



House of Commons
Environmental Audit
Committee

**Carbon budgets:
Government Response
to the Committee's
Third Report**

**Second Special Report of Session
2009–10**

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The Environmental Audit Committee

The Environmental Audit Committee is appointed by the House of Commons to consider to what extent the policies and programmes of government departments and non-departmental public bodies contribute to environmental protection and sustainable development; to audit their performance against such targets as may be set for them by Her Majesty's Ministers; and to report thereon to the House.

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The constitution and powers are set out in House of Commons Standing Orders, principally Standing Order No. 152A. These are available on the Internet via www.parliament.uk

Publication

The Reports and evidence of the Committee are published by The Stationery Office by Order of the House. All publications of the Committee (including substantive press notices) are on the Internet at: www.parliament.uk/eacom/

A list of Reports of the Committee from the current Parliament is at the back of this volume.

Committee staff

The current staff of the Committee are: Gordon Clarke (Clerk), Simon Fiander (Second Clerk), Tim Bryant (Committee Specialist), Edward White (Committee Specialist), James Bowman (Senior Committee Assistant), Susan Ramsay (Committee Assistant) and Steven Everett (Sandwich Student).

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Second Special Report

The Environmental Audit Committee published its report on *Carbon budgets* on Monday 11 January 2010 as HC 228-I. The Government's response to the Committee's Report was received on Thursday 4 March 2010 in the form of a memorandum to the Committee. In addition, a letter was received on Friday 5 March 2010 from Sir Michael Pitt, Chair of the Infrastructure Planning Commission. They are reproduced respectively as Appendices 1 and 2 to this Special Report.

Appendix 1—Government response

This memorandum sets out the Government's response to the Committee's report published on 11 January 2010.

The Government thanks the Environmental Audit Committee for its continued interest and consideration of the carbon budgets framework and for its conclusions and recommendations.

The UK Government has the world's first long-term legally binding national framework to reduce emissions in order to tackle the dangers of climate change. The Climate Change Act 2008 put in place a system of five year 'carbon budgets' to set the trajectory towards our long term target to reduce greenhouse gas emissions by at least 80% by 2050 below 1990 levels.

The UK's first three carbon budgets, which cover the periods 2008–12, 2013–17 and 2018–22, came into force on 31 May 2009. These require emission reductions of just over 22%, 28% and 34% respectively, compared to 1990 levels. The UK is committed to tightening its carbon budgets in the light of a comprehensive global agreement, and the sharing out of a new EU target.

Last summer, the Government published *The UK Low Carbon Transition Plan*. The Transition Plan sets out how we will meet our first three carbon budgets and represents the step-change in emissions reductions that the Committee on Climate Change rightly says is needed. The Plan also announced that we will pilot a system of departmental carbon budgets covering every central government department. The sharing of the UK budget represents a commitment from all parts of government to taking action to reduce emissions.

At the time the EAC's report was published the Chair of the Committee rightly pointed out that setting carbon budgets involves making a series of difficult political judgments that balance what science is telling us with what is affordable, feasible and politically acceptable. We welcome the fact that he feels that on balance the Government has got these judgments right. We share the view that delivery is equally important as we enter this critical phase in acting on the ambitious commitments set out in the Transition Plan. Indeed, since the Plan was published last summer we have already taken a number of actions, including amongst other things:

- setting out the world's most ambitious plans for clean coal; publishing for consultation the draft energy National Policy Statements;
- working to ensure that access to the electricity grid is not a barrier to low carbon generation;
- trialling new community-based and whole-house approaches to ramp-up delivery of energy efficiency measures in the home;
- looking at policy options to realise the significant potential for emissions reductions from small businesses;
- developing new ways to encourage and support local authorities to increase their role in the transition to the low carbon economy;
- providing from 2011 an incentive of between £2,000 and £5,000 to people who buy an ultra-low emission car; and
- increasing funding to support cycling to £140 million over three years.

The global objective

1. We accept that the Government is broadly right to use the objective of limiting the rise in average global temperature to no more than 2°C as the backbone for its targets and budgets. (Paragraph 12)

The Government welcomes this conclusion and also notes the need for an international consensus for setting a temperature limit. The Copenhagen Accord which was agreed by a broad range of developed and developing country leaders at the United Nations Framework Convention on Climate Change (UNFCCC) climate summit in December 2009 includes agreement to take action with a view to holding global temperature increases to below 2°C relative to pre-industrial temperatures.

The UK is seeking to broaden, deepen and strengthen the commitments made in the Copenhagen Accord, and to achieve a legal treaty as soon as possible.

2. The Government must be ready, if needed, to establish credible emissions reduction pathways that go well beyond what is currently regarded as politically possible. (Paragraph 12)

3. The Government must shape and inform public opinion so that the UK will be able, if needed, to reduce its emissions at rates in excess of what is possible currently. (Paragraph 12)

The Government agrees that to support the UK's transition to a low-carbon economy and meet its long-term target of at least an 80% reduction in greenhouse gases (GHGs) by 2050, a credible and ambitious emissions reduction pathway has to be in place. To ensure that it is credible the Committee on Climate Change is required by the Climate Change Act to provide advice on what the carbon budgets should be to be consistent with that long term target. In providing that advice and in setting the budgets, the Act requires that a range of matters are taken into account including scientific knowledge and economic, fiscal and social circumstances.

