

Aviation in the UK Emissions Trading Scheme

9 December 2021

Agenda and webinar procedure

Time	Item
13:00 – 13:05	Welcome and Introductions
13:05 – 13:25	Overview of UK ETS Aviation Policy
13:25 – 13:40	Compliance Obligations for Aircraft Operators
13:40 – 14:00	Registry Onboarding
14:00 – 14:10	Overview of Markets
14:10 – 14:25	Q&A
14:25 – 14:30	Closing

Webinar procedure

Please:

- Turn off your video
- Mute your microphone if you aren't speaking
- Please type any further questions via the chat function (click the 'show conversation' icon). We will collate these for a FAQ document after the event.

After the meeting, send any questions or comments to:

emissions.trading@beis.gov.uk for general queries related to the UK ETS

etaviationhelp@environment-agency.gov.uk for those related to UK ETS operations

etregistryhelp@environment-agency.gov.uk for the UK ETS Registry Help Desk

Aviation in the UK Emissions Trading Scheme



HM Government



Scottish
Government
gov.scot



Llywodraeth Cymru
Welsh Government



Department of
**Agriculture, Environment
and Rural Affairs**

www.daera-ni.gov.uk

Overview of UK ETS

- The UK has a long-standing commitment to carbon pricing as a key part of its approach to reducing emissions.
- The UK was heavily involved in the design and development of the EU Emissions Trading System (EU ETS).
- The UK Government and Devolved Administrations consulted on the design of a UK Emissions Trading Scheme (UK ETS) in May 2019, with the response to this consultation published in June 2020.
- The UK ETS was launched on 1 January 2021 to replace the UK's participation in the EU ETS.
- First auction took place on 19 May 2021
- Secondary market for allowances now trading
- Future consultations/reviews



UK ETS Key Design Features: Aviation

- The **UK ETS is a separate scheme** to the EU ETS.
- As of 1 January 2021, aircraft operators included under both schemes need to be administered by a UK regulator for their UK ETS obligations and, separately, an EU regulator for their EU ETS obligations.
- **The UK no longer regulates any aircraft operators for EU ETS purposes.** All Aircraft Operators who were administered by the UK for their EU ETS obligations up to the 2020 scheme year should have been transferred to their new administering Member State indicated in the attribution list of aircraft operators published by the Commission.
- The geographic scope of the EU ETS still includes **flights from the EEA to the UK.**
- For the UK ETS, you will need to comply with any surrendering obligations **by surrendering UK Allowances (UKAs)** rather than EUAs. Similarly, UKAs will not be accepted as a form of EU ETS compliance in the 2021 scheme year.



UK ETS Key Design Features: Aviation

- The UK ETS covers **aviation emissions** on certain flights, regardless of aircraft nationality.
- Aircraft operators participate in the UK ETS if they operate on certain routes **above an applicable threshold**.
- We are aware that the past two years have been challenging for the aviation sector due to the impacts of the COVID-19 pandemic and aircraft operators **may be unclear on whether they have performed activities that** give rise to UK ETS obligations
- Monitoring, reporting and verification rules are **very similar to other carbon pricing policy** requirements (EU ETS/CORSIA).
- **Aviation is included in the overall UK ETS cap** and the sector can participate in auctions similarly to other participants.
- However there are **separate free allocation rules for aviation**, which are currently under review.
- We are also reviewing how the UK ETS may interact with CORSIA.



Update on Free Allocation

- Free allocation is calculated by multiplying the EU ETS **aviation benchmark** by the **verified 2010 or 2014 UK ETS TKM data**.
- The UK ETS Aviation Allocation Table was published on 28 June 2021 and details free allocation entitlements for **the 2021-2025 allocation period**.
- Aircraft Operators will receive their allocation entitlement once they acquire an Aircraft Operator Holding Account (AOHA) if they have UK ETS obligations for a specific year.
- 2022 free allowances **will be allocated by 28 February** for those with an AOHA and we will continue to allocate periodically throughout the compliance period for any new AOHAs.
- We are **reviewing free allocation policy** in the UK ETS to ensure the scheme appropriately mitigates the risk of carbon leakage and competitive disadvantage and aligns with the UK's high climate ambition.
- A call for evidence carried out earlier in the year provided valuable insights into the current free allocation policy and **we will be consulting on potential changes** to the policy in due course.



