monitoring plan application and the opening of an Aircraft Operator Holding Account in the UK ETS Registry with one Authorised Representative with a surrender and return only permission) must accompany an application for an emissions monitoring plan under article 28(1) of the Order.

##### **Subsistence charge**

17. (1) Subject to sub-paragraphs (2) and (3), a subsistence charge of [£3,147] (covering regulatory activity and UK ETS Registry administration costs) is payable annually by a person in respect of each calendar year in which it is an Aircraft Operator under the Order.  
  
(2) An Aircraft Operator is only required to pay a subsistence charge from the date when its emissions monitoring plan is issued under article 29(1) of the Order.  
  
(3) In the year that the emissions monitoring plan is issued under article 29(1) of the Order (the relevant year), the charge will be  $N/365$  of the subsistence charge, where N is the number of days remaining in the relevant year after the day on which the emissions monitoring plan was issued.

##### **Determination charge**

18. A charge of [£151] per hour is payable in relation to time spent by the Environment Agency determining aviation emissions under article 45 of the Order.

#### **Carbon Offsetting and Reduction Scheme for International Aviation**

##### **Application charge**

19. An application charge of [£1,782] must accompany an application for an emissions monitoring plan under article 23 of the ANO.

##### **Subsistence charge**

20. (1) Subject to subparagraph (2), a subsistence charge of [£2,293] is payable annually by a person in respect of each calendar year in which it is an Aeroplane Operator administered by the United Kingdom under the ANO.

(2) An Aeroplane Operator is only required to pay a subsistence charge from the date when its emissions monitoring plan is issued under article 24(1) of the ANO.

(3) In the year that the emissions monitoring plan is issued under article 24(1) of the ANO (the relevant year), the charge will be  $N/365$  of the subsistence charge, where N is the number of days remaining in the relevant year after the day on which the emissions monitoring plan was issued.

### **Charge for estimating emissions**

21. A charge of [£151] per hour is payable in relation to time spent by the Environment Agency estimating emissions under article 37(6) of the ANO.

## **PART 4**

### **CHARGES RELATING TO MARITIME**

#### **UK Emissions Trading Scheme**

##### **Application charge**

22. An application charge of [£2,246] (covering the emissions monitoring plan application and the opening of Maritime Operator Holding Account in the UK ETS Registry with one Authorised Representative with a surrender and return only permission) must accompany an application for an emissions monitoring plan under article [ ] of the Order.

##### **Subsistence charge**

23. (1) Subject to sub-paragraph (2) a subsistence charge of [£2,725] (covering regulatory activity and UK ETS Registry administration costs) is payable annually by a person in respect of each calendar year in which it is a Maritime Operator under the Order.

(2) A Maritime Operator is only required to pay a subsistence charge from the date when its emissions monitoring plan is issued under article [ ] of the Order.

(3) In the year that the emissions monitoring plan is issued under article [ ] of



the Order (the relevant year), the charge will be N/365 of the subsistence charge, where N is the number of days remaining in the relevant year after the day on which the emissions monitoring plan was issued.

### Determination charge

24. A charge of [£151] per hour is payable in relation to time spent by the Environment Agency determining maritime emissions under [article 45] of the Order.

## PART 5

### SPECIFIC CHARGES RELATING TO THE UK ETS REGISTRY AND THE NATIONAL REGISTRY

#### Application charges

25. The following charges must be paid when making one of the applications listed in the table below in relation to the UK ETS Registry or the National Registry –

Application	Charge
Application by a waste installation to open an Operator Holding Account in the UK ETS Registry	[£773]
Application for a Trading Account in the UK ETS Registry	[£1,169]
Application for a Person Holding Account in the National Registry.	[£1,169]
Application to appoint an additional or replacement Authorised Representative in the UK ETS Registry (if not covered by the charge for a permit or emissions monitoring plan application) or the National Registry	<p>(a) [£241] for an existing authorised representative where the due diligence required for the permission applied for has been previously undertaken.</p> <p>(b) [£402] for an existing authorised representative where the due diligence required for the permission applied for has not been previously undertaken.</p> <p>(c) [£241] for a new authorised representative</p>

	<p>with a surrender and return only permission in relation to whom no previous due diligence has been undertaken.</p> <p>(d) [£402] for a new authorised representative with a permission other than a surrender and return only permission in relation to whom no previous due diligence has been undertaken.</p>
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### Subsistence charge

26. An annual subsistence charge of [£2,123] is payable in relation to the maintenance of a Trading Account in the UK ETS Registry or a Person Holding Account in the National Registry.
27. An annual subsistence charge of [£1,031] is payable in relation to the maintenance of a waste installation's Operator Holding Account in the UK ETS Registry.
28. In the year that an Operator Holding Account is opened for a waste installation (the relevant year), the charge will be  $N/365$  of the subsistence charge, where N is the number of days remaining in the relevant year after the day on which the Operating Holding Account was opened.

## PART 6

### CHARGES RELATING TO PROJECT ACTIVITIES UNDER THE REGULATIONS

#### Application charges

29. The following charges must be paid when making one of the applications listed in the table below under regulation 5(1) or (2) of the Regulations.

Application	Charge
Application relating to a proposed Article 6 project activity	£700

Application relating to a proposed Article 12 project activity for the production of hydro-electric power with a generating capacity of more than 20 megawatts	£700
Application relating to any other Article 12 project activity	£250

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