The Low Carbon Transition Plan published last summer sets out a credible pathway to deliver the Government's first three carbon budgets. It includes the policies and measures which are projected to deliver emission reductions of 36% below 1990 levels by 2020, 2% higher than our binding target for that period. The budgets set are consistent with the advice from the CCC and we have made it clear that we will tighten our carbon budgets once an ambitious international deal is reached, once there is agreement within the EU on effort sharing of a tighter target between Member States and following further advice from the Committee on Climate Change (CCC).

The Government is also considering emissions reduction pathways out to 2050. As described in the Transition Plan, the Government is working with key stakeholders to better understand the scale and nature of the changes required in the medium to long term. As part of this "2050 Pathways" work, we are investigating the range of possible contributions to decarbonisation from all sectors, including both energy supply and demand. From this analysis we will better understand which combinations of action in different sectors would enable us to meet our emissions and energy security goals out to 2050. We intend to publish the findings of this work in March.

The Government agrees that it has a key role in shaping and informing public opinion on the need for the UK to reduce its emissions significantly over the coming years consistent with the budgets it sets. This involves not only communicating information but also proactively engaging with people—we recognise that if we are to tackle climate change successfully we need the commitment, energy, ideas and campaigns of a vibrant civil society.

A great deal has already been done. In 2007, the Government introduced the ACT ON CO₂ campaign to increase understanding of the link between CO₂, climate change and the choices we make as individuals, and to encourage sustained behaviour change. As part of the campaign website, we have developed the ACT ON CO₂ calculator, an easy-to-use on-line tool allowing individuals and households to calculate their CO₂ emissions and get personalised recommendations about what they can do to reduce their own footprint.

We also continue to build strong relationships amongst youth, faith and community groups, and the wider third sector. In addition, through the £10 million Low Carbon Communities Challenge we are working with local communities to explore pioneering approaches to the development of low carbon communities

The Energy Saving Trust and the Carbon Trust also continue to support the Government's objectives by providing advice and support to individuals, communities and business organisations to help them take climate-friendly action.

The Government will continue to review how best to shape and inform public opinion in order to ensure that they are able to help deliver the increasingly challenging UK carbon budgets that will be needed in order to meet our 2050 target.

4. a) The Government's position in international climate change negotiations must be predicated on getting emissions to peak as soon as possible.

The Government agrees that global emissions need to peak as soon as possible and start to decline by 2020 if we are to establish a credible pathway for limiting the global temperature increase to no more than 2°C.

Analysis by Lord Stern, in collaboration with the United Nations Environment Programme,¹ suggests that we are within striking distance of peaking by 2020, providing that existing mitigation proposals from developed and developing countries are delivered in accordance with countries' highest intentions.

The Copenhagen Accord specifies that countries should cooperate in achieving a peaking of global and national emissions as soon as possible, recognising that the time frame for peaking will be longer in developing countries.

A wide range of countries including the US, China, Brazil, India, Indonesia, Japan, South Africa as well as the EU have come out in support of global action and with specific commitments and actions to reduce their emissions. Following the 31 January deadline specified in the Copenhagen Accord, the UNFCCC has received submissions from countries that together account for more than three quarters of global emissions.

4. b) This will be very challenging but a failure to reverse the rise in global emissions before 2020 could render much of the UK's domestic action meaningless. But we have to prepare for the worst, and in doing so drive home the message that a stitch in time is worth nine. The Committee on Climate Change should be charged with and resourced to advise on the changes to the UK's targets for reducing emissions and carbon budgets which may be required if global emissions do not peak by 2020.

The Government does not underestimate the enormous challenge presented by climate change, in both scale and urgency, and recognises the importance of global emissions peaking and beginning to fall by 2020. But as the EAC has recognised the UK's efforts need to be in the context of international action to reduce emissions if they are to be effective. That is why securing an ambitious international agreement is a UK Government priority. The UK will be working hard to ensure that mitigation proposals from developed and developing countries are delivered in accordance with countries' highest intentions. For the European Union, this means moving from 20% to 30% emissions reductions target by 2020, compared to 1990, provided other countries also commit to their highest ambition.

The Government remains committed to ensuring the Committee on Climate Change receives sufficient funding to ensure that the Chair and Members are supported by a strong analytical secretariat to provide good-quality, independent advice. As explained, when advising on carbon budgets and targets, the Committee is already required to take a range of matters into account including scientific knowledge about climate change and circumstances at European and international level and will continue to do so when providing its advice for future carbon budgets post 2020.

4. c) The impact of global emissions failing to peak before 2020 should be also considered in Defra's Climate Change Risk Assessment so that the implications of failing to set and achieve the necessary budgets can be fully understood.

The Government has set the necessary carbon budgets and is on track to deliver them. The UK Climate Change Risk Assessment will make use of a range of emissions scenarios going out to 2100, including those where emissions peak later than 2020, so an assessment of the

¹ 'Action and ambition for a global deal in Copenhagen' 2009
<http://www.unep.org/pdf/climatechange/ActionAndAmbitionForGlobalDealInCopenhagen.pdf>

implications can be made. The Climate Change Risk Assessment (CCRA) will be laid before Parliament in January 2012.

