



Llywodraeth Cymru
Welsh Government

WRITTEN STATEMENT BY THE WELSH GOVERNMENT

TITLE **The Greenhouse Gas Emissions Trading Scheme Auctioning (Amendment) Regulations 2026**

DATE **5 March 2026**

BY **Huw Irranca-Davies MS, Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs**

[Last December](#) I informed you that the UK Emissions Trading Scheme (UK ETS) Authority (comprising of the Welsh Government, the UK Government, the Scottish Government, and the Northern Ireland Executive) would be amending the scheme's Auction Reserve Price (ARP) with an initial inflation-based increase in 2026 from £22 to £28 and a yearly increase based on inflation from 2027.

These rule changes have today been taken forward by the UK Government in The Greenhouse Gas Emissions Trading Scheme Auctioning (Amendment) Regulations 2026 by way of an enabling power within the Finance Act 2020. The Greenhouse Gas Emissions Trading Scheme Auctioning Regulations 2021, which this Statutory Instrument will amend, are part of the UK ETS framework and set out the auction design, including the auction clearing price. Welsh Government policy and legal officials have been involved in reviewing the drafting of The Greenhouse Gas Emissions Trading Scheme Auctioning (Amendment) Regulations 2026.

Overall, I believe that the UK ETS remains a highly influential policy lever in achieving net zero in Wales and provides a crucial platform for encouraging businesses to invest in and adopt decarbonisation technologies. This rule change is important to rectify the decrease in real terms of the ARP since it was introduced and to ensure that it continues to provide market participants with a long-term minimum price signal.

I have written to the Chairs of the Climate Change, Environment, and Infrastructure Committee and the Legislation, Justice, and Constitution Committee to inform them.