

This newsletter contains important information about how to check if you are an Aircraft Operator with UK Emissions Trading Scheme (UK ETS) compliance obligations and the compliance deadlines for the 2022 Scheme Year.

## **Are you an Aircraft Operator with UK ETS compliance obligations for the 2022 Scheme Year?**

There are two questions you need to consider:

- 1). Have I performed UK ETS 'full-scope' flights with emissions above the relevant threshold in 2022?  
and
- 2). Have I performed a UK ETS Aviation Activity i.e., a flight that is reportable under UK ETS during 2022?

If the answer to both questions is YES, you are an Aircraft Operator under the Greenhouse Gas Emissions Trading Scheme Order 2020 ("the Order") for the 2022 Scheme Year and you **MUST** report and surrender by the compliance deadlines set out below and in [Table A](#).

If you are an Aircraft Operator with UK ETS compliance obligations for the 2022 Scheme Year you will need an account in our online application and reporting system, ETSWAP, and an Aircraft Operator Holding Account (AOHA) in the UK ETS Registry.

**Please refer to our guide - 'Do I have a UK ETS Compliance Obligation?' for more details about the process you need to follow.**

## **UK ETS regulatory actions**

If you don't yet have access to ETSWAP please contact us urgently so that an account can be opened for you, and you can gain access to it.

You must apply for a UK ETS Emissions Monitoring Plan (EMP) through ETSWAP within 42 days of becoming an Aircraft Operator. You may also apply for an EMP, for example, if you expect to become an Aircraft Operator in a Scheme Year.

We will instruct the Registry Administrator (RA) to open your AOHA for you. The RA will then contact you and assist you to make your AOHA operational, for example by asking you to appoint a primary contact and nominate Authorised Representatives. It is very important that you take any steps required by the RA, including the provision of documents, as soon as possible, to avoid any delay in getting access to your AOHA.

## **UK ETS 2022 Scheme Year reporting and surrender deadlines**

### **Friday 31 March 2023 - Reporting Deadline**

On or before 31 March 2023, you must submit your verified Annual Emissions Report (AER) to us using ETSWAP.

The reporting options available to you depend on a number of factors and are set out in [Table A](#).

The 2022 AER form will normally be available in your ETSWAP account from 1 January 2023. However, if your account is currently set at "exempt", it will be made available after this date. Once your AER has been submitted, we will instruct the RA to enter your aviation emissions in your AOHA in the UK ETS Registry.

If you fail to report by the reporting deadline, we may impose a civil penalty.

### **Sunday 30 April 2023 - Surrender Deadline**

On or before 30 April 2023, you must surrender UK ETS allowances equivalent to your aviation emissions from your AOHA in the UK ETS Registry.

Please note:

- allowances can be delivered to your AOHA as soon as it has been opened;
- you can surrender from an open AOHA at any time, as long as you have at least one approved Authorised Representative;
- you do not have to wait until your aviation emissions figure has been entered before surrendering.

If you fail to surrender sufficient allowances to cover your aviation emissions by the surrender deadline, you will be liable to a mandatory civil penalty of £100 (index linked) for each allowance that you fail to surrender.

We encourage you to complete your reporting and surrender obligations in a timely manner; the reporting and surrender deadlines are prescribed by the UK ETS Order, and we **do not** have the power to extend them. Please note that the surrender deadline falls on a Sunday in 2023, and you must ensure that any allowances you need for surrender are delivered to your AOHA by 4p.m. UTC on Friday 28 April 2023.

## **Sustainable Aviation Fuel (SAF) in UK ETS**

If you have purchased Eligible SAF and are intending to make an Emissions Reduction Claim (ERC) for the UK ETS 2022 Scheme Year, please contact us as soon as possible. A Guidance Note on how to make an ERC in relation to the UK ETS 2022 and 2023 Scheme Years is now available on request.

If you wish to make an ERC for the 2022 Scheme Year, you will need to update your EMP. We have produced an Emissions Reduction Claim Methodology Form, which should be completed and then attached to an EMP variation application in ETSWAP before submission. An exemplar form is also available as a guide to completing the form. If you have previously contacted us about making an ERC, but have not yet received the ERC Methodology Form, please email the [ET Aviation helpdesk](#).

Please note that whatever reporting option you use, your ERC will need to be verified before being submitted as part of your AER.

## **Virtual Site Visits**

From 1 January 2023, Aircraft Operators who have their AER verified must apply to us for approval if their verifier intends to perform a virtual site visit. Before you apply, your verifier must have conducted a risk assessment and be content to carry out a virtual site visit rather than a visit in person.

An application for approval needs to be submitted by 28 February in the year the AER is due. You must apply by emailing the [ET Aviation helpdesk](#), providing the following information:

- the outcome of the verifier risk assessment<sup>1</sup>;
- details of how the virtual site visit will be carried out<sup>1</sup>;
- the measures taken to reduce the verification risk to an acceptable level<sup>1</sup>;
- any proposal to carry out a physical site visit after the virtual site visit.

When approving a virtual site visit, we can impose conditions, for example, a requirement for a physical site visit in the following Scheme Year.

