



Ein cyf/Our ref: MA/LG/4013/20

Elin Jones, AS/MS  
Llywydd  
Senedd Cymru  
Cardiff Bay  
CARDIFF  
CF99 1SN

17 December 2020

Dear Llywydd,

### **The Greenhouse Gas Emissions Trading Scheme (Amendment) Order 2020**

In accordance with section 11A(4) of the Statutory Instruments Act 1946 I am notifying you that this statutory instrument come into force less than 21 days from the date of laying. The Explanatory Memorandum for this Order is attached for your information.

The UK Emissions Trading Scheme ("ETS") was established by the Greenhouse Gas Emissions Trading Scheme Order 2020 (the "principal Order") as a UK-wide greenhouse gas emissions trading scheme to encourage cost-effective emissions reductions from the power, industry and aviation sectors. It has been designed jointly by the Governments of the UK, Scotland and Wales, and the Northern Ireland Executive and will contribute to the UK's emissions reduction targets and net zero goal, as well as the emissions reduction targets we have in Wales.

This Order makes further provision for the UK ETS, in particular for the free allocation of allowances and for a registry for the UK ETS.

This Order was made on 16 December 2020, the date of the first Privy Council meeting after the meeting at which the principal Order was made, and was laid as soon reasonably practicable thereafter. A later commencement date is considered impossible for two reasons. Firstly, in order to ensure that there will be no pause in the obligations on operators of installations relating to the monitoring of data for the purposes of free allocation. This avoids uncertainty for participants and ensures a seamless transition from the EU Emissions Trading System to the UK ETS. Secondly, there is a need to undo a prospective revocation of Commission Delegated Regulation (EU) 2019/331 ("the Free Allocation Regulation") by regulation 62 of the Greenhouse Gas Emissions Trading Scheme (Amendment) (EU Exit) (No. 2) Regulations 2019, which takes effect from Implementation

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Period completion day. This instrument was made as part of the UK Government's previous "no deal" preparations in spring 2019.

As the Order in Council will be subject to UK Parliamentary scrutiny, it is not considered reasonably practicable for this instrument to be made or laid bilingually.

A public consultation on the design features of a UK Emissions Trading Scheme took place between 2 May 2019 and 12 July 2019. Additionally, two stakeholder events were held in Wales to gather views of interested parties including potential scheme participants. The joint Government response to the consultation was published on 1 June 2020.

The Explanatory Memorandum is attached for your information. It is being laid, together with the Order, in the Table Office. A Regulatory Impact Assessment covering the entire impact of the UK ETS was laid together with principal Order; a link is provided in the Explanatory Memorandum attached.

A copy of this letter goes to Mick Antoniw MS, Chair of the Legislation, Justice and Constitution Committee, Siwan Davies, Director of Senedd Business, Sian Wilkins, Head of Chamber and Committee Services and Julian Luke, Head of Policy and Legislation Committee Service.

Yours sincerely,

A handwritten signature in black ink that reads "Rebecca Evans". The signature is written in a cursive, flowing style.

**Rebecca Evans AS/MS**  
Y Gweinidog Cyllid a'r Trefnydd  
Minister for Finance and Trefnydd