Participating in the UK ETS as an aircraft operator

- You have obligations under the UK ETS as soon as you become an **aircraft operator**.
- There are **two** steps you need to consider to determine whether you are an aircraft operator with obligations in a scheme year.

Step 1

- Have I performed UK ETS **full scope** flights with emissions that are above the commercial air transport operator threshold, or the non-commercial air transport operator threshold in the scheme year?
- If the answer to this is **YES**, you then need to consider Step 2.

Step 2

- Have I performed a UK ETS **aviation activity**, i.e. a flight within the scope of UK ETS that gives rise to monitoring, reporting and surrendering obligations?
- If the answer to this is **YES**, you will have UK ETS compliance obligations.



Step 1: Full Scope Flights

In the UK ETS, full scope flights include all flights that **arrive or depart from an aerodrome within the UK, Gibraltar or European Economic Area**, other than excluded flights.

Are your full scope flights above the threshold?

Commercial Air Transport Operators:

- Perform at least 243 full scope flights during either of the three four-month periods within a year (Jan. to April, May to Aug. or Sept. to Dec); and
- Total annual emissions from full scope flights are 10,000 tonnes of CO₂ or above.

Non-Commercial Air Transport Operators:

- Total annual emissions from full scope flights are 1,000 tonnes of CO₂ or above.

Some flights are excluded from the definition of **full scope flights** and **aviation activity**. They have **no** UK ETS obligations:

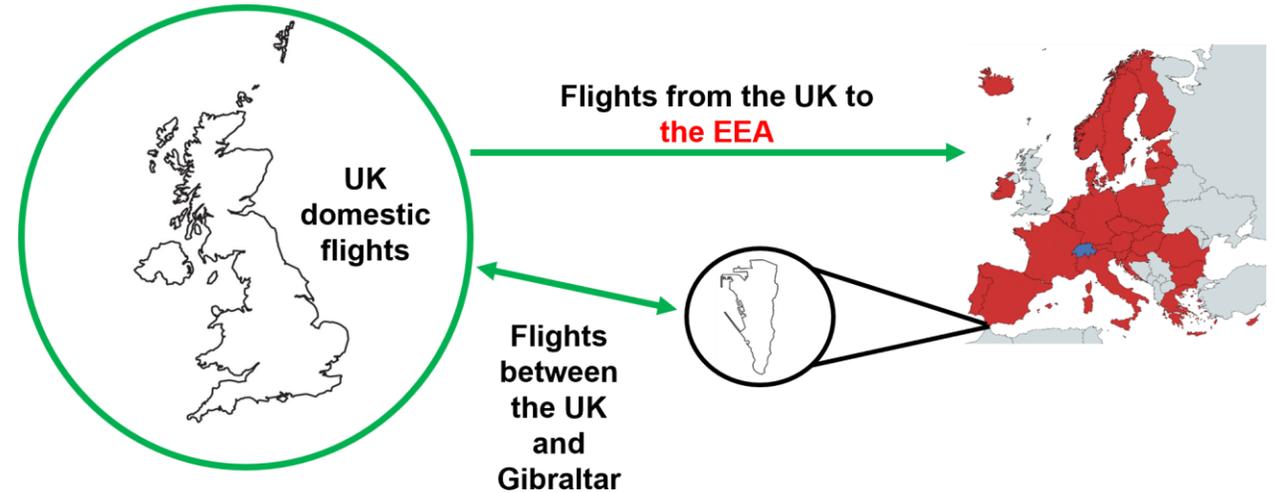
- Flights operated by both fixed-wing and rotary-wing aircraft are excluded if the flight is operated using aircraft with a maximum take-off mass of less than 5,700kg.
- Flights for a number of specific purposes are also excluded ([Schedule 1](#) of the *The Greenhouse Gas Emissions Trading Order 2020*).



Step 2: Aviation Activity

- An **aviation activity** is a flight (other than excluded flights) that departs from an aerodrome situated in the UK and arrives in an aerodrome situated in any of the following:

- the UK;
- an EEA State (excluding outermost regions);
- Gibraltar;
- an offshore structure in the continental shelf of the UK sector or of an EEA state.



- An **aviation activity** also includes any flight arriving in an aerodrome situated in the United Kingdom from an aerodrome situated in Gibraltar.
- There is **no** flight or emissions threshold associated with UK ETS **aviation activities**.

If you are above the **full scope** threshold and perform just **one** flight that is an UK ETS **aviation activity** you **will** be an **aircraft operator** and have a UK ETS compliance obligation.



