

UK IMPLEMENTATION OF THE EU EMISSIONS TRADING SCHEME

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Work streams

- National Allocation Plan
- Registry
- Permitting
- Baseline verification
- Annual MRV
- Awareness raising



National Allocation Plan

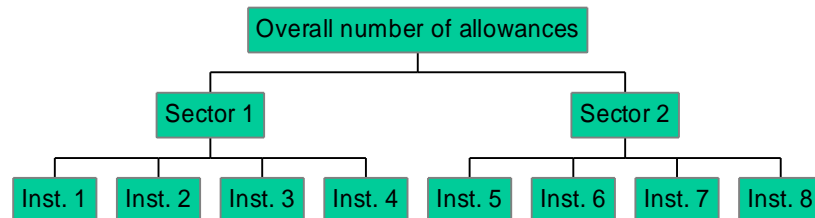
- Draft published 19th January 2004
- Updated NAP to be published end April, containing:
 - Final decisions on sector allocation principles
 - Preferred solutions where changes made
 - List of installations
- Delay to allow time to resolve key issues raised during consultation on draft
- Projections continuing to be updated



Draft NAP



2 stage allocation methodology



- Overall number of allowances = aggregate of sector totals
- Sector totals calculated by projections
- “Business as usual”, except for power stations (extra 5.5MtCO₂ reductions)
- Sector totals distributed based on proportion of historic emissions (1998-2002)



Issues raised in consultation

- Sector allocation methodology - projections & sector definitions
- Installation allocation methodology
- New entry & closure issues
- Temporary exclusion
- Errors in data



Sector allocation methodology

- Updating projections
- Sector classification
- Use of historic data

Installation allocation methodology

- Commissioning
- Rationalisation
- Use of Climate Change Agreement targets
- CHP
- 02/03 installations



New entry & closure

- Further work on size of reserve
- Clarification of definitions
- Further work on new entrants allocation methodology
- Definition of closure



Temporary exclusion

- Planning to apply to Commission for UK Emissions Trading Scheme Direct Participants and Climate Change Agreement Participants
- Application to be in time for June Committee



Registry

- Project to produce ETR Software based on existing emissions trading registry. Will include;
 - Generic Registry
 - National Registry Software
- National and EU ETS Registry Software to be completed by July 2004
- UK proposes to share costs of its registry development programme in return for participation in the ongoing management of the project
- For full details of the project and registry please contact

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Summary...

- Delay in submitting NAP regrettable but UK remains *fully* committed to EU ETS
- Crucial period in assessing NAPs – look forward to working closely with Commission and other MS
- Would encourage other MS to use EU ETS in moving toward Kyoto targets



Further information

- Defra web site:
<http://www.defra.gov.uk/environment/climatechange/trading/index.htm>
- Look here for further information/guidance/news etc
- Queries can be sent to:
eu.ets@defra.gsi.gov.uk



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