4. d) The Committee on Climate Change’s Sub-Committee on Adaptation should be asked to consider the implications for adaptive action of global emissions peaking after 2020. (Paragraph 19)

The role of the Adaptation Sub-Committee (ASC) includes providing advice on the Climate Change Risk Assessment (CCRA) which will make use of a range of emissions scenarios going out to 2100, including those where emissions peak later than after 2020. The Government is listening closely to their advice in developing and scrutinising the CCRA and will continue to do so in the National Adaptation Programme that will follow the CCRA in 2012.

5. An approach to setting emission reduction targets based on equalising per capita emissions globally is sensible and equitable. (Paragraph 25)

The EU’s March 2009 Environment Council noted, based on elements such as current population projections, that global emissions per capita should be reduced to around two tonnes CO₂ equivalent by 2050, and that, in the long term, gradual convergence of national per capita emissions between developed and developing countries would be necessary taking into account national circumstances.

6. The Committee on Climate Change is right to use the IPCC’s findings as a basis for its work. But they must keep scientific developments under review, first as part of the review that will be undertaken in preparing its advice on the fourth budget period, and second following the publication of the IPCC’s 5th Assessment Report. The Government should provide the resources to allow the Committee on Climate Change to strengthen its scientific capability so that it can monitor developments in between these formal review points. (Paragraph 29)

The Government recognises that the Committee on Climate Change will need a strong scientific capability in order to assess the validity and significance of individual research publications.

Paragraph 1(3) of Schedule 1 to the Climate Change Act 2008 lists the skills and expertise that, taken as a whole, should be represented by members of the Committee. This includes expertise in “climate science, and other branches of environmental science”. The Committee have already announced that they will conduct a review of the science alongside their advice on the level of the fourth carbon budget (2023–2027), which must be published by the end of this year.

As we have already said, the Government is committed to the Committee receiving sufficient funding to enable it to provide good-quality, independent advice. Within the provisions of the Climate Change Act, the Committee is responsible for the recruitment of staff to ensure that the level and structure of its staffing, including numbers and expertise mix are appropriate to its functions as an independent statutory body. Decisions on funding levels are made by the UK Government and devolved administrations (in consultation with the Committee) as part of the normal rolling business planning process to reflect the Committee’s statutory and business objectives, and are taken in the light of wider public expenditure decisions.

7. The Committee on Climate Change and the Government should take into account that the growing evidence base for climate change impacts is reducing levels of scientific uncertainty, emissions are still growing and impacts are occurring faster and in more damaging ways than was previously thought likely. Both the Committee on Climate Change and the Government must be open to the possibility that as our scientific knowledge and understanding grows the case for taking action beyond the commitments we have already made will grow. There is a case for taking a more precautionary approach and adopting targets at the upper end or in excess of what is currently recommended by the IPCC. (Paragraph 30)

The Government agrees that actions will need to be kept under review in the light of improved scientific knowledge and is continually monitoring the science and carefully assessing the implications and significance of findings to ensure its evidence base on climate change impacts is up-to-date, and well founded for informing policy development.

In line with the Committee on Climate Change's advice, we have also committed to tighten our carbon budgets, in the context of an ambitious global agreement, which the Committee on Climate Change have suggested could equate to around a 42%² reduction in emissions against 1990 levels by 2020. This exceeds the IPCC's recommendations that Annex 1 countries such as the UK would need to reduce emissions in 2020 by 25–40% below 1990 levels.

The Climate Change Act contains explicit provision for the Government to amend the 2050 and 2020 targets if there have been significant developments in scientific knowledge about climate change that make it appropriate to do so. Changing the target would be subject to the advice of the Committee on Climate Change. Similarly, the level of carbon budgets can be amended if there have been significant changes affecting the basis on which the level of the budget was originally set—which could include developments in our understanding of climate science. Again, decisions on amending the level of budgets would be subject to the Committee's advice and the range of matters it is required to take into account, including economic, fiscal and social circumstances as well as energy policy.

8. There are currently no credible ways to reduce emissions faster than the Committee on Climate Change has recommended. The Government should prioritise reducing the likelihood that temperatures will exceed 2°C down from a level that is 'as likely as not' to at least 'unlikely'. This is more important than aiming for a lower temperature rise target. In the meantime the Committee on Climate Change should continue to ensure that its advice is framed in terms of keeping the risks of exceeding 3 or 4°C to very low levels. (Paragraph 34)

The shift in likelihood of meeting the 2°C target will ultimately depend on mitigation activities at an international level, and the Government's priority here is to encourage adoption of suitably stringent targets worldwide. The UK's targets are already extremely challenging, and we agree with the Committee (see recommendation 11b below) that our priority should be to focus on achieving the targets we already have in place. We also note that the statements of likelihood of achieving the target are based on model uncertainty. The Department of Energy and Climate Change is funding work to improve the

2 The Government has committed to tighten the carbon budgets following an ambitious global agreement, the resulting EU burden sharing agreement between Member States of a tighter EU target; and following further advice from the Committee on Climate Change.

performance of these models, and this may in itself affect the assessment of this probability (which might change for better or worse).

The Government agrees that the Committee on Climate Change's advice should continue to be framed in terms of keeping the risk of exceeding 4°C to very low levels. We note, however, that the assessment of the temperature rise that constitutes 'extremely dangerous' climate change may change with new research findings.

