

The Greenhouse Gas Emissions Trading (Scotland) Charging Scheme 2025 (as amended)

Amendments up to 30 June 2026

Version: 1.2

The Scottish Environment Protection Agency in exercise of its powers:

- under Part 5 of the Greenhouse Gas Emissions Trading Scheme Order 2020,
- Part 4 of the Air Navigation (Carbon Offsetting and Reduction Scheme for International Aviation) Order 2021, and
- section 41 and 41A of the Environment Act 1995, and

with the approval of the Scottish Ministers, makes the following charging scheme.

1 Citation, extent, commencement and revocation

1.1 This charging scheme shall:

- 1.1.1 be cited and referred to as the Greenhouse Gas Emissions Trading (Scotland) Charging Scheme 2025 (and it shall be referred to here as “the Scheme”);
- 1.1.2 apply only to Scotland;
- 1.1.3 come into force on **1 April 2025**; and
- 1.1.4 remain in force until revoked.

1.2 The Greenhouse Gas Emissions Trading Fees and Charges (Scotland) Scheme 2015 shall cease to have effect on **1 April 2025**, insofar as it relates to any period on or after **1 April 2025**.

2 Interpretation

- 2.1 In the Scheme, unless the contrary intention appears:
- 2.1.1 any meanings given to words or phrases within the Order shall have the same meanings here;
 - 2.1.2 “the **ANO**” means the Air Navigation (Carbon Offsetting and Reduction Scheme for International Aviation) Order 2021;
 - 2.1.3 “**article**” shall mean an article within the Order;
 - 2.1.4 “**estimated annual emissions**” means the estimated annual emissions as stated in the operator’s permit;
 - 2.1.5 “**estimated aviation emissions**” means a reasonable estimate, in the opinion of SEPA, of the aviation emissions of the aircraft operator for the relevant year;
 - 2.1.6 “**kt**” shall mean kilotonne;
 - 2.1.7 “the **Monitoring and Reporting Regulation**” or “MRR” means Commission Implementing Regulation (EU) 2018/2066 of 19 December 2018 on the monitoring and reporting of greenhouse gas emissions pursuant to Directive 2003/87/EC of the European Parliament and of the Council (disregarding any amendments adopted after 11 November 2020) as given effect subject to modifications by Article 24 of the Order;
 - 2.1.8 “the **Order**” means the Greenhouse Gas Emissions Trading Scheme Order 2020;
 - 2.1.9 “**permit**” shall mean a “greenhouse gas emissions permit” or a “hospital or small emitter permit” as defined in the Order and “permitted” shall mean permitted in terms of the relevant permit;
 - 2.1.10 “**SEPA**” means the Scottish Environment Protection Agency, incorporated under the Environment Act 1995 and having its Corporate Office at Angus Smith

Building, Unit 6, 4 Parklands Avenue, Eurocentral, Holytown, North Lanarkshire,
ML1 4WQ;

2.1.11 “**us**” and “**we**” means SEPA;

2.1.12 “**you**” shall mean the person that has to pay our charges and shall, therefore, include the “applicant”, “the operator”, “the aircraft operator”, “the aeroplane operator”, the maritime operator and “the party”.

2.2 Any reference to any enactment, regulation or the like shall be a reference to the same as it may be amended, repealed or re-enacted from time to time.

2.3 The headings of each of the paragraphs are for information only and do not affect the meaning of the clauses.

3 Charges – general

3.1 Except if we say otherwise in the Scheme, charges must be paid in full at the same time as submission of the application to which the charge relates. An application submitted without the charge shall be treated as an invalid application.

3.2 We shall endeavour to issue an invoice for any charge which does not have to be paid at the same time as an application is submitted. If, however, an invoice is not received or if an invoice is issued incorrectly the charge is still payable.

3.3 Subject to the remainder of the terms hereof, charges shall not be refunded in any circumstances. In particular, they shall not be refunded if the application for which the charge submitted is refused or withdrawn.

3.4 The Scheme recovers SEPA’s costs for regulation of the UK ETS, including costs for the UK Registry and permitting system where appropriate.