“Do I have UK ETS obligations?”

Example 1:

- A commercial air transport operator operates UK-EEA, intra-EEA and UK-North America flights.
- They operated 100 UK-EEA flights, 350 intra-EEA flights and 100 UK-North America flights between January and April. They reduce their operations for the following two four-month periods to well below the 243 flight threshold. Their annual emissions exceed 10,000 tonnes of CO₂.

This commercial air transport operator is a UK ETS aircraft operator as they have exceeded the 243 full scope flights in one of the four-month periods and their full scope annual emissions are greater than 10,000 tonnes of CO₂. They will only surrender allowances against the emissions produced via their aviation activity.

Example 2:

- A non-commercial air transport operator operates UK domestic and UK-Australia flights.
- They do not operate between January and April. Having resumed flights in May, they operate 100 domestic flights and 50 UK-Australia flights for the remainder of the year. Their annual emissions exceed 1,000 tonnes of CO₂.

This non-commercial air transport operator is a UK ETS aircraft operator with UK ETS obligations as the emissions threshold has been reached. There is no minimum number of flights for non-commercial operators. They will only surrender allowances against the emissions produced via their aviation activity.

Supporting Links

Participating in the UK ETS

- <https://www.gov.uk/government/publications/participating-in-the-uk-ets/participating-in-the-uk-ets>

UK Emissions Trading Registry

- <https://view-emissions-trading-registry.service.gov.uk/>

Opening a UK Registry account

- <https://www.gov.uk/government/publications/documents-required-to-register-for-the-uk-emissions-trading-registry>

UK ETS Aviation Allocation Table

- <https://www.gov.uk/government/publications/uk-ets-aviation-allocation-table>

UK ETS Guidance

- Guidance on *Participating in the UK ETS* has been published and can be found here:
<https://www.gov.uk/government/publications/participating-in-the-uk-ets>
- Guidance on *Complying with the UK ETS as an aircraft operator*, including details of how to apply for an Emissions Monitoring Plan, can be found here:
<https://www.gov.uk/guidance/complying-with-the-uk-ets-as-an-aircraft-operator>
- These slides will be made available after today's event.

UK ETS Aviation Compliance

Mladen Vukovic

Senior Advisor

9 December 2021

Agenda

- UK ETS – Am I included?
 - UK ETS – ‘full scope’
 - UK ETS – ‘aviation activity’
- UK ETS Compliance obligations
- IT Systems used for compliance
- How to apply for an Emissions Monitoring Plan (EMP)
- Your Aircraft Operator Holding Account (AOHA) in the UK ETS Registry
- Annual Emissions Reporting
 - Reporting using Eurocontrol ETS Support Facility (ETS SF) data
 - Reporting through verification
 - UK ETS Reporting deadline
- UK ETS Surrendering Allowances

UK ETS – Am I Included?

There are **two** steps you need to consider to determine if you are an Aircraft Operator with obligations under UK ETS in a Scheme Year:

- **Step 1**

Have I performed UK ETS 'full-scope' flights with emissions that are above the commercial air transport operator threshold, or the non-commercial air transport operator threshold in the Scheme Year?

If the answer to this is **YES**, you then need to consider Step 2:

- **Step 2**

Have I performed a UK ETS 'aviation activity', i.e. a flight within the scope of UK ETS that gives rise to monitoring, reporting and surrender obligations?

If the answer to this is **YES**, you will have UK ETS compliance obligations.

UK ETS – ‘full-scope’

UK ETS full-scope flights are flights that depart from, or arrive in the UK, Gibraltar or an EEA State, other than excluded flights:

Commercial air transport operator threshold

- ≥ 243 UK ETS full-scope flights during either Jan to April, May to Aug or Sept to Dec periods; and
- emissions of $\geq 10,000$ tCO₂ or above from your UK ETS full-scope flights.

Non-commercial air transport operators threshold

- emissions of $\geq 1,000$ tCO₂ or above from your UK ETS full-scope flights.