The UK's domestic targets and budgets

9. a) Ministers must ensure that policy makers in all parts of government have a good understanding of the importance of limiting cumulative emissions.

We agree that it is important for policy makers across government to have a good understanding of the importance of limiting cumulative emissions, especially given the long lifetime of gases such as CO₂ and N₂O. The action we are taking to reduce emissions will help reduce the accumulation of emissions. The introduction of departmental Carbon Budgets will help increase awareness and a greater understanding of the implications of policies on emissions and the need to reduce them in order to meet the increasingly tighter carbon budgets.

9. b) It is important that the Government focuses action not only on meeting the carbon budget in any one year but also on taking action now to ensure that targets and carbon budgets can be met in the medium- to long-term.

We agree with the importance of looking at the medium and long term as well as taking the short term action that is required. For clarity it is important to note that the Government introduced five year carbon budgets and one of the reasons for setting these budgets at least three periods ahead is to provide longer term certainty about the direction of travel and action required—the UK Low Carbon Transition Plan sets out the policies and measures that will be needed to meet the budgets between now and 2022. We are required to set the fourth budget, covering the period 2023–2027 by the end of June 2011.

The Government is already looking beyond 2020, to our 2050 target, and in March we will publish our "2050 Pathways" work which will set out possible paths to a low carbon economy by the middle of the century.

9. c) The Government must pay close attention to the milestones and indicators that the Committee on Climate Change has set out, and will use to monitor the Government's progress. (Paragraph 36)

The Government welcomed the CCC's work on indicators for meeting carbon budgets in its response in January to the CCC's first annual report and we intend to follow a similar approach in our own monitoring of progress. Departments will be publishing their Carbon Reduction Delivery Plans in March which will include indicators and milestones against which they will monitor progress in delivering emission reductions. Departments are taking the proposed indicators from the CCC into account in developing their delivery plans and where appropriate using them in their own indicator set for monitoring progress.

10. Given the importance of limiting cumulative emissions and stability in the policy framework the Government should examine carefully the case for setting carbon budgets further in advance than currently provided for by the Climate Change Act 2008. (Paragraph 39)

The Government disagrees with this recommendation. Having carefully considered the alternatives, we believe that the current approach, of having a long term target and carbon budgets that must be set at least 11 and a half years before they begin, provides sufficient certainty on the direction of policy development. Setting budgets too far in advance would risk their becoming too speculative which could undermine the certainty that the carbon budgets framework has been established to provide and possibly result in decisions and costs that fail to deliver much long term environmental benefit.

11. a) We recommend the Government should move to a target of a 42% cut by 2020 and should implement the intended budget irrespective of whether or not the EU moves to a 30% target for cutting its emissions. This should increase the long-term stability of the policy framework by removing any uncertainty about whether the higher target and budget might be imposed.

The Government has followed the advice of the Committee on Climate Change in setting its budgets and does not agree that the UK should be prepared to take on a higher 2020 target and tighter carbon budgets in the absence of an ambitious global deal that sees the EU move to a 30% target and a tighter EU ETS cap. However, the Government has made clear that it will go further following an ambitious global deal and is in the meantime aiming to meet its carbon budgets through domestic action alone (outside sectors covered by the EU ETS) in order to be well placed to make the transition to the tighter carbon budgets to be set after a deal is reached.

11. b) But the Government should only move to increase the 2020 target once it is on track to meet its current targets and budgets. (Paragraph 45)

On the basis of central emissions projections published alongside the Low Carbon Transition Plan, we are on track to meet our first three carbon budgets, and indeed are projecting that emissions will be 44 MtCO_{2e}, 64 MtCO_{2e} and 39 MtCO_{2e} below the budget in Budgets 1, 2, and 3 respectively. These surpluses in each budget period provide a useful contingency, given the inevitable uncertainty in predicting emissions 15 years ahead.

In terms of emissions reductions achieved, in 2008 greenhouse gases emissions in the UK were 1.9 % lower than in 2007. This is in line with the Committee on Climate Change's analysis that "meeting carbon budgets requires annual average emissions reduction over the first three budget periods of 1.7% for the Interim (currently legislated) budget".³

3 The Committee on Climate Change's first annual report:
<http://hmccc.s3.amazonaws.com/21667%20CCC%20Report%20AW%20WEB.pdf>

12. The Government must make clear the impact of emissions from aviation and shipping on progress towards meeting the UK's targets for reducing emissions and its carbon budgets. The Government should ensure that any growth in aviation is within the bounds set by the Committee on Climate Change and does not impact adversely on the UK's targets for reducing emissions or its carbon budgets. (Paragraph 49)

Domestic aviation and shipping are included in the carbon budgets and the targets of the Climate Change Act 2008, in line with international practice. As recommended by the CCC in its 2008 report, emissions from international aviation and shipping are currently excluded as there is no agreement on how to allocate emissions from these sources to the inventories of individual countries. The Climate Change Act nonetheless requires that emissions from international aviation and shipping are included by the end of 2012 or an explanation to Parliament must be given if not. Prior to this the CCC is required to advise on the consequences of including international aviation and shipping emissions when it advises on the level of the fourth carbon budget. The Government does however believe that, ideally, emissions from international aviation and shipping should be addressed through a global, sector-wide approach which is why we continue to work with our European and international colleagues to press for a global solution through the International Civil Aviation Organisation (ICAO) and International Maritime Organisation (IMO) respectively.