Please note your application can apply to any verification carried out from 1 January 2023, including a visit relating to the 2022 Scheme Year.

## **Expansion of UK ETS Scope from 1 January 2023**

From 1 January 2023, the scope of UK ETS is expanding to include flights (other than excluded flights) departing from Great Britain<sup>1</sup> and arriving in Switzerland. An Aircraft Operator will need to monitor, report and surrender in respect of these flights from the 2023 Scheme Year onwards.

In addition, the definition of UK ETS full-scope flights has been extended with effect from 1 January 2023 to include all flights (other than excluded flights) departing from or arriving in Switzerland.

## **Aviation Free Allocation Entitlement (FAE) to reflect UK ETS Scope Expansion**

If you applied for a UK ETS FAE when the UK ETS was first established, your regulator will recalculate your FAE on the basis of any tonne-kilometre (TKM) data relating to flights from Great Britain to Switzerland contained in your original application.

If you did not make a UK ETS FAE when the UK ETS was first established, and you have TKM data associated with flights from Great Britain to Switzerland performed in 2010 and/or 2014, you may apply to us by 31 March 2023 for a FAE to reflect this historical aviation activity.

We will submit the calculation of any FAE related to the Great Britain to Switzerland scope to the UK ETS Authority for approval by 30 June 2023.

Further information about this FAE process will be communicated to you in a separate Newsletter early in January 2023.

<sup>(1)</sup> Great Britain comprises England, Scotland and Wales



**Table A - UK ETS Reporting and Surrender for the 2022 Scheme Year**

Deadline	Task	Use of Simplified Reporting procedures (aviation emissions considered verified)	Reporting through third party verification
31 March 2023	Submit your AER via ETSWAP	<p><b>You may use this option if the emissions from your UK ETS ‘full-scope’ flights are &lt;25,000tCO<sub>2</sub> or your emissions from your UK ETS Aviation Activity are &lt;3,000tCO<sub>2</sub>.</b></p> <p>Your ETSWAP emissions report form must be completed using your EUROCONTROL ETS Support Facility (ETS SF) draft Annual Emissions Report <u>without modification</u>.</p> <p>You must check the ETS SF report against your own flight records to ensure that it is complete and accurate before completing your AER form. Any error in reporting may result in a failure to surrender sufficient allowances and a related civil penalty.</p> <p>You must submit your AER to us through ETSWAP.</p> <p>You <u>should not</u> wait for us to review your submitted AER or for your aviation emissions figure to be entered into the UK ETS Registry before surrendering allowances equal to your aviation emissions.</p>	<p><b>You must use this option if the emissions from your UK ETS ‘full-scope’ flights are ≥25,000tCO<sub>2</sub> and your emissions from your UK ETS Aviation Activity are ≥3,000tCO<sub>2</sub>. You may also choose to use this option even though you are eligible to use Simplified Reporting.</b></p> <p><b>You <u>must</u> use a verifier who is accredited to perform UK ETS aviation verification by the United Kingdom Accreditation Service (UKAS).</b> Information of UK ETS accredited verifiers can be found on the UKAS website <a href="#">here</a>.</p> <p>Aircraft Operators eligible to use the Small Emitters Tool (SET) to estimate their CO<sub>2</sub> emissions and AOs who need to use the SET to fill any data gaps should use the latest version of the SET, a copy of which will be available <a href="#">here</a>.</p> <p>Please ensure that you have a contract in place with your UK ETS accredited verifier before sending your completed AER to them via ETSWAP.</p> <p>It is your responsibility to submit your verified AER to us when it is returned to you by your verifier.</p> <p><u>Note:</u> an AER should not be submitted if any misstatements are identified by your verifier; any misstatement <u>must</u> be corrected before your AER is submitted to us.</p> <p>You <u>should not</u> wait for us to review your submitted AER or for your emissions figure to be entered into the UK ETS Registry before surrendering allowances equal to your aviation emissions.</p>
30 April 2023	Surrender sufficient UK ETS allowances from your AOHA in the UK ETS Registry	<p><b>You must surrender UK ETS allowances equivalent to your aviation emissions by this date.</b></p> <p>Note: We will ensure that your aviation emissions figure is entered into your AOHA; this emissions figure is not approved in the UK ETS Registry by your verifier.</p> <p>It is your responsibility to ensure that all the UK ETS allowances you require are delivered to your AOHA in the UK ETS Registry in time for you to surrender by the deadline, and that you have at least one Authorised Representative approved on your AOHA to perform the surrender transaction.</p> <p>Please note that, as the surrender deadline of 30 April 2023 is a Sunday, you must ensure that the required allowances are delivered to your AOHA by 4 p.m. UTC on Friday 28 April 2023.</p> <p><b>If you fail to surrender sufficient allowances by the surrender deadline you will be liable to the mandatory Excess Emissions Penalty, which is £100 (index linked) for each UK ETS allowance that you failed to surrender.</b></p>	

**Talking to us** - If you have any questions about UK ETS please contact us through our [ET Aviation helpdesk](#)