UK ETS – ‘aviation activity’

- UK ETS Aviation Activity are flights that:
 - depart from an aerodrome situated in the UK and arrive at an aerodrome in the UK;
 - depart from an aerodrome situated in the UK and arrive at an aerodrome in an EEA State (excluding outermost regions);
 - are between an aerodrome situated in the UK and an aerodrome in Gibraltar;
 - depart from an aerodrome situated in the United Kingdom and arrive at an aerodrome situated on an offshore structure in the UK sector of the continental shelf or an offshore structure in the continental shelf of an EEA state.
- **The threshold for UK ETS participation relates to your full-scope flights NOT your UK ETS aviation activities.**
- **If you are above the UK ETS full-scope threshold and perform just one flight that is an UK ETS aviation activity you will be an aircraft operator and have a UK ETS compliance obligation.**

UK ETS compliance obligations

- Submit an application for a UK ETS Emissions Monitoring Plan (EMP) to your Regulator.
- Provide the Registry Administrator with the required documents to add users on to your AOHA in the UK Registry when asked to do so by the Registry Administrator.
- Submit your 2021 verified aviation emissions report by **31 March 2022** to your regulator using ETSWAP.
- Ensure you have enough allowances in your AOHA in time to meet your surrender obligation.
- Surrender allowances equivalent to your 2021 aviation emissions by **30 April 2022**.

IT Systems used for compliance

ETSWAP

- ETSWAP is our online application and reporting system that you need to use to submit your EMP application to us and report your verified 2021 aviation emissions by 31 March 2022.

UK ETS Registry

- In order to perform your surrender obligations you will need an AOHA.
- Your AOHA is an account in the UK ETS Registry, which is part of the online UK Registry system.
- You must surrender allowances from your AOHA equivalent to your 2021 aviation emissions by **30 April 2022**.

How to apply for an Emissions Monitoring Plan (EMP) - 1

- An application for an EMP is made on our online system – ETSWAP.
- An AO with UK ETS obligations must submit an application for an EMP within 42 days of exceeding the UK ETS full-scope threshold and performing a UK ETS aviation activity.
- An AO who fails to do so is liable to a civil penalty.
- The EMP application process is:
 - AO provides contact details to the EA (Regulator) – you need to contact us and provide a nominated user;
 - The Regulator creates an ETSWAP account for the AO;
 - Nominated user is added to the AO's ETSWAP account;
 - Nominated user is able to access ETSWAP;
 - EA guidance documents on how to complete an EMP application are sent to the AO (ETSWAP user);
 - AO completes EMP application form on ETSWAP.

How to apply for an Emissions Monitoring Plan (EMP) - 2

- Completed EMP application form is 'submitted' by the AO;
- Payment Task for EMP application charge is created within ETSWAP:
 - **£1,110**
 - This charge includes the fee for opening your AOHA with two Authorised Representatives (ARs)
- AO pays EMP application charge
 - You can pay online by credit card through ETSWAP – this is the easiest way to pay and payment is automatically received .
 - Other payment options are available - detailed in the ETSWAP payment task.
- Your EMP application can't be processed until we have received payment.

Your Aircraft Operator Holding Account (AOHA) in the UK Registry

- Once we have issued your EMP the Regulator will ask the UK Registry Administrator to open an AOHA for you.
- The UK Registry Administrator will open your AOHA and then get in touch with the ETSWAP user to explain what you need to do to access your AOHA.
- The Registry Administrator will inform you how to appoint a Primary Contact for your AOHA and nominate Authorised Representatives (ARs).
- The Registry Administrator will carry out customer due diligence checks on all users of the UK ETS Registry, and may request documents from you.
- This due diligence process can take several months, especially if your ARs are based outside the UK.

Annual Emissions Reporting

- Annual Reporting is done online through ETSWAP.
- The Annual Emissions Report (AER) form is made available in ETSWAP from 1 January 2022.
- We will send out guidance on completing the AER.
- AOs with a UK ETS compliance obligation must submit their verified AER to us by **31 March 2022**.
- There are two options for reporting, depending on your flights and the emissions associated with them:
 - Reporting using Eurocontrol ETS Support Facility (ETS SF) data.
 - Reporting through verification - using a third party UKAS accredited verifier.

Reporting using Eurocontrol ETS Support Facility (ETS SF) data - 1

- Referred to as 'Simplified Reporting'
- You can use the 'Simplified Reporting' procedure option if:
 - your emissions from UK ETS 'full-scope' flights are below 25,000tCO₂; OR
 - emissions from UK ETS aviation activity flights are below 3,000tCO₂
- You don't need to use a third party UKAS accredited verifier.
- You must register with Eurocontrol to get your ETS SF data.
- The cost is €400 (contract.office.ets.sf@eurocontrol.int)

Reporting using Eurocontrol ETS Support Facility (ETS SF) data - 2

- AO receives draft ETS SF AER and data files from Eurocontrol.
- AO must check this AER data against their own records to make sure that it is accurate.
- AO to contact Eurocontrol if there are discrepancies in their ETS SF data.
- Do this as soon as possible as corrections can take time.
- AO must complete AER on ETSWAP using ETS SF data.
- Your AER is only considered verified if you use your ETS SF data without modification to complete your AER form in ETSWAP.
- AO submits AER to Regulator through ETSWAP.

