

# SECOND SUPPLEMENT TO THE GIBRALTAR GAZETTE

No. 4530 of 20 December, 2018

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LEGAL NOTICE NO.289 OF 2018.

## ENVIRONMENT ACT 2005

### GREENHOUSE GAS EMISSIONS TRADING SCHEME (AMENDMENT) REGULATIONS 2018

In exercise of the powers conferred on it by section 18 of the Environment Act 2005 and in order to transpose into the law of Gibraltar Directive (EU) 2018/410 of the European Parliament and of the Council of 14 March 2018 amending Directive 2003/87/EC to enhance cost-effective emission reductions and low-carbon investments, and Decision (EU) 2015/1814, the Government has made the following Regulations-

#### **Title and Commencement.**

1. These regulations may be cited as the Greenhouse Gas Emissions Trading Scheme (Amendment) Regulation 2018 and comes into effect on the 31 December 2018.

#### **Amendment of Regulations.**

2.(1) The Greenhouse Gas Emissions Trading Scheme Regulations 2012 are amended in accordance with this regulation.

(2) After regulation 75, insert the following-

#### **"Financial measures.**

75A.(1) Where the Government receives any revenue arising from the auction of allowances, subject to (2) below, such revenue shall be used for financial measures in favour of sectors or subsectors which are exposed to a genuine risk of carbon leakage.

(2) The Government shall seek to use no more than 25% of any revenues generated from the auctioning of allowances within a calendar year for the purposes outlined in (1) above.

(3) In the event that the Government exceed the limit outlined in (2), a report shall be published which complies with the requirements at (4).

(4) The report produced at (3) must contain-

- (a) relevant information on electricity prices for large industrial consumers benefitting from those financial measures set out at (1);
- (b) information on whether due consideration has been given to other measures to sustainability lower indirect carbon costs in the medium to long term.

**Reporting.**

75B. (1) Without prejudice to regulation 75A(3), the Government shall make public, in an easily accessible form, the total amount of compensation provided per benefitting sector and subsector.

(2) The figures outlined at (1) shall be published within the last three months of the end of each calendar year.

**Definitions for sections 75A and 75B.**

75C. (1) This section supplements sections 75A and 75B and includes definitions.

(2) A sector or subsector shall be deemed to be exposed to a genuine risk of carbon leakage based on *ex-ante* benchmarks for the indirect emissions of CO<sub>2</sub> per unit of production.

(3) The *ex-ante* benchmarks in (2) shall be calculated for a given sector or subsector as the product of the electricity consumption per unit of production corresponding to the most efficient available technologies and of the CO<sub>2</sub> emissions of the relevant European electricity production mix.

**Rules and Regulations.**

75D. The Minister may issue Rules and/or Regulations from time to time to define or provide procedures for any of the matters contained in sections 75A to 75C."

Dated: 20<sup>th</sup> December, 2018.

DR J CORTES,  
Minister with responsibility for the Environment,  
for the Government.

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**EXPLANATORY MEMORANDUM**

These Regulations transpose into the law of Gibraltar Article 1(14)(f) of Directive (EU) 2018/410 of the European Parliament and of the Council of 14 March 2018 amending Directive 2003/87/EC to enhance cost-effective emission reductions and low-carbon investments, and Decision (EU) 2015/1814.