



Ein cyf/Our ref MA/JJ/2056/21

28 July 2021

Dear Huw Irranca-Davies MS,

You will be aware the UK Emissions Trading Scheme (UK ETS) was established in law in 2020.

The legislation underpinning the UK ETS is being delivered incrementally, through a series of statutory instruments. The timing and order of this series has been designed to ensure that specific legal provisions are introduced as they become operationally necessary. All legislation required to establish the scheme was made in 2020. There are, however, outstanding legal provisions required, which, whilst not essential for the establishment of the UK ETS on the 1st January 2021, are considered necessary for effective operation of the scheme.

On 28 July, the UK ETS Authority, comprising the four Governments of the UK, will publish a consultation and two separate draft statutory instruments to address a number of technical and operational issues identified during the development and amendment of legislation to establish the UK ETS.

The statutory instruments are expected to be laid in November as Orders in Council:

- The Greenhouse Gas Emissions Trading Scheme (Amendment) Order 2021 will be introduced under the negative procedure, following Privy Council.
- The Greenhouse Gas Emissions Trading Scheme (Amendment) (No.2) Order 2021 will be introduced under the draft affirmative procedure with introduction also expected in November 2020, prior to submission to Privy Council.

Both Orders will make amendments to the existing Greenhouse Gas Emissions Trading Scheme Order 2020.

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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.

I will be publishing a written statement on 28 July alerting the Senedd to the consultation and draft statutory instruments. The consultation will run over the recess period and close on 7 Medi.

The provisions are technical and operational in nature, however, in the interests of transparency and affording the maximum opportunity for scrutiny of the provisions, I wanted to personally alert you. I am also sharing with the Chair of the Climate Change, Environment and Infrastructure Committee.

Following the summer recess I expect to issue a further statement setting out initial options to develop the UK ETS further, aimed at delivering a more impactful scheme.

Yours sincerely

A handwritten signature in blue ink that reads "Julie James". The signature is written in a cursive, flowing style.

Julie James AS/MS
Y Gweinidog Newid Hinsawdd
Minister for Climate Change