The Government will be seeking to ensure that any growth in aviation emissions is within the bounds suggested by the Committee on Climate Change in their report of December 2009. Of course reducing total UK emissions does not require all sectors to reduce their emissions by the same amount; what is important is that emissions reduce overall consistent with our targets and budgets. There are fewer carbon abatement options in the short to medium term for aviation than for many other sectors of the economy. The target set for the aviation sector should reflect this. We consider that requiring UK aviation emissions to fall below 2005 levels (37.5MtCO₂) by 2050 is a stretching but achievable target, and the right level of ambition for the sector. In addition, the Committee on Climate Change has acknowledged that the UK's target for aviation emissions in 2050 is a reasonable level of ambition for a developed country's aviation emissions.

Delivering the carbon budgets

13. The Government should investigate whether there is a way to report emissions figures corrected for the economic cycle as is done for the public service agreements on productivity (PSA1) and employment (PSA8). (Paragraph 53)

The Government agrees that reporting greenhouse gas emission (GHG) figures to reflect the economic cycle would have the advantage of stripping out the effects of a recession or boom in the economy, which could help interpret changes in the economy's underlying structural emissions. However such changes should in no way be used as mitigating circumstances for failing to meet our carbon budgets. Although there is some flexibility in the carbon budgets framework, in terms of limited banking and borrowing provisions, the Government is legally bound to meet the budgets, regardless of the effects of external factors.

In any case there are technical reasons why this is less straight forward than reporting cyclically adjusted employment or productivity data. In particular, as the UK moves towards a low carbon economy, the smaller will be the effect of the cycle on its GHG emissions. The relatively short history of GHG inventory data makes this adjustment more difficult, and the complex changes in the economy as we move towards a less carbon intensive structure lessen our ability to predict these changes.

These factors make provision of cyclically adjusted data difficult to provide on an ongoing basis. Nevertheless, the Government will come to a view of what it estimates the effects of the recession have been during the first carbon budget period, once that point has been reached. This is in order to address the same point made by the Committee on Climate Change on the effects of the recession on the UK's emissions in the first budget period.

The Government recognises that short-term reductions in emissions due to lower than expected growth must not detract from the urgency of tackling emissions; and equally that we need to be able to measure decarbonisation during periods of rapidly rising growth. This is why departments are developing indicators, drawing on those suggested by the Committee on Climate Change, to measure decarbonisation progress.

14. The Government must deliver the carbon savings it has identified in the Low Carbon Transition Plan and then increase the rate at which emissions are falling to meet the 2–3% annual reduction recommended by the Committee on Climate Change. In doing so it must take account of the milestones that the Committee is using to monitor progress. The Committee on Climate Change must watch closely to see how the Government acts to close the gap in delivery it has identified. In its response to the Committee on Climate Change's progress report the Government should make clear how the Low Carbon Transition plan will be strengthened. Strengthening the policy framework and bringing forward new measures to get the UK to meet its existing targets and budgets are higher priorities than setting more stretching targets, even if new targets would be justified on the basis of science. Unless we are on track to meet current targets, increasing targets will only widen the shortfall in delivery. (Paragraph 56)

The Government agrees that emission savings identified in the Low Carbon Transition Plan need to be delivered and our emissions projections published alongside the Transition Plan show reductions in line with what the Committee on Climate Change has advised is needed. The UK's basket of six greenhouse gas emissions fell by 1.7% between 2006 and 2007 and 1.9% between 2007 and 2008.⁴

On central projections, the policies and measures in the Transition Plan will deliver reductions of around 36% below 1990 levels in 2020, exceeding the 34% reduction required to meet the first three carbon budgets.

The Government is determined to strengthen and sustain the momentum behind the Transition Plan and significant progress has already been made to deliver the Transition Plan in all sectors of the economy. The Government's response to the CCC's first annual

4 http://www.decc.gov.uk/en/content/cms/statistics/climate_change/gg_emissions/uk_emissions/2008_final/2008_final.aspx

progress report⁵—which set out the measures we have taken and those we plan to take—was welcomed by the CCC, who described it as a “positive response” which “starts to address issues that we raised, and moves us closer to a framework that will drive required emissions cuts.”⁶

Our response to the CCC’s first annual progress report set out the steps we have taken in key sectors of the economy since publication of the Transition Plan. These include the announcement of a 20% increase in the Carbon Emissions Reduction Target so that an estimated 1.1 MtCO₂ per year of additional savings will be delivered by the programme in 2011, the announcement of the Government’s framework for the development of clean coal and, in the Pre-Budget Report last December, the doubling to four of the UK’s commitment to fund carbon capture and storage demonstration projects via a contribution from electricity suppliers, and the announcement of £50 million to improve energy efficiency through a boiler scrappage scheme. We will also refresh our planning policy statement to reflect the latest climate change predictions and ensure councils are planning for low carbon energy, low carbon living and the low carbon economy.

The Government also welcomed the CCC’s work on indicators although, as the CCC itself has stated, individual indicators should not be seen as firm targets. The Government agrees that it is important to assess the implementation of policies and measures in the round and this is one of the primary roles of the CCC which reports, on an annual basis, on progress towards our carbon budgets.

