

CLIMATE CHANGE ACT 2008

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 1: Carbon Target and Budgeting

Limit on the use of carbon units

Section 11: Limit on the use of carbon units

64. This section places a duty on the Secretary of State to set a limit on the “net amount of carbon units” that can be credited to the net UK carbon account in each budgetary period. *Subsection (3)* provides that the limit for each budgetary period must be set 18 months before the beginning of each period; exceptionally, the limit for the first budget must be set no later than 1st June 2009 (the date before which the first budget must be set – see section 4).
65. *Subsection (2)* defines the term “net amount of carbon units” to mean the amount of carbon units credited to the net UK carbon account in accordance with regulations made under section 27, minus the amount of units credited to the net UK carbon account under those regulations. See the notes on section 27 for more information on the net UK carbon account and regulations on the crediting and debiting of carbon units.
66. *Subsection (4)* provides that the limit must be set by order (a type of statutory instrument) and *subsection (6)* provides that the order is subject to the approval of both Houses of Parliament under the affirmative resolution procedure.
67. *Subsection (5)* allows the Secretary of State to exclude specified descriptions of units from the calculation of the limit. The Secretary of State must describe the units to be excluded in the order setting the limit.
68. *Subsection (7)* requires the Secretary of State to take into account the Committee on Climate Change’s advice under section 34(1)(b) (advice on the extent to which a budget should be met by reducing domestic emissions and by the use of carbon units), and to consult the devolved administrations, before setting the limit.