Reporting through verification - 1

- You must use this option if:
 - Your emissions from your UK ETS 'full-scope' flights are $\geq 25,000$ tCO₂;
AND
 - your emissions from your UK ETS Aviation Activity are $\geq 3,000$ tCO₂.
- You must also use this option if you are a 'small emitter' using the Eurocontrol Small Emitters Tool (SET) to estimate your emissions.
 - If you use the SET, you must use the 2021 version
<https://www.eurocontrol.int/tool/small-emitters-tool>

Reporting through verification - 2

- You **must** use a verifier who is accredited to perform UK ETS aviation verification by UKAS – the United Kingdom Accreditation Service (<https://www.ukas.com>).
- AO completes their AER form in ETSWAP.
- AO sends their AER to their UK ETS accredited verifier through ETSWAP.
- Verifier completes the verification and returns the AER and the verification report (VR) to the AO through ETSWAP.
- AO submits the AER and VR to the Regulator through ETSWAP.

UK ETS Reporting deadline

- The UK ETS reporting deadline for 2021 emissions is **31 March 2022**.
- An AO who fails to report its verified 2021 aviation emissions by **31 March 2022** is liable to a civil penalty.

UK ETS Surrendering allowances

- One allowance must be surrendered for each tonne of CO₂ you emit from your UK ETS Aviation Activities.
- Allowances must be surrendered from your AOHA in the UK ETS Registry.
- The surrender deadline for 2021 is **Saturday 30 April 2022**.
- Failure to surrender enough allowances to cover your aviation emissions will leave you liable to the excess emissions penalty of £100 (multiplied by the inflation factor) for each allowance that you fail to surrender.

UK ETS Registry

Mike Denbigh
Senior Advisor
9 December 2021

Agenda

- Aircraft Operator Holding Account (AOHA) - Summary of Key Points
- UK ETS Registry On boarding stages
- Entering Emissions – AOHA
- Surrendering of Allowances - Key Messages
- UK ETS Registry – Support Arrangements for surrender
- Supporting Links

Aircraft Operator Holding Account (AOHA) - Summary of Key Points - 1

- AOHAs can only hold UK ETS Allowances
- AOHAs can receive, hold and transfer UKETS allowances to other UK ETS Registry accounts
- Aircraft Operators (AO) don't need to have a trading account as well as an AOHA, but may have one or more if desired – please contact the UK Registry Help Desk to discuss further if you think you need one
- An AOHA can receive allowances once it has been opened (either as a free allocation, if eligible, or a transfer in of allowances) – this action does not require authorised representatives (ARs).
- A person may only have one UserID in the UK ETS Registry – if they are already enrolled they don't need to register / create a sign-in again. UserID is unique to each user.

Aircraft Operator Holding Account (AOHA) - Summary of Key Points - 2

- Once a person is approved and becomes an enrolled authorised representative they will act on behalf of the account holder, if they have permission to do so. Authorised Representatives can be given permission to:
 - initiate transactions
 - approve transactions
 - both initiate and approve transactions
 - have read only access
- Please contact the UK Registry Help Desk if experiencing any UK ETS Registry registration issues. Details are provided at the end of the presentation under the Supporting Links section.

UK ETS Registry On boarding stages

- 1

1. Your Regulator will instruct the Registry Administrator (RA) to open an AOHA when your Emissions Monitoring Plan (EMP) is issued.
 - an AOHA is usually opened within 10 working days;
 - no ARs will be appointed to the AOHA at this stage;
 - any free allocation will usually be deposited in the AOHA within 10 working days of opening.