Charges for installations

4 Permit application charge

- 4.1 If you submit an application for a permit under Schedule 6 paragraph 1 of the Order, the application charge shall be payable to us in accordance with the following table:

Table 1

Installation	Charge
Cat A – installations emitting less than 50kt per year, hospitals or small emitters - emitting less than 50kt per year	£2,833
Cat B – installations emitting at least 50kt per year and no more than 500kt per year	£4,719
Cat C – installations emitting more than 500kt per year	£5,668

5 Subsistence charge

- 5.1 Subject to the remainder of this clause, during each year that a permit is in force and where you are not in receipt of free allocation of emissions allowances you, as the operator, shall pay a subsistence charge in accordance with the following table:

Table 2

Estimated annual emissions	Charge
Less than 50kt per year	£4,047
At least 50kt and no more than 500kt per year	£5,261
More than 500kt per year	£6,481
Hospital or small emitter	£1,892

5.2 Subject to the remainder of this clause, during each year that a permit is in force and where you are in receipt of free allocation of emissions allowances, you, as the operator, shall pay a subsistence charge in accordance with the following table:

Table 3

Estimated annual emissions	Charge
Less than 50kt per year	£5,475
At least 50kt and no more than 500kt per year	£6,689
More than 500kt per year	£7,909

5.3 A subsistence charge shall not be payable in respect of a permit relating to:

- 5.3.1 a planned installation which is not put into operation during the year to which the charge relates; and
- 5.3.2 an installation in respect of which a retention notice has been served prior to 1 April in the year to which the charge relates and is not revoked during that year.

5.4 Where during a year:

- 5.4.1 a permit is granted in relation to an installation under Schedule 6 paragraph 3 of the Order;
- 5.4.2 a planned installation is put into operation; or
- 5.4.3 a permit is partially transferred in accordance with Schedule 6 paragraph 9 of the Order,

the subsistence charge relating to the installation (or in the case of a partially transferred permit, the transferred units) for the remainder of the year shall be a proportion of the charge calculated on a daily basis for the remainder of the period commencing on the date of the grant of the permit or the date upon which the transfer took effect, as appropriate. In all other events the subsistence charge shall be payable in full.

5.5 The subsistence charge shall be payable in full on 1 April in each year.

5.6 Where an operator has paid the subsistence charge for a year in full and during that year:

- 5.6.1 a permit is surrendered under Schedule 6 paragraph 11 of the Order; or
- 5.6.2 a permit is revoked under Schedule 6 paragraph 12 of the Order,

SEPA shall make a refund to the operator of a proportion of the subsistence charge in respect of the remainder of the year calculated on a daily basis for the remainder of the year commencing on the date on which the notice of surrender or revocation takes effect.

6 Variation of permit

- 6.1 In respect of any application to vary the conditions of a permit (other than an application referred to in paragraph 6.4) the application charge shall be £1,214.
- 6.2 We may vary the conditions of a permit, without receiving an application. If we do this we shall make a charge of £1,214.

- 6.3 The charge for an application to increase the emission targets following a capacity increase for installations that hold a hospital or small emitter permit shall be £2,833.
- 6.4 We shall waive the variation charge if the variation is of a minor nature, not involving us in more than one hour of staff time to process the application.

7 Transfer of permit

- 7.1 In respect of any application to transfer a permit, in whole or in part, in terms of Schedule 6 paragraph 7 of the Order the transfer charge shall be £1,892 per permit.

8 Surrender of permit

- 8.1 In respect of any application to surrender a permit, in terms of Schedule 6 paragraph 11 of the Order the surrender charge shall be £1,892 per permit.

9 Revocation of permit

- 9.1 We may serve a revocation notice on you, as an operator, in terms of Schedule 6 paragraph 12 of the Order. The revocation charge shall be £2,427 per permit and shall be payable by the operator by the date specified in the revocation notice.

9A New entrant reserve

- 9A.1 In respect of any application for an allocation from the new entrant reserve under article 5 of Commission Delegated Regulation (EU) 2019/331 of 19 December 2018 (“the Free Allocation Regulation”) (as it has effect in domestic law) as amended by the Greenhouse Gas Emissions Trading Scheme (Amendment) Order 2020, the charge shall be £2,833 per application.

