# WRITTEN STATEMENT

# BY

# THE WELSH GOVERNMENT

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| **TITLE**  | **Publication of the UK Emissions Trading Scheme Scope Expansion: Waste and Integrating Greenhouse Gas Removals Consultations**  |
| **DATE**  | **23 May 2024** |
| **BY** | **Huw Irranca-Davies MS, Cabinet Secretary for Climate Change and Rural Affairs** |

The UK Emissions Trading Scheme (UK ETS) Authority – formed of Welsh Government, UK Government, Scottish Government, and Northern Ireland Executive – has today published two consultations on the expansion of the UK ETS.

In July 2023 the Authority confirmed its intention to bring energy from waste and waste incineration into the scheme from 2028, with a two-year monitoring, reporting, and verification only period from 2026. Today’s consultation provides further details on how this expansion will be implemented, giving clarity to drive investment in decarbonisation.

The second consultation follows the Authority’s announcement, also last July, that the scheme is a considered to be a suitable long-term market for greenhouse gas removals. Today’s publication explores how UK-based engineered greenhouse gas removal technologies such as Direct Air Carbon Capture, where carbon dioxide is removed from the air and permanently stored, could be integrated into the UK ETS. In doing so, it aims to stimulate investment in these technologies. It also further considers the permanence of storage, costs and potential wider land management impacts if high-quality GGRs from new UK woodland were to be included in the scheme.

The waste consultation will be open for 8 weeks, until 18 July 2024. This shorter consultation period is intended to allow time for further preparatory work to be completed and enable implementation of the proposals by 2026, as previously committed to. Any risk arising from this approach will be mitigated by extensive engagement activity to ensure full stakeholder involvement. The greenhouse gas removals consultation will be open for 12 weeks until 15 August 2024.

The Authority, along with officials across the Welsh Government, will engage extensively with affected stakeholders to gather views to support final decisions on how the UK ETS will be expanded. These reforms to the UK ETS will require amendments to the UK Greenhouse Gas Emissions Trading Order, so the Senedd, along with other UK Parliaments, will have the opportunity to scrutinise plans once they are finalised.

Collectively, the information gathered will be invaluable in informing expansion of the scheme, which will in turn, increase the greenhouse gas emissions covered under the scheme emissions limit. I expect to write again on further expansion proposals in the coming months. This work will incentivise innovation, drive emission reductions, and help secure a resilient, sustainable future for Wales.

I have written to the Chairs of the Climate Change, Environment, and Infrastructure Committee and the Legislation, Justice, and Constitution Committee to inform them of these consultations.