STATUTORY INSTRUMENTS

2026 No. 566

CLIMATE CHANGE, ENGLAND

The Greenhouse Gas Emissions Trading Scheme (Lime Benchmark) (England) Order 2026

Made - - - -	*29th May 2026*
Laid before Parliament	*2nd June 2026*
Coming into force - -	*24th June 2026*

The Secretary of State makes this Order in exercise of the powers conferred by sections 44 and 90(3) and (5) of, and paragraph 3(1) of Schedule 3 to, the Climate Change Act 2008(**1**).

In accordance with section 48(1) of that Act before making this Order—

(a) the advice of the Committee on Climate Change was obtained and taken into account; and

(b) such persons likely to be affected by the Order as the Secretary of State considered appropriate were consulted.

Citation, commencement and extent

1.—(1) This Order may be cited as the Greenhouse Gas Emissions Trading Scheme (Lime Benchmark) (England) Order 2026.

(2) This Order comes into force on 24th June 2026.

(3) This Order extends to England and Wales.

Interpretation

2. This Order must be interpreted as if it were part of the Greenhouse Gas Emissions Trading Scheme Order 2020(**2**).

Free allocation in 2027 scheme year: incumbent installation with lime product benchmark sub-installation

3. For the purpose of calculating the preliminary annual number of allowances to be allocated in respect of incumbent installations within the meaning of point (1) of Article 2(1) of the Free

(**1**) 2008 c. 27.
(**2**) S.I. 2020/1265, amended by S.I. 2020/1557, 2021/1455, 2022/454, 2022/1173, 2023/850, 2023/1267, 2023/1387, 2024/192, 2024/1366, 2025/100, 2025/124 and 2026/278.

Allocation Regulation(**3**) located in England for the 2027 scheme year under Article 16 of that Regulation or Article 3a of the Activity Level Changes Regulation(**4**), the Free Allocation Regulation applies as if the product benchmark in Annex 8 to that Regulation for lime were 0.798 (and not 0.725).

Signed by authority of the Secretary of State for Energy Security and Net Zero

Chris McDonald
Parliamentary Under-Secretary of State
Department for Energy Security and Net Zero

29th May 2026

(**3**) EUR 2019/331, amended by S.I. 2020/1557, 2021/1455, 2022/1173, 2023/850, 2023/1387, 2024/192, 2024/1366, 2025/100, 2025/124 and 2026/278. Article 4(1) of S.I. 2020/1265 defines "Free Allocation Regulation" as Commission Delegated Regulation (EU) 2019/331 of 19 December 2018, as it forms part of domestic law.

(**4**) EUR 2019/1842, amended by S.I. 2020/1557, 2022/1173, 2023/850, 2023/1387, 2025/100, 2025/124 and 2026/278. Article 4(1) of S.I. 2020/1265 defines "Activity Level Changes Regulation" as Commission Implementing Regulation (EU) 2019/1842 of 31 October 2019, as it forms part of domestic law.

EXPLANATORY NOTE

(This note is not part of the Order)

The United Kingdom Emissions Trading Scheme (the "UK ETS") was established by the Greenhouse Gas Emissions Trading Scheme Order 2020 (S.I. 2020/1265). The UK ETS runs for ten "scheme years", which is split into two "allocation periods" (the 2021-2025 allocation period and 2027-2030 allocation period) and one standalone scheme year (the 2026 scheme year). Operators of certain industrial installations are required to monitor, submit verified reports on, and surrender "allowances" equivalent to, their greenhouse gas emissions each scheme year. Allowances (which are tradable) are held in accounts in the UK ETS registry, and there is a cap on the number of allowances that may be created. Allowances are sold at auction, but some operators of installations receive an allocation of allowances free of charge ("free allocation") for each scheme year.

This Order provides that for the purpose of calculating free allocation for the 2027 scheme year, the "benchmark" (which reflects an average emissions intensity per unit of product of the most efficient installations in each sector) for lime product benchmark sub-installations of "incumbent installations" is increased.