



Article 27 in Practice – Scotland's experiences

Scottish Environment Protection
Agency

Fiona Graham Mandujano



Why Choose an Opt Out?

2009 Costs of Compliance in the UK

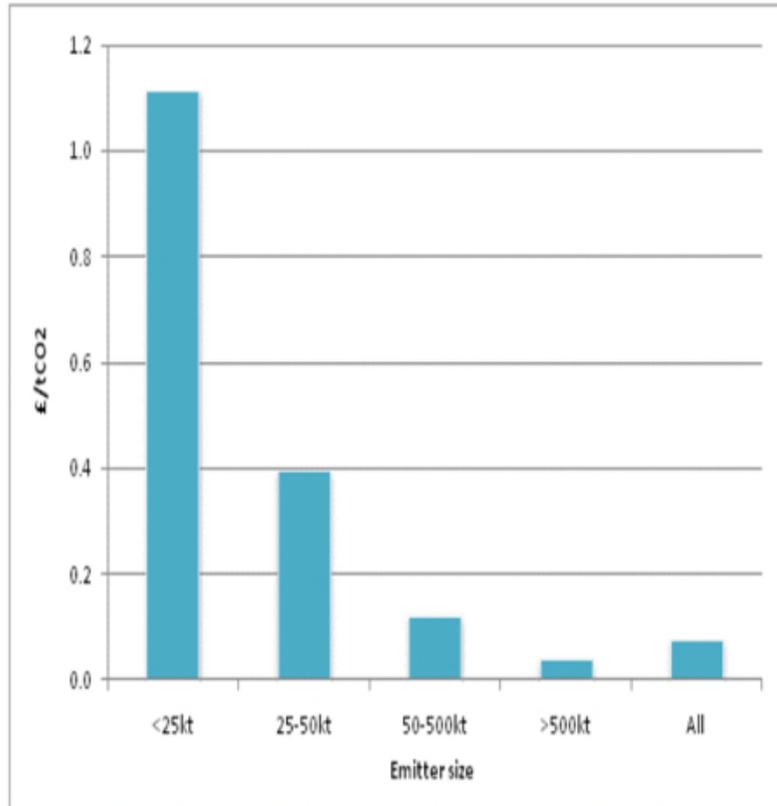
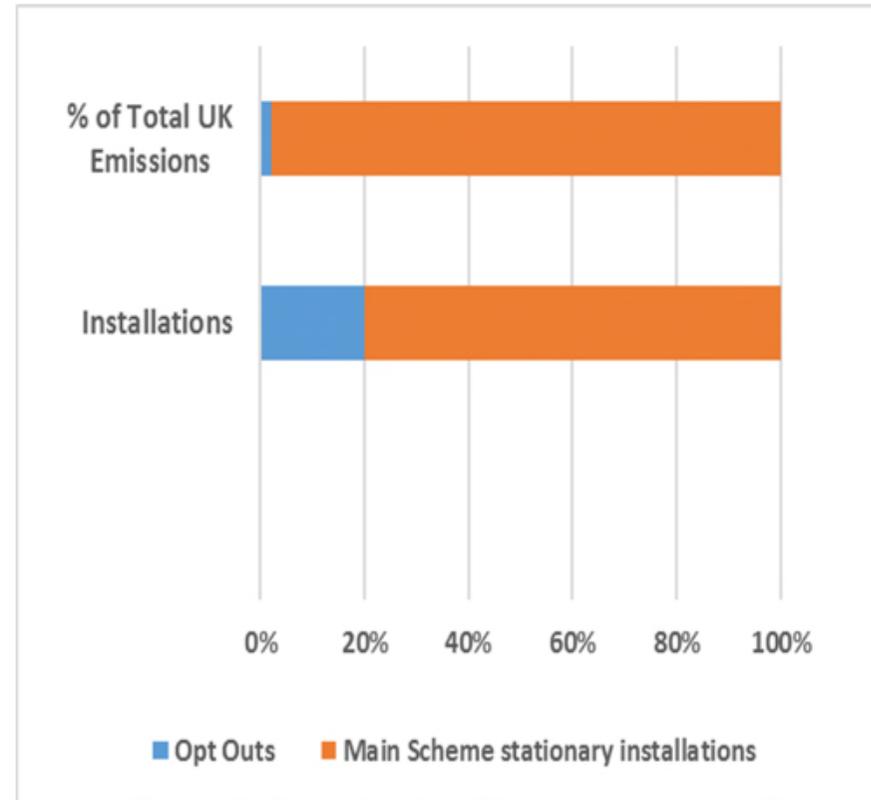


Figure 13. Average costs per tonne of emission by emitter size, £/tCO₂¹²

Opt-out installations % Share of emissions



https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/47953/895-cost-euets-uk-operators-compliance.PDF

What are the benefits & differences?