2. The RA will email the ETSWAP user with the AOHA number and instructions about how to appoint ARs to the AOHA.
 - the UK ETS EMP application fee allows for the appointment of 2 ARs;
 - we recommend adding two initially, and then adding any others later if required;
 - the RA will e-mail the following templates to the ETSWAP user: Authorised Representative Declaration, Primary Contact Appointment and Declaration, Letter of Authority, XLS Sheet and Document Guide;
 - you may not receive this communication if:
 - it has been blocked by your firewall or placed in your junk folder;
 - your EMP user details are incorrect (check with your Regulator)
 - check the EMP user has shared this email with the relevant person

UK ETS Registry On boarding stages

- 2

3. The AO must designate a Primary Contact (PC):
 - PC is a named point of contact for the AO in the UK ETS Registry and doesn't usually have registry access
 - The PC Appointment and Declaration Form must be signed by 2 listed company directors (officials) or 2 individuals with Power of Attorney
 - we recommend your PC is a different person from your ARs
4. The AO can nominate 2 ARs and decide what permissions they will have on the AOHA. Please note, some companies offer these services and you may wish to appoint their enrolled authorised representatives, who already have access to the UK ETS Registry. You will still have to appoint a Primary Contact.
5. A nominated AR must create a registry sign in to obtain a UK ETS Registry UserID (Referred to as a UserID). The link to the UK Registry is on Gov.UK and has also been provided in the Supporting Links section of this presentation. Once a sign in has been created users will be able to login and see their Tasks. They wont be able to see their Account information until they are approved and have enrolled.

UK ETS Registry On boarding stages

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6. Once a UserID has been created the details for the nominated AR can be added to the templates. All templates should be fully completed (unmodified) and signed and sent back in one email to the UK Registry Help Desk.
7. The RA checks the completed templates and raises any issues with either the ETSWAP user or the nominated ARs directly.
8. The RA will link the nominated ARs to the relevant AOHA and issue document upload tasks to each nominated AR. The nominated ARs will receive a system generated email to advise them that they have a task to complete in the UK ETS Registry. The nominated ARs should log in and complete the Tasks as soon as they can. (Note: task notifications can get stuck in firewalls or Junk folders so please login to the registry on a regular basis and check for new tasks).
9. Further information on the documents required by the RA – please refer to the Document Guide v3.0.

UK ETS Registry On boarding stages

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10. Once the nominated ARs have uploaded the necessary documents, the RA will acknowledge receipt and review them and carry out any related checks. If the nomination is approved the ARs will be set to validated and sent a Registry Activation Code (RAC) one time passcode in a PDF Letter via email. Any issues with approval will be communicated directly to the individual concerned.
11. Each validated AR must then sign into the UK ETS Registry and enter the one time passcode – and they will then be fully enrolled and will have access to the AOHA.

Entering Emissions – AOHA - 1

- In the UK ETS, an Aircraft Operator is required to submit its verified report of aviation emissions for a Scheme Year to its UK Regulator **in ETSWAP by 31 March 2022**. This is the official deadline – please do it earlier if possible.
- In the UK ETS Registry - Authorised Representatives will not be entering aviation emissions figures themselves.
- The Regulator will provide this verified aviation emissions figure to the Registry Administrator (RA), so that it can be entered into the Aircraft Operator's Aircraft Operator Holding Account (AOHA) in the UK ETS Registry. The RA can do this well ahead of this 31st March reporting deadline, so we encourage AOs to submit their verified report in ETSWAP and surrender in UK ETS Registry as soon as possible and not wait until the official deadline.

Entering Emissions – AOHA - 2

- Aviation emissions do not require verifier approval in the UK ETS Registry.
- You do not have to wait for the UK Regulator to provide the RA with your aviation emissions figure before you surrender. If your verified aviation emissions figure has not been entered into your AOHA – this does not affect your statutory obligation to surrender a number of allowances equal to your aviation emissions by 30th April, or your ability to perform the surrender transaction in the UK ETS Registry.
- If an Aircraft Operator fails to surrender sufficient allowances it may be liable to pay a penalty, including the mandatory Excess Emissions Penalty of £100 (index linked) for each allowance that it failed to surrender.

Surrendering of Allowances - Key Messages - 1

- Please note it can take time to find a seller, arrange contracts, and effect delivery of your UK ETS allowances. You will need your Aircraft Operator Holding Account number for this.
- The RA does not recommend sellers of allowances. All companies that hold a current account in the UK ETS Registry will be listed online January 2022. Allowances can only be delivered from a Trading Account, Operator Holding Account or Aircraft Operator Holding Account in the UK ETS Registry.
- Make sure you purchase UK ETS Allowances – these are the only units that can be transferred into the UK ETS Registry and used for surrender.
- You must ensure allowances required for surrender are delivered into your AOHA on time, particularly if these are being delivered close to the surrender deadline.