As we indicated in our response to the CCC’s first annual report, we agree that there is a need for a more comprehensive framework of indicators that enables progress on key policies for reducing emissions and underlying drivers to be tracked. We therefore intend to follow a similar approach to the CCC as part of our own system for carbon budget management. All Government departments will publish their Carbon Reduction Delivery Plans in March, setting out how they will monitor delivery of their departmental carbon budget. For departments which influence emissions beyond the public sector operations that they are responsible for, plans will include relevant sectoral indicators, taking into account the Committee’s monitoring framework.

15. a) The Government is right to try and over-achieve against its carbon budgets but it should not be banking any over-achievement from the first budget period into the second budget period.

The Government strongly supports the principle of banking between budget periods as it encourages early action to reduce emissions. However there are specific characteristics of the first carbon budget (2008–2012) which make it unusual. Not only was it set in spring 2009 when the period was already well underway, in addition, although the Climate Change Act permits banking between the first and second carbon budgets, the European Climate & Energy package does not allow banking in the non-traded sector between the 2008–12 phase and the 2013–2020 phase. Banking savings between the first and second

5 Government Response to the first annual Progress Report of the Committee on Climate Change http://www.decc.gov.uk/en/content/cms/news/PN10_005/PN10_005.aspx

6 Committee on Climate Change press release, 14 January 2010, available from: <http://hmccc.s3.amazonaws.com/DECCresponsetoProgress%20-%20press%20release14.01.10.pdf>

carbon budgets could therefore leave the UK meeting its domestic carbon budgets but failing to meet its EU commitments.

The Government recognises the need to ensure that short-term reductions in emissions as a result of the recession do not detract from the urgency of delivering low-carbon investment. Therefore the Government announced in the 2009 Pre-Budget Report that any overachievement against the first carbon budget arising from the downturn should not be banked into the second budget period. This also reflected the advice of the Committee on Climate Change.

15. b) In responding to the call by the Committee on Climate Change for a ‘step change’ the Government must strengthen existing policies and bring forward new measures, which must be rigorously monitored.

The Government agrees that a step change is needed to meet our carbon budgets, which we consider was embodied in the Transition Plan. The Committee on Climate Change welcomed the plan as a “very comprehensive account” and “ambitious high level vision” for meeting the carbon budgets to 2022. See the response to Recommendation 14 for information on some of the actions taken since the Transition Plan was published. The Government will be rigorously monitoring delivery of all policies, including through its evaluation of progress in meeting milestones and indicators.

15. c) We understand the Government’s desire to use market mechanisms to ensure that emissions reductions are delivered at least cost and in the most economically efficient way but it cannot rely solely on market forces and may need to support these by a regulatory approach and reforms to the fiscal framework. (Paragraph 61)

We agree that market mechanisms alone are not sufficient to deliver our low carbon objectives. The Transition Plan and developments since then show the breadth of action taken by Government, which include both regulatory and fiscal measures alongside market mechanisms such as the EU Emissions Trading System (EU ETS). The Government believes that the best approach to give the long-term signal sought by investors is through setting the right, long-term regulatory framework with a reducing cap on emissions.

The Government agrees that it has a strategic role to play in ensuring the necessary investments in low-carbon power generation. The EU ETS is at the heart of our approach to reducing power sector emissions and we are committed to reviewing and tightening the EU ETS cap further as part of a move from 20% to 30% in the EU emissions reduction target for 2020, in the context of a new ambitious global climate agreement.

16. How the Government’s new approach to carbon valuation within policy impact assessment is applied is as important as the values used and we believe that there is a case for the National Audit Office examining, in due course, what impact it is having on decision making within government. (Paragraph 62)

The valuation of greenhouse gas emission impacts in Government policy impact assessments is mandatory for all policies with a significant impact on emissions. Revised appraisal and evaluation guidance on the valuation of energy use and GHG emissions has

been recently published,⁷ explaining how to apply the new carbon values in assessing the carbon impacts of all Government policies.

An assessment of a policy's carbon cost-effectiveness in reducing emissions (£ per tonne of CO₂e) must be carried out if either a) the policy lifetime is less than 20 years and the stream of CO₂e savings exceeds 0.1 MtCO₂e average per year, or b) the policy lifetime is more than 20 years and the stream of CO₂e savings exceeds 2.0 Mt CO₂e over the policy's lifetime and exceeds an average per year of 0.05 MtCO₂e.

For PSA27 Indicator 6, the Government reports on the cost effectiveness of all climate change policies introduced since April 2008 by calculating the proportion of emission savings which are expected to occur at a net cost (i.e. including all quantifiable costs and benefits) below the relevant carbon benchmark value. Where impacts that would be expected to have a material effect on the indicator have not been quantified e.g. those relating to innovation and to security of supply, a qualitative assessment of the costs and benefits is provided.

This approach shows the average cost effectiveness of the entire policy package, which will comprise measures covering a range of carbon cost-effectiveness. To better reflect the proportion of emissions reductions which are achieved cost effectively, a methodology is being developed to measure the cost effectiveness of emissions savings within policy packages.