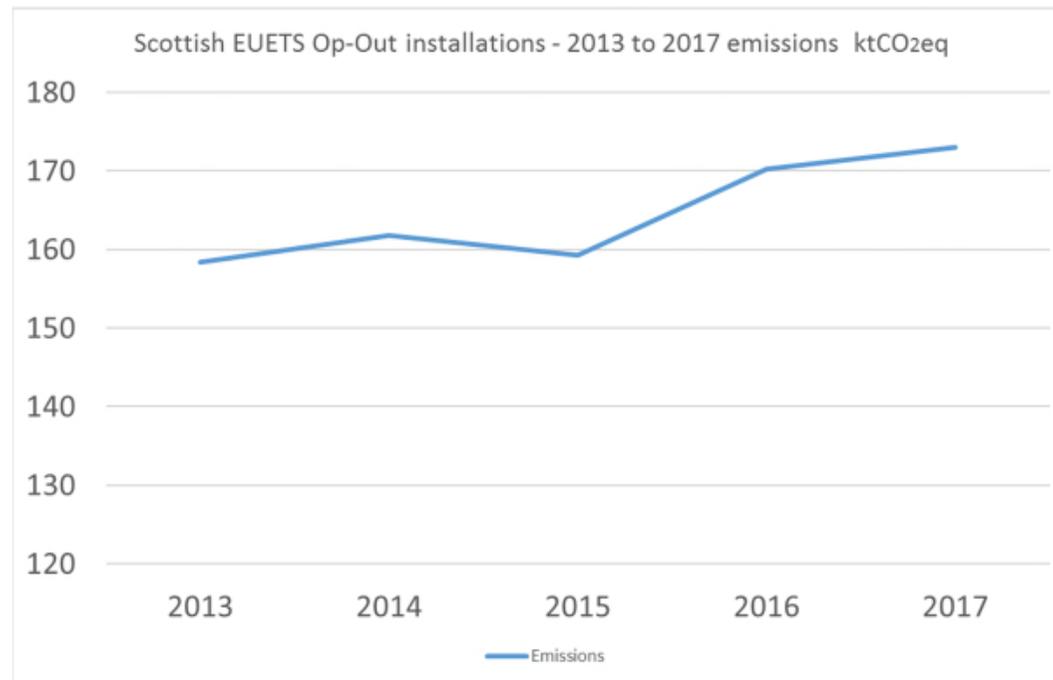
- Option to self verify annual emissions;
- No requirement to surrender allowances (no registry account required)
- No free allocation (no allocation changes);
- Emission Targets set for each year of the phase
Exceeding a target results in a monetary penalty
(Amount exceeded X Carbon Price)

How does this work in practice?

- Generally 75% of sites in Scotland still use a verifier; (this is reflected across the UK)
- CA undertakes audits on self-verified reports every year;
- Site inspections once every 2 years;
- 75% of sites failed to meet the target & received a penalty (this is usual pattern);
- Only 3 target increases in 5 years

How does it work in practice?

- Burden on CA is similar if not more than low emitters;
- Generally costs should be saved by Operator despite the target exceedance vs main scheme



Useful additional information:

http://www.legislation.gov.uk/ukxi/2012/3038/pdfs/ukxi_20123038_en.pdf

Guidance:

<https://www.gov.uk/guidance/participating-in-the-eu-ets#small-emitter-and-hospital-opt-out-scheme>

<https://www.gov.uk/government/publications/uk-small-emitter-and-hospital-opt-out-scheme>

Calculating the emissions targets:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/68635/7439-a-direction-given-by-the-secretary-of-state-under-.pdf

Fiona Graham Mandujano
National Carbon Reduction Unit
Scottish Environment Protection Agency
Fiona.graham@sepa.org.uk