10 Charges for aircraft operators

- 10.1 An application for an emissions monitoring plan under article 28 of the Order - £2,833;

- 10.2 An application for variation of an emissions monitoring plan pursuant to conditions in an emissions monitoring plan or variation of an emissions monitoring plan under article 31 of the Order - £1,356;

Subsistence charges

- 10.3 For maintaining a person as a UK aircraft operator for a year (“the relevant year”) a fixed charge calculated by reference to the following table:

Table 4

Where the estimated annual aviation emissions are	Charge
Less than 50kt per year	£2,969
At least 50kt and no more than 500kt per year	£3,770
More than 500kt per year	£4,054

Pro-rata subsistence charges

- 10.4 Where an emissions monitoring plan is issued part way through the year the charges will be calculated on a pro-rata basis for the remaining period up to the end of the year.
- 10.5 Part of the subsistence charge is a variable charge which depends upon the length of time you have had an emissions monitoring plan in place during a particular compliance year. The variable charges for the year are as follows:

Table 5

Where the estimated annual aviation emissions are	Charge
Less than 50kt per year	£776
At least 50kt and no more than 500kt per year	£1,023
More than 500kt per year	£1,257

- 10.6 Where your variable charge becomes payable part way through a financial year 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 emissions monitoring plan, rather than the date on which you made your application.
- 10.7 If you permanently cease to be a regulated aircraft operator part way through a financial year your variable charge will be calculated (pro rata) in respect of the number of the days in the year for which you were an aircraft operator up to and including the day on which you completed all requirements connected with your aviation activities performed in that year.

Charges for maritime operators

- 10A.1 The charge for an application for an emissions monitoring plan under paragraph 9 of Schedule 2A of the Order is £2,833.
- 10A.2 The charge for an application to vary an emissions monitoring plan under paragraph 12 of Schedule 2A of the Order to account for any change that SEPA considers to be of a purely administrative nature, including but not limited to adding or removing ships “Administrative Variation” is £152 per application.

- 10A.3 The charge for an application to vary an emissions monitoring plan (other than under paragraph 10A.2 above) under paragraph 12 of Schedule 2A of the Order “Standard Variation” is £1,356.
- 10A.4 The charge where SEPA serves a notice on the maritime operator to submit a revised emissions monitoring plan under paragraph 12(4) of Schedule 2A of the Order is £1,356.
- 10A.5 The subsistence charge for a maritime operator is £4,300, in respect of a relevant year during which a person is a maritime operator.

Pro-rata subsistence charges

- 10A.6 Where an emissions monitoring plan is approved part way through the year the annual subsistence charge will be calculated on a pro-rata basis for the remaining period up to the end of the year.
- 10A.7 If you permanently cease to be a maritime operator part way through a relevant year, your subsistence charge will be calculated pro-rata for the number of days you were a maritime operator, up to and including the day you completed all obligations under the Order.

11 Increases in charges

- 10.1 With effect from 1 April 2025 and on every anniversary thereof, SEPA may increase all charges under the Scheme annually in line with increases in the Office for National Statistics measures of inflation as at 30 September in the immediately preceding year. Charges shall be rounded up to the nearest pound sterling.

12 Hourly rate

- 12.1 A charge of £146 per hour is payable in relation to time spent by us in:
- 12.1.1 making a determination of reportable emissions or aviation emissions under article 45 of the Order;

12.1.2 giving an Information Notice under Article 75 of the Order;

12.1.3 performing activities in accordance with or by virtue of:

- (a) Article 2b (Free allocation in 2026-2030: applications by incumbent installations that will not produce electricity for sale for consumption) of the Free Allocation Regulation;
- (b) Article 5 (Application for free allocation by new entrants) of the Free Allocation Regulation;
- (c) Article 8 (Content and submission of the monitoring methodology plan) of the Free Allocation Regulation;
- (d) Article 15 (Historical activity level for incumbent installations) of the Free Allocation Regulation;
- (e) Article 15a (Assessment of application for free allocation by operators of incumbent installations) of the Free Allocation Regulation;
- (f) Article 17 (Historical activity for new entrants) of the Free Allocation Regulation;
- (g) Article 18a (Assessment of applications and final allocation at installation level for new entrants) of the Free Allocation Regulation;
- (h) Article 34H (Installations: Errors in applications for free allocation) of the Order;
- (i) Paragraph 5 (Obtaining hospital or small emitter status for 2026-2030 allocation period) of schedule 7 of the Order;
- (j) Paragraph 3 (Obtaining ultra-small emitter status for 2026-2030 allocation period) of schedule 8 of the Order; or

- (k) Paragraph 4 (Calculation and approval of final allocation) of schedule 8A of the Order.

12.1.4 making a determination of maritime emissions or emissions figure for surrender by the regulator under article 45A of the Order.

