



EU Emissions Trading System

Aviation sector

2011 charges

Reissued December 2011

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1 INTRODUCTION

1.1 Purpose of this document

The purpose of this document is to provide advice on charges applicable to the aviation sector under the EU Emission Trading System, and to explain the methods of payment.

The different types of charges are explained in section 2, and the methods and terms of payment for these charges are provided in section 3.

1.2 The legislation

Forecasts from the Department for Transport suggest that by 2030, aviation could contribute up to about a quarter of the UK's greenhouse gas emissions. The government believes that the best way of ensuring aviation contributes towards climate stabilisation is through an emissions trading regime.

The European Emissions Trading System (EU ETS) was introduced across Europe to encourage businesses to reduce greenhouse gas emissions. The aviation sector joined this system in 2009, and 2010 represented the first year whereby aircraft operators had to monitor their annual emissions and provide benchmarking data.

In the UK the EU ETS Directive is implemented through the Greenhouse Gas Emissions Trading Scheme Regulations 2005.

1.3 Charging powers and financial duties

Charges for aircraft operators are made under The Aviation Greenhouse Gas Emissions Trading Scheme Regulations 2010 ("regulations") although in the foreseeable future we intend to transfer the charges into an Environment Agency charging scheme

The Environment Agency has a number of duties in respect to setting charges. These include ensuring that, taking one year with another, our income from EU ETS participants covers the costs incurred in issuing and maintaining emission plans. We must also recover all relevant costs, and adhere to the guidance given in HM Treasury's Managing Public Money Guide on the costing of services provided by bodies such as ours. We must also ensure that income raised through charging is only applied to the regulatory regime to which it relates.

On this basis, we ensure that all types of regulatory expenditure associated with the aviation sector under the EU ETS, whether they are the direct costs of regulatory activities, or the infrastructure necessary to support them, are reflected in charges.

Extensive modelling has been carried out in order to set charge rates which fulfil the Environment Agency's duties on cost recovery and reflect regulatory effort.

2 AVIATION CHARGES

2.1 Types of charge

The following types of charges are payable in respect of aircraft operators:

- Emission plan charge
- Benchmarking plan charge
- Annual subsistence charge
- Variation charge
- Application to the special reserve
- Determining emissions

Section 3 explains how and where you send payment for these charges.

2.2 Emission plan charge

The charge for applying for an emission plan is £750

2.3 Benchmarking plan charge

The charge for applying for a benchmarking plan is £830

2.4 Annual subsistence charge

An annual subsistence charge is payable by all aircraft operators who have performed an aviation activity (as defined in Annex I of the EU ETS Aviation Directive) within a particular compliance year.

If you have not performed an aviation activity within a particular compliance year you are not deemed to be an aircraft operator for that year and are not due a subsistence charge.

The subsistence charge covers the cost we incur in maintaining you as an aircraft operator for a particular year. It includes the work we undertake in processing notifications from operators, dealing with administrative or minor variations to plans, ongoing regulation, compliance auditing, resolving any issues with individual operators, end of year reporting and the provision of our helpdesk.

The level of subsistence charge depends on your estimated emissions for the calendar year in question. In most cases this will be based on the level of emissions detailed in the emissions monitoring plan.

There are two parts to the subsistence charge – a base and a variable charge. Both elements are based on an operators estimated emissions during the compliance year.

Base charge

This is a fixed part of the subsistence charge, payable if you are a aircraft operator for any part of the compliance year.

Charges are as follows:

Estimated annual emissions of carbon dioxide	
Less than 50kt	£1,920
50kt - 500kt	£2,490
More than 500kt	£3,060

Variable charge

This part of the subsistence charge depends upon the length of time you have had an emissions plan in place during a particular compliance year.

Charges are as follows:

Estimated annual emissions of carbon dioxide	
Less than 50kt	£630
50kt - 500kt	£830
More than 500kt	£1,020

Where your variable charge becomes payable part way through a financial year (for example if the date you qualify as an operator is later than 1st January) you will be charged (pro rata) for the number of whole days remaining in the year. The charge commences from the date that is indicated on your emission plan, rather than the date you made your application.

