



By email: [emissions.trading@energysecurity.gov.uk](mailto:emissions.trading@energysecurity.gov.uk)

**Uniper UK Limited**  
Compton House  
2300 The Crescent  
Birmingham Business Park  
Birmingham B37 7YE  
[www.uniper.energy](http://www.uniper.energy)

**Uniper**

Registered in  
England and Wales  
Company No 2796628

Registered Office:  
Compton House  
2300 The Crescent  
Birmingham Business Park  
Birmingham B37 7YE

**Response to: Extending the UK Emissions Trading Scheme cap beyond 2030**

9 April 2025

**About Uniper**

Düsseldorf-based Uniper is a European energy company with global reach and activities in more than 40 countries. With around 7,500 employees, the company makes an important contribution to security of supply in Europe, particularly in its core markets of Germany, the UK, Sweden, and the Netherlands. Uniper's operations include power generation in Europe, global energy trading, and a broad gas portfolio. Uniper procures gas – including liquefied natural gas (LNG) – and other energy sources on global markets. The company owns and operates gas storage facilities with a total capacity of more than 7 billion cubic meters.

Uniper aims to be carbon-neutral by 2040. To achieve this, the company is transforming its power plants and facilities and investing in flexible, dispatchable power generation units. Uniper is one of Europe's largest operators of hydropower plants and is helping further expand solar and wind power, which are essential for a more sustainable and secure future. Uniper is gradually adding renewable and low-carbon gases such as biomethane to its gas portfolio and is developing a hydrogen portfolio with the aim of a long-term transition. The company plans to offset any remaining CO<sub>2</sub> emissions by high-quality CO<sub>2</sub>-offsets.

Uniper is a reliable partner for communities, municipal utilities, and industrial enterprises for planning and implementing innovative, lower-carbon solutions on their decarbonisation journey. Uniper is a hydrogen pioneer, is active worldwide along the entire hydrogen value chain, and is conducting projects to make hydrogen a mainstay of the energy supply.

**About Uniper in the UK**

In the UK, Uniper owns and operates a flexible generation portfolio of power stations, a fast-cycle gas storage facility and two high pressure gas pipelines. We also have significant long-term regasification capacity at the Grain LNG terminal in Kent, to convert LNG back to natural gas.



## Consultation Response

We have set out below our view in summary:

- Broad support for extending the UK ETS into Phase II.
- It is key that the selected length for Phase II does not impede future efforts to link the EU ETS and UK ETS.
- Inter-phase banking of allowances is important enhance flexibility and market liquidity.

### *Our views in full:*

#### **Q.1.1.) Do you agree with the Authority's minded to position, as presented above, that the UK Emissions Trading Scheme should be extended into a Phase II to follow directly on from Phase I?**

Yes.

The UK ETS has been effective in reducing greenhouse gas emissions and extending the scheme beyond 2030 will support the UK's long-term climate targets. Continuing the scheme into Phase II will provide stability and predictability for businesses, encouraging further investment in low-carbon technologies and practices.

#### **Q.2.1) Do you have a preference regarding the length of the post 2030-phase?**

Phase II of the UK ETS should align with the length of Phase V of the EU ETS. This would facilitate more efficient ETS linkage negotiations in the future as well as provide additional certainty to market participants.

#### **Q.2.2) Beside the options outlined, are there other durations that should be considered for the length of Phase II?**

As outlined above, the UK ETS should align with the duration of Phase V of the EU ETS once it is determined.

#### **Q.3.1) Do you agree with the Authority's minded to position to allow banking of allowances between phases of the Scheme?**

Yes.

Allowing banking of allowances will improve market stability and liquidity. In addition to providing flexibility for participants, it will also reduce the risk of price volatility.