



Department for  
Energy Security  
& Net Zero



Department for  
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12 February 2025

Dear Bill,

### **UK Emissions Trading Scheme**

I am writing to inform you that the Government, with our UK ETS Authority partners in the Devolved Governments, has today published a consultation on extending the UK Emissions Trading Scheme beyond 2030.

In the UK Emissions Trading Scheme: long-term pathway, published in December 2023, the UK ETS Authority committed to extending the UK ETS beyond 2030, subject to consultation. This consultation fulfils that commitment and requests views on the foundations of Phase II policy. It sets out proposals to: extend the UK ETS from 1 January 2031 onwards; and extend the scheme's existing flexibility provisions to allow the banking of emissions allowances between Phase I and the proposed Phase II. The consultation also seeks stakeholder views on options for the length of the proposed Phase II.

The UK Government is committed to the UK ETS as an essential part of our approach to cutting emissions and driving green investment. The UK ETS will be key to achieving the Government's mission to make Britain a clean energy superpower, delivering secure and clean electricity by 2030. By incentivising green investment as part of a broader industrial strategy the UK ETS will also help deliver a just transition, growing the UK's economy and securing good jobs for people across the country.

The consultation will be open for 8 weeks, until 9 April 2025. The UK ETS Authority will engage in detail with current and future scheme participants, and other stakeholders with an interest in the scheme.

**SARAH JONES MP**  
Minister of State for Industry  
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