If mid-way through a compliance year you notify us (or where we identify) that you are no longer an operator, the variable charge will cease to be payable. The charge will be adjusted from the date when all your requirements, in respect of the compliance year in question, have been met. So if for example you cease to be an operator in October 2010 but you fail to submit your end of year report under mid January 2011, there will be no adjustment made to your variable charge.

Calculation and invoicing

You will receive an invoice for both the base and variable elements of the annual subsistence charge in January or February following the calendar year in which you are an operator.

Examples

1. If your estimated emissions in the year 2011 are 100kt, and your emission plan for this year covers 1 Jan to 31 Dec 2011, you will receive a single invoice in January or February 2012 for £3,320 (which covers the base charge of £2,490 plus the full (unadjusted) variable charge of £830).
2. If your emission plan however is dated from 1 July, and you cease to qualify as an operator, and complete all requirements by 30 September, your subsistence charge will be £2,699. This is calculated from the base charge of £2,490 plus the variable charge of £209 (92/365 days x £830).

Within any one calendar year, if your emission plan is suspended, and then restarted again mid-year the variable part of the charge will not be adjusted. In other words to calculate your variable charge we will use the first date that you have an approved emission plan, and the last date within the year that you cease to be an operator.

We will use Eurocontrol, and our own data, to identify the dates to calculate the variable part of the charge. If on receipt of the invoice however you disagree with our calculation please contact etaviationhelp@environment-agency.gov.uk

2.5 Variation to an emission plan

Not all variations to your emission plan incur a charge. If you are notifying us of a change of a purely administrative nature only, there is no charge.

However, if you are submitting a variation application that requires a technical assessment, the charge is £430. The variation charge is also payable in the event that we serve a variation notice on you. In this instance we will send you an invoice for the charge.

If you are unsure as to whether or not a variation is chargeable please email us at etaviationhelp@environment-agency.gov.uk

2.6 Application to the special reserve

A charge of £1,120 must be submitted with an application for free allowances from the special reserve.

2.7 Determining emissions

In certain circumstances we have a duty (under regulation 22) to calculate your reportable emissions on your behalf. We charge £115 per hour for this work and we will send you an invoice for the appropriate amount.

3 PAYMENT OF CHARGES

3.1 Method and terms of payment

This section provides details of how to pay charges and where to send payments. It also deals with the procedure for withdrawing applications and the action that will be taken on non-payment of charges.

3.1.1 Applications for an emission plan, benchmarking plan, variation to an emissions plan, or application to the special reserve

These charges must be submitted along with the application, and payment may be made by credit card, debit card, or by BACS. Unfortunately we are **not** able to accept cheques for these application types.

Debit or credit card

Payment can either be made online through your ETSWAP account (please select online payment method and follow the instructions) or over the telephone by calling (01925) 542079.

BACS payments should be made to the following account:

Barclays Bank Plc, 15 Queen Square, Bristol, BS1 4NP

BAN: GB42 BARC 2013 4220 7446 46

SWIFTBIC: BARCGB22

Account number: 20744646 Sort code: 20-13-42

Please quote your Unique Reference number with any BACS payments or we will be unable to identify the individual transaction.

If you have any payment queries please email us at etaviationhelp@environment-agency.gov.uk or telephone us on 01925 542059.

3.1.2 Annual subsistence and Regulation 30 charges

For these charges, you will be sent an invoice. Charges are payable immediately on receipt of the invoice.

Payment options include credit card, debit card and BACs. Full details on how to pay by each method can be found on the rear of the invoice.

3.2 Withdrawn applications

Where an operator withdraws an application, the Agency reserves the right to retain the application charge in full with no refund. A refund may be made where the Agency has not undertaken any work in respect of the application.

Where an application is submitted for an operator that we subsequently deem to be exempt from regulation, we will make a full refund of the application charge provided that no emission plan has been issued. Refunds of charges will not normally be made after emission plans have been issued.

3.3 Non-payment of charges

Applications that are not accompanied by the appropriate fee in full will not be processed. If the charge submitted is insufficient we will advise you accordingly and ask you to pay the balance. We will be unable to complete the processing of any application where part of the fee is outstanding.

If any subsistence charge is not paid the Agency will take action to recover the debt. This may include the seizure and sale of allowances to cover the value of unpaid charges, as well as the expenses incurred by us in recovering the debt.

**Would you like to find out more about us,
or about your environment?**

Then call us on

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or visit our website

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