Surrendering of Allowances - Key Messages - 2

- It is good practice to avoid surrendering close to the deadline, as technical issues, AR issues, and delivery issues may occur, and the mandatory Excess Emissions Penalty will apply if allowances are not surrendered by the 30 April deadline. (this year this deadline falls on a Saturday).
- You only need 1 AR to surrender allowances (this is the default setting in the UK ETS Registry); this setting can be amended on request, so that 2 ARs are required for surrender (one AR initiates the surrender transaction and the second AR Approves it).
- You can surrender multiple times, including over-surrender.
- An over-surrender can be used as a credit in respect of a later Scheme Year. It is only possible to reverse a surrender in very limited circumstances.

Surrendering of Allowances - Key Messages - 3

- It is good practice for ARs to regularly login into the AOHA during February/March each year to check they can access the system, remember passwords etc
- If an AR has left your organisation, please ensure any remaining AR is able to surrender alone or, if necessary, any replacement is put in place well ahead of the surrender deadline, as this can take up to 8 weeks to complete the full process of approving nominated ARs.

You must surrender in respect of your aviation emissions by 30 April 2022 whether or not you have reported, and whether or not the RA has entered a verified aviation emissions figure in your AOHA.

UK ETS Registry – Support Arrangements for surrender

- If you have any questions about how to surrender or are having any difficulties accessing your AOHA in the UK ETS Registry or are experiencing any other issues with the Registry system, please contact the UK Registry Team using the UK Registry email Helpdesk (available on Monday to Friday from 9.00 until 17.00, except for UK public holidays).
- Please note, the 30 April 2022 surrender deadline falls on a Saturday, so if you need any assistance from the UK Registry Team you will need to contact the UK Registry email Helpdesk **before 17.00 on Friday 29 April 2022.**

Supporting Links

- Participating in the UK ETS (<https://www.gov.uk/government/publications/participating-in-the-uk-ets/participating-in-the-uk-ets>)
- ETSWAP (<https://euets.environment-agency.gov.uk/Authentication/Logon.aspx?ReturnUrl=%2fDefault.aspx>)
- UK Emissions Trading Scheme for aviation: how to comply (<https://www.gov.uk/guidance/uk-emissions-trading-scheme-for-aviation-how-to-comply>)
- United Kingdom Accreditation Service (UKAS) (<https://www.ukas.com>)
- UK Emissions Trading Registry (<https://view-emissions-trading-registry.service.gov.uk>)
- Opening a UK Registry account (<https://www.gov.uk/government/publications/documents-required-to-register-for-the-uk-emissions-trading-registry>)
- UK ETS Aviation Help Desk (etaviationhelp@environment-agency.gov.uk)
- UK ETS Registry Help Desk (etregistryhelp@environment-agency.gov.uk)



UK ETS Aviation Webinar

George von Waldburg, Director Utility Markets

December 9, 2021



UK ETS contracts on ICE

- ICE Futures Europe (IFEU) launched three UK ETS contracts in 2021:
 - Primary market:
 - UKA UK Auction Contract (at least up to and including 2022)
 - Secondary market:
 - UKA Daily Futures Contract
 - UKA Futures Contract
 - Front March contract and front 3 December contracts
- ICE Clear Europe is the clearing venue for the IFEU UK ETS contracts
- There are no EUA/UKA spreads
- Available via WebICE (auction and secondary market) or FIX API (secondary market only)
- Secondary market is very similar to existing EUA secondary market, with the exception of:
 - Underlying
 - Currency

UKA UK Auction Contract

Similarities with EUA auctions:

- Primary spot allowances
- Auction design: Single-round, sealed bid, uniform price auction
- Tied bids = random selection
- Lot size of 500 allowances

Differences with EUA auctions:

- In GBP
- Auction Reserve Price (£22.00)
- Partial allocation is possible
- 12:00 – 14:00 GMT/BST

