



Article 27 in Practice – Scotland's experiences

Scottish Environment Protection
Agency

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Why Choose an Opt Out?

2009 Costs of Compliance in the UK

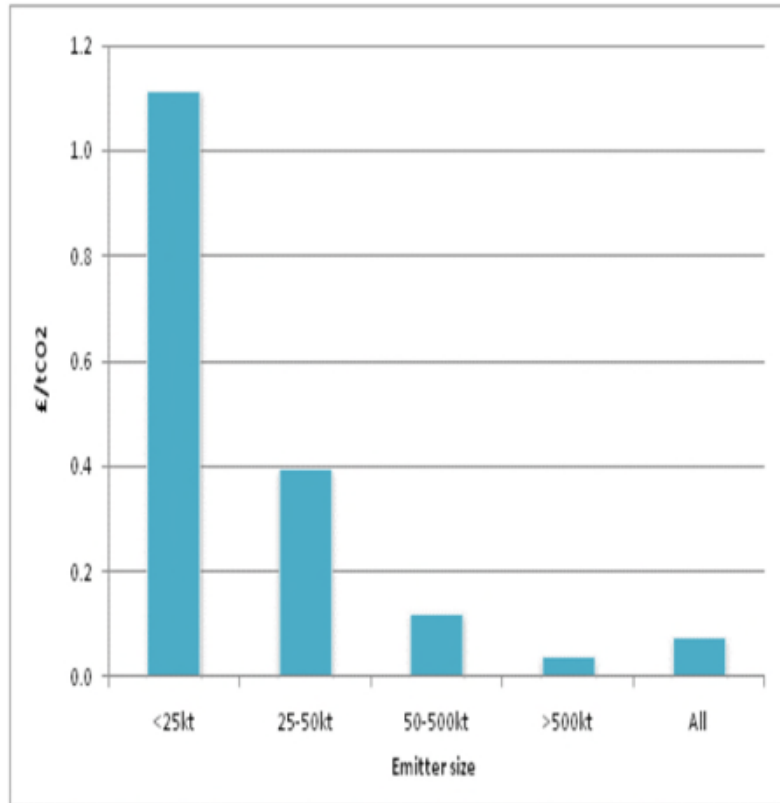
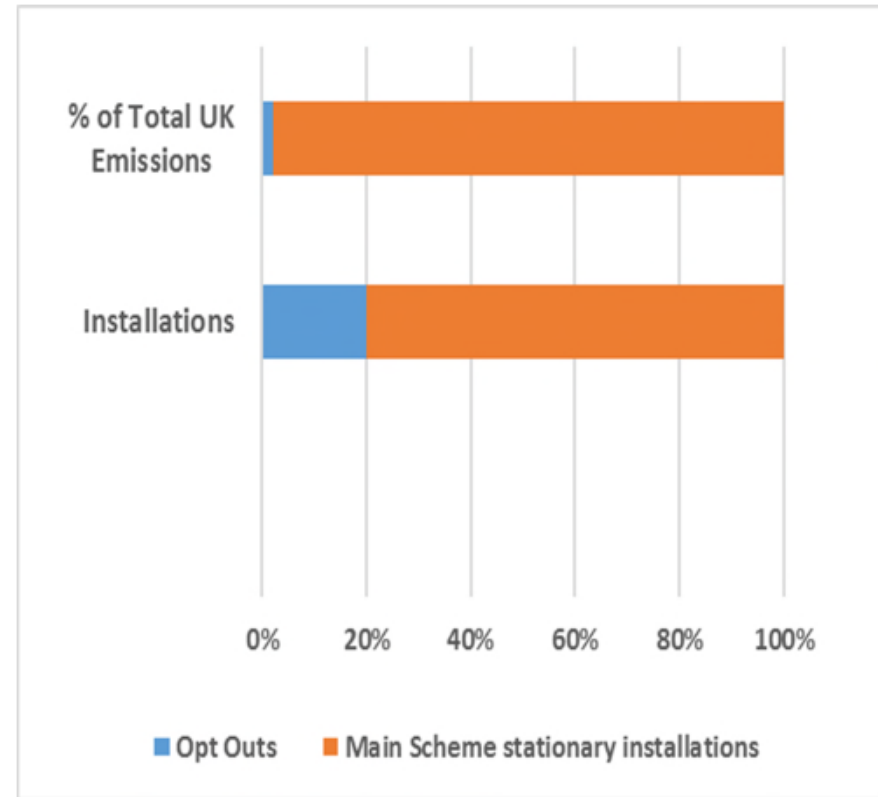


Figure 13. Average costs per tonne of emission by emitter size, £/tCO₂¹²

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

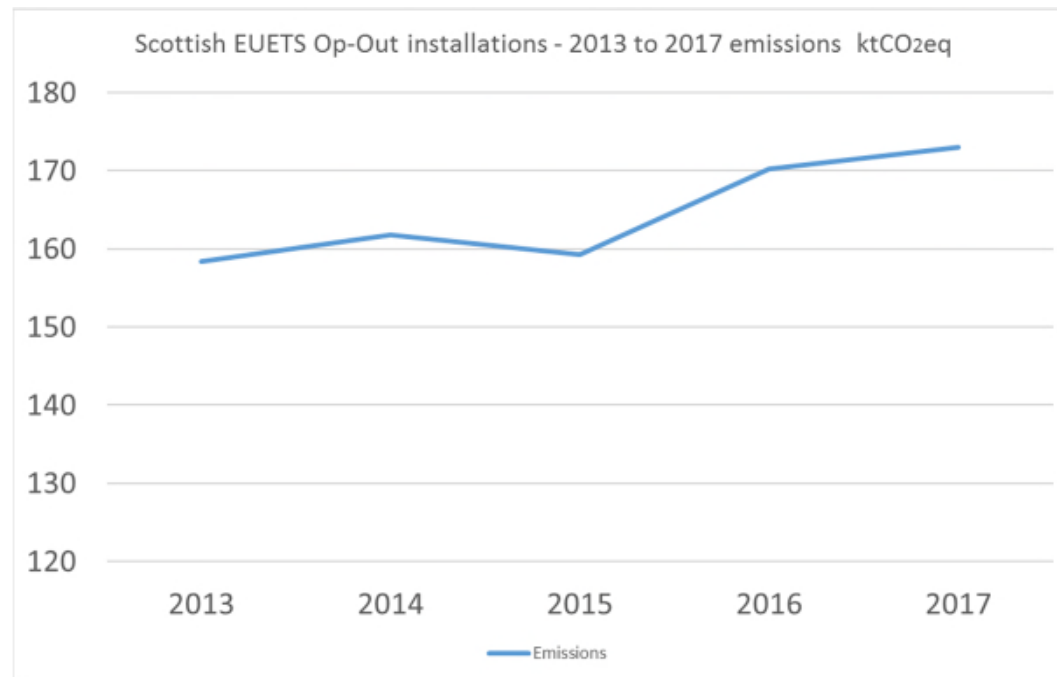
Exceeding a target results in a monetary penalty
(Amount exceeded X Carbon Price)

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

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