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**Environment, Climate Change and Land Reform  
Committee**  
**Comataidh Atharrachadh Clìomaid is Ath-leasachaidh  
Fearann**

**The Greenhouse Gas Emissions  
Trading Scheme Order 2020 [SI 2020/  
draft]**



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# Environment, Climate Change and Land Reform Committee

To consider and report on matters falling within the responsibility of the Cabinet Secretary for Environment, Climate Change and Land Reform.



<http://www.parliament.scot/environment-committee>



[Ecclr.committee@parliament.scot](mailto:Ecclr.committee@parliament.scot)



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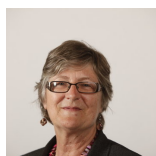
# Committee Membership



**Convener**  
**Gillian Martin**  
Scottish National Party



**Deputy Convener**  
**Finlay Carson**  
Scottish Conservative  
and Unionist Party



**Claudia Beamish**  
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Scottish National Party



**Mark Ruskell**  
Scottish Green Party



**Liz Smith**  
Scottish Conservative  
and Unionist Party



**Stewart Stevenson**  
Scottish National Party

# Background and Parliamentary procedure

1. [The Greenhouse Gas Emissions Trading Scheme Order 2020](#) (the Order), subject to the affirmative procedure, was laid in the Scottish Parliament on 13 July 2020. It was also laid before the UK Parliament, the Northern Ireland Assembly, and Senedd Cymru.
2. The affirmative parliamentary procedure is set out in Chapter 10 of the Parliament's [Standing Orders](#). Instruments subject to the affirmative procedure cannot come into force unless they are approved by the Parliament.
3. When laid in the Scottish Parliament, it was referred the Environment, Climate Change, and Land Reform (ECCLR) Committee, which must report by 11 September 2020. It was laid before the Scottish Parliament under [paragraph 11 of Schedule 3 to the Climate Change Act 2008](#).

## Purpose of the Instrument

4. This is a joint instrument between the four administrations (Scottish, UK, Welsh and Northern Irish governments) to establish a single UK-wide Emissions Trading Scheme (“UK ETS”). This implements the four administrations’ shared policy as set out in the joint Government Response published on 1 June 2020.<sup>i</sup> The UK ETS is a replacement for the UK’s participation in the EU Emissions Trading System (“EU ETS”) after the end of the Transition Period on 31 December 2020.
5. The UK ETS is a ‘cap and trade’ scheme based on the design of the EU ETS to encourage cost-effective greenhouse gas emissions reduction from the “traded sector” (energy intensive industries, power generation and aviation). The UK ETS will be operational from 1 January 2021 to provide continuity for participants and maintain a key mechanism for contributing to Scotland’s (and the rest of the UK’s) statutory emissions reduction targets.
6. A detailed background briefing on the Greenhouse Gas Emissions Trading Scheme Order 2020, as well as the Scottish Government’s Policy Note and associated documents are set out in the Committee’s [cover note](#) for its meeting on 1 September 2020.

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<sup>i</sup> Joint Government Response on the Future of Carbon Pricing – 1 June 2020  
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/889037/Government\\_Response\\_to\\_Consultation\\_on\\_Future\\_of\\_UK\\_Carbon\\_Pricing.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/889037/Government_Response_to_Consultation_on_Future_of_UK_Carbon_Pricing.pdf)

# Delegated Powers and Law Reform Committee

7. The Delegated Powers and Law Reform Committee (DPLRC) considered the order on [11 August 2020](#) and had no comments to make.



# Consideration by the Environment, Climate Change and Land Reform Committee

8. The ECCLR Committee took evidence from Scottish Government officials on this Order on [11 August 2020](#).
9. The Committee then took evidence on the Order from the Cabinet Secretary for Environment, Climate Change and Land Reform, Roseanna Cunningham MSP on 1 September 2020.
10. At both meetings, the Committee discussed many issues surrounding the UK ETS, including the scope to link it to the EU ETS, the Emissions CAP, and process of finalising the Framework Outline Agreement - these discussions are captured in the Official Reports ([11 August 2020](#); [1 September 2020](#))
11. Following the evidence session on 1 September 2020, the Cabinet Secretary moved a motion ([S5M-22351](#)) proposing—

That the Environment, Climate Change and Land Reform Committee recommends that the Greenhouse Gas Emissions Trading Scheme Order 2020 [draft] be approved.

12. The motion was agreed to.

The Environment, Climate Change and Land Reform Committee recommends that the Greenhouse Gas Emissions Trading Scheme Order 2020 [draft] be approved.