17. The Government needs to present the cost of action on climate change more clearly and to make clear that this is not an additional cost but an alternative to the economic, social and environmental cost of inaction. (Paragraph 63)

We agree. The UK's Low Carbon Transition Plan discussed the costs of action versus inaction, concluding that "tackling climate change is the lower cost option for Britain: failure to act would mean more extreme droughts and floods, greater dependency on imported fossil fuels and a missed opportunity to lead new low-carbon industries."⁸

The Low Carbon Transition Plan presents today's value of the public and private costs of the policies set out in the plan, and that place the UK on track to meet its carbon budgets. The total net costs over the lifetimes of the policies are estimated to be between £25 and £29 billion.⁹

Greater detail is presented on costs of action in the Analytical Annex to the Low Carbon Transition Plan, including a breakdown of costs by policy (including and excluding valuation of avoided damages through reducing emissions,¹⁰ and an assessment of the macroeconomic costs based on Government computable general equilibrium (CGE) modelling which suggests a GDP reduction of about 0.35% (relative to baseline) in 2020 and about 0.85% below baseline in 2050.

7 HMT/DECC, January 2010, *Valuation of energy use and greenhouse gas emissions for appraisal and evaluation*, available from: www.decc.gov.uk/en/content/cms/statistics/analysts_group/analysts_group.aspx

8 Page 47 of the Low Carbon Transition Plan: http://www.decc.gov.uk/en/content/cms/publications/lc_trans_plan/lc_trans_plan.aspx

9 Page 49 of the Low Carbon Transition Plan: http://www.decc.gov.uk/en/content/cms/publications/lc_trans_plan/lc_trans_plan.aspx

10 Pages 55–9 of the Analytical Annex to the Low Carbon Transition Plan: http://www.decc.gov.uk/en/content/cms/publications/lc_trans_plan/lc_trans_plan.aspx

Future government reports and individual policies' impact assessments will continue to provide equivalent detail on the cost of climate change mitigation policies.

18. The Government cannot place too much reliance on the price of carbon to drive investment in low-carbon technologies as the current price is too low and too volatile. It must put the right regulatory framework in place to ensure that the right investment decisions are made. It is vital that we do not invest in the wrong high carbon infrastructure. Through interventions in the market and complementary policy measures, using the full range fiscal and policy instruments available, the Government should drive up the price of carbon steadily to a level where renewable and low-carbon investments become economically viable. (Paragraph 66)

The Government remains strongly committed to using the carbon market, and ensuring there is a robust carbon price to help drive emission reductions and provide certainty for industry. However, the carbon price and its long-term certainty is only one of many factors that affects investment decisions in low carbon electricity generation and it is not the most significant. Gas price volatility and its relationship to the electricity price is a key driver, as well as uncertainty around future electricity demand, impact of renewables, the oil price, construction and capital costs and capacity factors.

The Government considers that there are risks in intervening in the market to control the carbon price. The best approach to give the strong long-term signal sought by investors is through setting the right, long-term regulatory framework with a reducing cap on emissions. Under the revised EU Emissions Trading System (EU ETS) Directive, the EU ETS cap will fall by 1.74% (compared to phase II) each year after 2013.

Longer term, the most effective way of strengthening the carbon price is by limiting the supply of allowances by tightening the cap. Our efforts are focussed on taking forward the work agreed at Copenhagen to secure an ambitious legal treaty including an increase in the EU's overall reduction target from 20% to 30%. This would trigger a review of the ETS including tightening of the cap.

As set out in the Low Carbon Transition Plan and associated publications the Government is taking action in a number of areas, for example, by providing financial incentives through the Renewables Obligation, supporting carbon capture and storage demonstration projects and is currently assessing the energy market framework, the initial findings of which will be published in March.

19. The Government must strengthen the policy framework around energy efficiency as a matter of priority. It must set out how it intends to drive forward investment in energy efficiency to ensure that sufficient progress is made in the remainder of the first budget period. (Paragraph 69)

The Government recognises the importance of energy efficiency in meeting our carbon budgets. This is why we have significantly ramped-up delivery under our existing policy programme to ensure that key, low-cost measures such as domestic loft and cavity wall insulation are rolled-out as rapidly as possible.

The Carbon Emissions Reduction Target (CERT), our flagship household scheme, has already delivered insulation measures to two million households since April 2008. The Government increased the size of the CERT by 20% in 2009 and is now consulting on

extending the scheme for a further 21 months to the end of 2012, with a strong focus on insulation.

The Government is also trialling innovative new approaches to delivering energy efficiency measures, particularly the more difficult, high-cost measures such as solid wall insulation and Microgeneration. Launched in September 2009, the Community Energy Savings Programme (CESP) aims to deliver comprehensive packages of energy efficiency measures to some 90,000 households in around 100 low-income areas in the UK. CESP, like CERT, operates as an obligation on energy companies, and is expected to drive around £350m of investment in household energy efficiency by 2012.

Also underway are the Pay As You Save (PAYS) pilots. The concept of PAYS is to remove the upfront costs from householders, allowing them to repay the capital costs over an extended period of time, with repayments that are less than the predicted savings on energy bills.

The deployment of low-carbon technologies will also receive a significant boost with the forthcoming Feed-in-Tariffs scheme, which begins on 1 April 2010, and the Renewable Heat Incentive which starts in April 2011.

The Warm Homes, Greener Homes Strategy published on 2 March 2010 shows how our current programme will transition to a new post-2012 policy landscape to achieve our target to cut non-traded emissions from households by 29% by 2020.

