

CCA Consultation Team - cca@energysecurity.gov.uk

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By email

Climate Change Agreements: consultation on a new scheme: proposal to include emissions from energy consumption already covered by UK ETS in the reporting process

Dear CCA Consultation Team - cca@energysecurity.gov.uk

The UK Emissions Trading Group's (ETG) members represent a high proportion of the UK businesses covered by the UK Emissions Trading Scheme (UK ETS) and, until 2020, the EU Emissions Trading System (EU ETS). The ETG provides a forum for discussion and resolution of all aspects of emissions trading and associated policy matters; and uniquely it provides a regular forum for communication to take place between commerce and industry, the UK Government, Devolved Authorities, and regulators.

The ETG has considered the CCA consultation from the broad standpoint of our members and would like to bring to attention our reservations about the proposal to include emissions from energy consumption already covered by UK ETS in the reporting process.

At the very least, the proposal needs further clarity. The consultation claims that there is benefit in including these emissions in the reporting process, but it is unclear what this benefit is and who it benefits. Since the consultation document indicates that targets will not be based on these emissions and the buy-out does not factor them in (to avoid double counting), we do not understand the purpose of reporting them. In essence, the proposal appears to add duplication, thereby adding unnecessary administrative burden, for no immediately obvious purpose.

It is understood that the data will not count towards performance calculation and would be used to give DESNZ a bigger picture of the site decarbonisation pathway for setting targets when making allowances for specific circumstances. Whilst this might possibly be helpful to justify CCL relief in some cases – e.g. where a site falls out of ETS because it electrifies and its total energy use increases – there would need to be much more transparency as to how the proposal would work before its inclusion could be justified. Furthermore, it would be important that any such inclusion did not affect the performance calculation in relation to the way in which participants are charged for energy use under both the UK ETS and CCA schemes.

Yours sincerely,



Will Webster, Chair UK ETG