13 Methods of payment

13.1 Payment of a charge shall not have been made until we are in receipt of cleared funds.

13.2 Subject to the terms of paragraph 13.3, payment may be made to us by any of the following methods:

13.2.1 by BACS transfer, to the Royal Bank of Scotland, Sort Code: 83-34-00, Account No: 00137187, or such other sort code and account details as we may from time to time determine; or

13.2.2 by credit card or debit card and on completion of the appropriate form included with application forms/invoices.

13.3 Payment by credit cards may attract a variable surcharge. If banks impose a surcharge on us for the use of other facilities, such as accepting payment by debit card, this charge shall be passed on in full to you.

13.4 It is your duty to ensure that we know that a payment has been made by BACS, that it has come from you and to which permit or application it relates.

13.5 We reserve the right to withdraw any method of payment and to introduce new methods of payment, all without notice.

14 Liability to pay charges

14.1 The person or persons set out below shall be liable to pay the charges and charges payable under the Scheme:

14.1.1 for an application for

- (a) a permit or emissions monitoring plan,
 - (b) the variation of a permit or emissions monitoring plan,
 - (c) the transfer of a permit,
 - (d) the surrender of a permit, or
 - (e) an allocation from the new entrant reserve or the special reserve,
- the person or persons making that application;

14.1.2 for a subsistence charge, the holder of the permit or emissions monitoring plan in respect of which the charge is payable; and

14.1.3 for a variation to a permit under paragraph 6.2, the permit holder;

14.1.4 for any determination made under paragraph 12.1.1 or 12.1.4, the relevant operator, aircraft operator or as the case may be maritime operator;

14.1.5 for any notice served under paragraph 7, 10A.4 or 12.1.2, the person or persons upon whom the relevant notice is served;

14.1.6 for all other charges under paragraph 12, the applicant or as the case may be the operator; and

14.1.7 for charges under paragraph 17.1.6, the aeroplane operator.

15 Time to make payment of charges

15.1 Charges payable under the Scheme shall be due and payable in full at the following times on or after **1 April 2025**:

15.1.1 for charges relating to an application, on the making of the relevant application;

15.1.2 for subsistence charges, annually on 1 April, except in the circumstances set out in paragraph 5.4 of the Scheme, in which case the charge is payable on demand; and

15.1.3 for all other charges on the date specified in the relevant notice or, where applicable, on demand.

Payment reference

15.2 We will consider that payment has been made when such payments clearly reference:

15.2.1 the permit number (where a permit exists which is associated with the charge); or

15.2.2 if for a new permit, the name of the operator or operator account if relevant.

15.3 If a payment is not clearly referenced then it may not be processed which may result in an invalid application or subsistence payment.

16 Decisions under the Scheme

16.1 All acts in terms of the Scheme are delegated to the Chief Executive or such officer or officers as they may from time to time authorise. For the avoidance of doubt this includes anything to be assessed, agreed, determined, certified or otherwise decided upon by us.

17 Charges for recovering costs under the ANO

17.1 Charges shall be payable to us in respect of the following:

- 17.1.1 An application charge of £2,474 shall accompany an application to approve an emissions monitoring plan made under Article 23 of the ANO.
- 17.1.2 An application charge of £1,356 shall accompany an application for approval of a resubmitted emissions monitoring plan under article 26 of the ANO.
- 17.1.3 For maintenance as an aeroplane operator administered by the United Kingdom under the ANO for a year (“the relevant year”) a fixed subsistence charge calculated by reference to the following table:

Table 6

Where the estimated annual aviation emissions are	Charge
Less than 50kt per year	£2,342
At least 50kt and no more than 500kt per year	£3,142
More than 500kt per year	£3,425

- 17.1.4 Where an emissions monitoring plan is approved part way through a relevant year the variable part of the subsistence charge will be calculated on a pro-rata basis for the period beginning on the day after the plan is approved up to the end of the year.
- 17.1.5 Part of the subsistence charge is a variable charge which depends upon the length of time you as the aeroplane operator have had an emissions monitoring plan in place during a particular compliance year. The variable charges for the year are as follows:

Table 7

Where the estimated annual aviation emissions are	Charge
Less than 50kt per year	£776
At least 50kt and no more than 500kt per year	£1,023
More than 500kt per year	£1,257

17.1.6 The hourly rate charge under paragraph 12 shall be used in relation to time spent by us in:

- (a) estimating emissions under article 37(6) of the ANO.

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