

*These notes refer to the Climate Change Act 2008 (c.27)
which received Royal Assent on 26th November 2008*

CLIMATE CHANGE ACT 2008

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 1: Carbon Target and Budgeting

Carbon units, carbon accounting and the net UK carbon account

Section 27: Net UK carbon account

139. *Subsection (1)* defines the term “net UK carbon account” for a budgetary period as being net UK emissions (as defined in section 29(1)(c)) as decreased by a number of carbon units to be credited to the account and increased by a number of carbon units to be debited from the account in accordance with regulations made by the Secretary of State.
140. *Subsection (2)* provides that the net amount of carbon units credited to the net UK carbon account must not exceed the limit for the period set by order under section 11. See the notes on section 11 for details of how the “net amount of carbon units” is calculated.
141. *Subsection (3)* requires the Secretary of State to make regulations setting out the circumstances in which carbon units are to be credited to and debited from the net UK carbon account, and the manner in which it is to be done. For example, the regulations could provide that units purchased through the EU Emissions Trading Scheme can be treated as units to be credited to the net UK carbon account.
142. *Subsection (4)* provides that where carbon units are to be credited to the net UK carbon account, then provision must be made so that they are no longer available to offset other greenhouse gases: they must be put beyond use so that they cannot be double-counted.
143. *Subsection (5)* provides that the regulations must make specific provision for dealing with the situation where the UK has a cap on emissions under a European or international scheme or arrangement that is less stringent than the carbon budget for a period, for example, if the UK’s target under the first commitment period of the Kyoto Protocol (2008–2012) is less stringent than the domestic carbon budget for that period. In that situation, the regulations must provide that the excess allowances are not used to offset greenhouse gas emissions in the UK or elsewhere.