

## **Email correspondence**

ETAviationHelp  
UK Environment Agency  
Thursday, October 31, 2019

### **Subject: Emissions monitoring, reporting and verification obligations for aviation operators**

*Please see the communication below which has been sent on behalf of the Department for Business, Energy & Industrial Strategy.*

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#### **Context**

We are writing to you as an aircraft operator administered by the UK which participates in the EU Emissions Trading System (EU ETS).

As you will be aware, the UK and EU have agreed a 'flexextension' of Article 50 up until 31st January 2020, with the possibility of an earlier exit if the Withdrawal Agreement is agreed in Parliament and ratified by both Parties. This note provides an update on your participation in the EU ETS and your ongoing monitoring, reporting and verification obligations.

#### **EU Emissions Trading System**

As a result of the Article 50 extension, the UK continues to be a party to the EU ETS and operators should therefore continue to comply with EU ETS regulations. Operators continue to have access to their registry accounts and are able to buy, sell and trade EU ETS allowances and Kyoto Protocol units.

The suspension on the UK's ability to auction allowances, allocate allowances for free to operators, or exchange international credits for allowances from 1 January 2019 continues to apply. In line with this, the UK Government will not issue any allowances unless and until the suspension is lifted. This includes 2019 free allowances and any allowances relating to historic scheme years.

The UK government is engaging with the European Commission regarding the implications of the extension to Article 50 for the UK's ETS compliance and to confirm if the Commission's no deal contingency measures will remain in place. We anticipate the Commission will provide confirmation on this in due course.

If a Withdrawal Agreement is ratified between 1 November 2019 and 31 January 2020, UK operators will be required to comply with EU ETS regulations for throughout the Implementation Period, including full compliance for 2019 emissions in April 2020. EU legislation has already been implemented that will lift the suspension on processes relating to the UK registry on the day following the deposit of a ratified withdrawal agreement. In this scenario, the UK Government's intention would be to commence the issuing of allowances as soon as possible. Further communications would follow regarding 2019 free allocation and the schedule of auctions for the remainder of the 2019 compliance year.

## **Emissions monitoring, reporting and verification obligations for aviation operators**

Operators must continue to notify their regulator about any changes to their operations that would affect their aviation emissions plan. These could include:

- changes to the operator's monitoring methodology
- changes in capacity or activity levels
- stopping operations
- transferring ownership, merging or splitting
- changes to the name on the Commission List

If a Withdrawal Agreement is ratified between 1 November 2019 and 31 January 2020, UK operators would be legally required to comply as usual with EU ETS obligations for monitoring, reporting and verification of emissions for 2019 and for the rest of the Implementation Period.

In a no deal scenario after 31 January 2020, UK administered aircraft operators who;

- were identified as being UK operators on the Commission list before exit day and have a registered office or are resident in the UK;

or, if the above does not apply;

- are aircraft operators whose ICAO three-letter designator lists the UK as the Notifying State; or
- have an air operator certificate granted by the UK Aviation Authority; or
- have their registered office, or are resident, in the UK.

will still be obliged to submit a verified emissions report on their full emissions to their UK regulators. The scope of emissions aviation operators are required to monitor and report will not change as a result of the UK leaving the EU.

Only Accredited verifiers by the UK Accreditation Service (UKAS) may be used to verify your annually reported emissions.

We expect the Commission will provide confirmation of UK operators' obligations for 2019 compliance in a no deal scenario in due course.

**The aviation sector would not be subject to the no deal Carbon Emissions Tax.**

### **More information**

Enquiries regarding the EU ETS can be directed to [eu.ets@beis.gov.uk](mailto:eu.ets@beis.gov.uk)

Enquiries regarding the carbon emissions tax can be directed to [carbon.taxation@hmrc.gov.uk](mailto:carbon.taxation@hmrc.gov.uk)

For any queries regarding your monitoring plan or compliance, please contact:

[etaviationhelp@environment-agency.gov.uk](mailto:etaviationhelp@environment-agency.gov.uk)

Kind Regards

ETS Aviation Team

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