UK Emissions Trading Scheme 2021 Auction Calendar

Calendar Day	Volume	Bidding Window
19-May-2021	6,052,000 UKA	12:00-14:00 UK time
02-Jun-2021	6,052,000 UKA	12:00-14:00 UK time
16-Jun-2021	6,052,000 UKA	12:00-14:00 UK time
30-Jun-2021	6,052,000 UKA	12:00-14:00 UK time
14-Jul-2021	6,052,000 UKA	12:00-14:00 UK time
28-Jul-2021	6,052,000 UKA	12:00-14:00 UK time
11-Aug-2021	2,594,000 UKA	12:00-14:00 UK time
25-Aug-2021	2,594,000 UKA	12:00-14:00 UK time
08-Sep-2021	5,187,500 UKA	12:00-14:00 UK time
22-Sep-2021	5,187,500 UKA	12:00-14:00 UK time
06-Oct-2021	5,187,500 UKA	12:00-14:00 UK time
20-Oct-2021	5,447,500 UKA	12:00-14:00 UK time
03-Nov-2021	5,654,000 UKA	12:00-14:00 UK time
17-Nov-2021	5,654,500 UKA	12:00-14:00 UK time
01-Dec-2021	5,654,000 UKA	12:00-14:00 UK time
15-Dec-2021	5,394,500 UKA	12:00-14:00 UK time

Auction Results

<https://www.theice.com/marketdata/reports/278>

Report Center

Welcome to the ICE Report Center

To view all report categories or recently viewed reports, please scroll down. Please note that the Data Tab has been renamed to FUTURES U.S. COMMODITY AND INDICES DATA below.

REPORTS ▼ AUCTIONS - UK ETS

CATEGORY: AUCTIONS MARKET: ICE FUTURES EUROPE

Date Range

01-Oct-2021  TO 20-Oct-2021 

Submit

UK Emissions Auctions

01-OCT-2021 TO 20-OCT-2021

Date	Allowances	Successful	Clearing Price	Allowance Bid For	Total Bidders	Successful Bidders	Notional	Carryover**	Carryover Dates
06-Oct-2021	5,187,500	4,149,000	£60.00	7,133,500	19	18	£248,940,000.00	1,038,500	20-Oct-2021 03-Nov-2021 17-Nov-2021 01-Dec-2021
20-Oct-2021	5,447,500	5,447,500	£51.39	9,470,500	18	13	£279,947,025.00	0	

Accessing UK ETS Auctions on ICE Futures Europe

- In order to access auctions on ICE Futures Europe, all participants must satisfy the eligibility and admission criteria set out in regulations 16 and 17 of the Greenhouse Gas Emissions Trading Scheme Auctioning Regulations 2021 (the Auctioning Regulations) and have the necessary regulatory permissions or exemptions.
- Existing Exchange Members who satisfy the admission criteria set out in Regulation 17 (1)
 - Fill out the Auction Participation List form
 - Contact ICE User Admin to request trading privileges
- Non-member customers
 - Contact an Exchange Member to request access to emissions auctions on ICE
 - Your Exchange Member will check that you satisfy the eligibility and admission criteria set out in the Auctioning Regulation
 - Ask your Exchange Member to add you to the Auction Participant List
 - Contact ICE User Admin team to request trading privileges

Accessing UK ETS Auctions on ICE Futures Europe

- All participants must have an arrangement (clearing agreement) in place with an ICE Clear Europe Clearing Member
- ICE Clear Europe Clearing Members will need to have an account in the UK Emissions Trading Registry in place
- Alternatively, you can contact one of the 30+ auction participants who have access (see website)

Accessing UK ETS secondary market on ICE Futures Europe

- Current IFEU EUA participants:
 - Will have received automatic access to the IFEU UKA Futures and IFEU UKA Daily Futures
 - Will need to request new clearing limits from Clearing Member
- New participants:
 - Become an IFEU member or become an order router
 - Get a clearing agreement in place with an ICE Clear Europe Clearing Member

Thank you for your time

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- For access to the auction or secondary markets: sales-Utilities@ice.com
- Auction website: <https://www.theice.com/emissions/auctions/uk-emission-allowances>

About Intercontinental Exchange

[Intercontinental Exchange](#) (NYSE:ICE) is a Fortune 500 company that operates a leading network of [global futures](#), equity and equity options exchanges, as well as [global clearing](#) and [data services](#) across financial and commodity markets. The [New York Stock Exchange](#) is the world leader in capital raising, listings and equities trading.

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Q&A

Webinar procedure

Please:

- Turn off your video
- Mute your microphone if you aren't speaking
- Please type any further questions via the chat function (click the 'show conversation' icon). We will collate these for a FAQ document after the event.

After the meeting, send any questions or comments to:
emissions.trading@beis.gov.uk for general queries related to the UK ETS
etaviationhelp@environment-agency.gov.uk for those related to UK ETS operations
etregistryhelp@environment-agency.gov.uk for the UK ETS Registry Help Desk

Malini Desai	BEIS
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