

## EU Emissions Trading System (non Aviation)

### Charging for regulation in 2011/12

The European Union Emissions Trading System (EU ETS) was been introduced across Europe to encourage businesses to reduce greenhouse gas emissions. In the UK the EU ETS Directive has been implemented through the Greenhouse Gas Emissions Trading Scheme Regulations 2005.

The charges themselves are made under section 41 and 41A of the Environment Act 1995 which allows us to recover the costs of regulation by charging for environmental licences. The Secretary of State for Environment, Food and Rural Affairs must approve the proposed charging schemes and requires us to:

- secure sufficient funding for us to manage the EU ETS effectively
- recover our costs from the members of the trading system.

### Where our money comes from

In 2011/12, we expect to spend around £1.1 billion on the whole range of our activities. Government will contribute around 63% of this through grants and the rest must be raised mainly through charging for environmental permits and flood risk management work. The charges we set to recover the costs of EU ETS permits will raise £2.4 million (0.2%). We do not use money raised from charges for these permits to pay for our other activities.

### No baseline increase to charges

We are keeping the level of our charges the same as in 2010/11 (with the exception of the hourly charge rate below) in recognition of the difficult economic circumstances. With forecasts of inflation ranging from 3.7% to 4.8% we believe this will provide assistance to our charge-payers.

### Hourly charge rate

The only change that is made to the scheme is to the hourly charge applicable to the 'Regulation 30', and 'Application to retain an allocation' charges. The hourly charge is increased from £115 to £125. This is to align it with the Environment Agency's standard hourly rate. The hourly rate for EU ETS has not been increased since 2005.

## Consultation process on amendments to the scheme

We reviewed the previous EU ETS charging scheme during 2010 and consulted customer groups and a range of individual charge payers on the suggested amendments, before seeking approval from the Secretary of State for Environment, Food and Rural Affairs. A summary of the consultation comments received and our responses can be downloaded from our web pages.

If you were not involved in the consultation and would like to be included in any future Environmental Permitting or other charging consultations, please contact Jeremy Risdon:

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Horizon House, Deanery Road,

Bristol. BS1 5AH.

Email: [jeremy.risdon@environment-agency.gov.uk](mailto:jeremy.risdon@environment-agency.gov.uk)

Please provide your name, job title, organisation and full contact details as well as the schemes you are interested in.

## Further information

If you require more information on our charges please contact us using the telephone number that appears on your invoice or have a look at the charges section of our website.

customer service line  
08708 506 506

incident hotline  
0800 80 70 60

floodline  
0845 988 1188

[www.environment-agency.gov.uk](http://www.environment-agency.gov.uk)