

## United Kingdom

### General Information

<p>Summary</p>	<p><b>Status:</b> ETS under consideration</p> <p><b>Jurisdictions:</b> United Kingdom</p> <p>Following a referendum on 23 June 2016 the United Kingdom left the European Union, effective 31 January 2020. The UK participated in the EU ETS since its inception in 2005. By exiting the EU, the UK will also withdraw from the EU ETS, however, this will not happen until 2021 as the UK will stay in the EU ETS until the end of Phase III (2013-2020).</p> <p>The UK government started a consultation process in May 2019 to set the stage for carbon pricing in the UK following Brexit. The government started the process by publishing “The Future of UK Carbon Pricing”<sup>*</sup> in which it lays out different carbon pricing options. The preferred option of the UK government contains a UK national GHG emissions trading system which would be linked to the EU ETS. Other options include a standalone domestic ETS, a carbon tax or participating in Phase IV of the EU ETS (2021-30). According to the UK Clean Growth Strategy<sup>**</sup> the future carbon pricing approach will be at least as ambitious as the EU ETS.</p> <p>In early February 2020, the European Commission published a negotiating mandate to begin talks with Britain on a deal governing post-Brexit relations. The mandate encourages the Parties to consider linking a United Kingdom national GHG emissions trading system with the EU ETS.<sup>***</sup></p> <p>UK entities currently account for about 10% of the EU ETS, consisting of 800 installations, which emit around 140 million tonnes of CO<sub>2</sub>e annually.</p> <p><sup>*</sup> <a href="https://www.gov.uk/government/consultations/the-future-of-uk-carbon-pricing">https://www.gov.uk/government/consultations/the-future-of-uk-carbon-pricing</a></p> <p><sup>**</sup> <a href="https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/700496/clean-growth-strategy-correction-april-2018.pdf">https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/700496/clean-growth-strategy-correction-april-2018.pdf</a></p> <p><sup>***</sup> <a href="https://ec.europa.eu/info/sites/info/files/communication-annex-negotiating-directives.pdf">https://ec.europa.eu/info/sites/info/files/communication-annex-negotiating-directives.pdf</a></p>
<p>Year in Review</p>	<p>The UK government legislated provisions for both a UK ETS and carbon tax as part of the Financial Bill 2020 as various post-Brexit carbon pricing options are still being considered. During summer 2020, the government outlined the design features of a potential UK ETS, published an impact assessment of operating it without a link to the EU ETS starting January 2021, and introduced draft legislation titled “The Greenhouse Gas Emissions Trading Scheme Order 2020” in the Parliament.</p> <p>The consultation on a potential carbon emissions tax has now concluded, and the government is analysing the feedback received.</p>
<p>Overall GHG emissions (excluding LULUCF)</p>	<p><b>Emissions:</b> 461.7 MtCO<sub>2</sub>e (2018)</p>

Overall GHG emissions by sector	Sector Name	MtCO <sub>2</sub> e
	Energy	104.9
	Industrial processes	10.2
	Agriculture	45.4
	Waste	20.7
	Transportation	124.4
	Residential	69.1
	Business	79.0
	Public	8.0
Overall GHG reduction target	<b>By 2030:</b> 57% reduction from 1990 GHG levels  <b>By 2050:</b> net-zero GHG emissions by 2050	
Carbon Price	<i>Current Allowance Price (per t/CO<sub>2</sub>e):</i> No information available yet.	

## ETS Size

Emissions covered by the ETS	No information available yet.
GHG covered	No information available yet.
Sectors covered and thresholds	No information available yet.
Point of regulation	No information available yet.
Number of liable entities	No information available yet.
Cap	No information available yet.

## Phases & Allocation

Trading period	No information available yet.
Allocation	No information available yet.

## Flexibility

Banking and borrowing	No information available yet.
Offsets and credits	No information available yet.
Market Stability Provisions	No information available yet.

## Compliance

Compliance Period	No information available yet.
Monitoring, Reporting, Verification (MRV)	No information available yet.
Enforcement	No information available yet.

## Linking

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Links with other Systems	No information available yet.
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## Other Information

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Institutions involved	UK Department for Business, Energy and Industrial Strategy
Evaluation / ETS review	No information available yet.
Revenue	No information available yet.
Implementing Legislation	No information available yet.

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