The Government has in addition set interim milestones of:

- by 2011, to have insulated 6 million homes;
- by 2015, for all lofts and cavities to be insulated, where practical to do so and
- by 2020, for up to 7 million homes to have had the opportunity for more significant eco uplifts and all homes to have smart meters.

In the short to medium term, the carbon savings to be achieved from tackling energy efficiency in the existing building stock will outweigh the carbon savings from action on new-build. However, as we look towards our longer-term targets, the action we take on improving the energy efficiency of new-build becomes significant, since around one-third of our 2050 housing stock has yet to be built. That is why Government has announced its policy that all new homes will be zero carbon from 2016, with interim steps to be included in Building Regulations in 2010 and 2013. The Department for Communities and Local Government (CLG) has recently consulted¹¹ on changes to be introduced to Part L of the Building Regulations later this year so as to achieve a 25% improvement in carbon reductions from new homes. CLG is also currently consulting on the energy efficiency standard to apply to zero carbon homes from 2016 and on the interim standard to be introduced in 2013.¹²

In the non-domestic sector, Government has also announced its ambition for new buildings to be zero carbon from 2019. CLG is currently consulting on this, including on

11 <http://www.communities.gov.uk/publications/planningandbuilding/partlf2010consultation>

12 <http://www.communities.gov.uk/publications/planningandbuilding/futureofcodeconsultation>

whether to develop a specific standard for energy efficiency based on a similar approach as we are consulting on for new homes.

Energy efficiency will also be increased in large non-energy intensive public and private sector organisations¹³ with the introduction of the Carbon Reduction Commitment Energy Efficiency Scheme (CRC) in April 2010 which will capture around 10% of the UK's emissions. The CRC will stimulate changes in behaviour and infrastructure through introducing new financial and reputational drivers. By 2020 the scheme is expected to have delivered emissions savings of at least 4 Mt CO₂ per year.

20. Each of the IPC's planning decisions will have to be made with the imperative in mind that we must keep within our carbon budgets and it is the sum of all its decisions that will shape our emissions pathway. (Paragraph 70)

National Policy Statements (NPSs) set the framework for decisions by the IPC, and have been developed in line with the Government's stated policy objectives and the Transition Plan.

The planning system in itself is not the vehicle for delivering all aspects of Government energy and climate change policy and meeting our objectives for both tackling climate change and improving our energy security will require a broad mix of energy technologies.

NPSs for nationally significant infrastructure lie at the centre of a new, more efficient, transparent and accessible planning system and the draft overarching energy NPS sets out how the energy sector can help deliver the Government's climate change and energy security objectives by clearly setting out the need for new low carbon energy infrastructure to contribute to climate change mitigation.

Furthermore the energy NPSs make very clear the terms on which new infrastructure can be approved by the IPC, including the requirements on Carbon Capture Readiness and Carbon Capture and Storage.

The Government is in addition, as stated earlier, taking forward work to ensure the electricity market framework can most effectively deliver on the low-carbon investment needed in the long term, and will report its initial findings at Budget 2010. Our 2050 Pathways work is investigating the range of possible contributions to decarbonisation from all sectors, including both energy supply and demand and will report this spring.

21. The Government must put in place a mechanism to ensure that the sum of the decisions taken by the IPC are consistent with the carbon budgets and the milestones that the Committee on Climate Change has set out to ensure the infrastructure needed to meet future budget periods is put in place in the next few years. The Energy and Climate Change Select Committee may wish to examine this issue more closely as part of its scrutiny of the National Policy Statements on energy. (Paragraph 71)

The Government does not agree that the IPC needs to take into account the carbon emissions of individual planning applications that the IPC consents. It is the Government and not the IPC who is responsible for emissions targets. This is why the draft NPSs are set

¹³ Large public and private sector organisations that use more than 6,000MWh/annum of half hourly metered electricity will qualify for the scheme and all Government departments will participate in the scheme regardless of their size.

out in accordance with the Transition Plan and carbon budgets and our goals on ensuring secure supplies of energy. The Committee on Climate Change is a statutory consultee for National Policy Statements and must be consulted when Government publishes a draft NPS or proposes to amend an NPS.

If the CCC considers that its indicators or milestones, for example on energy intensity or wind capacity, are not being met, we would expect the CCC to report its findings to Parliament in its annual progress report thereby ensuring independent scrutiny on these key issues. The Government would then need to set out in its response to the CCC's report its views on such recommendations and what action it intended to take. We will consider carefully any recommendations made by the Energy and Climate Change Select Committee on this issue before designating the national policy statement.

22. The Government needs to address the issues with measuring and reporting on greenhouse gases, particularly the uncertainty around measures of gases other than carbon dioxide. The Government should look carefully at the case the National Physical Laboratory makes for the creation of a centre of excellence in carbon metrology in the UK. (Paragraph 73)

The Government is aware of the issues associated with uncertainties for non-CO₂ gases. There is various work in progress to address this issue. For example, research is underway which we believe will reduce the uncertainties surrounding our estimates of emissions from landfill methane, and separately we have prioritised sectors such as methane from disused coal mines as areas where we hope to be able to improve the accuracy of our estimates.

In respect of the proposal by the National Physical Laboratory (NPL) to create a centre of excellence, there are already well established methodologies in place for estimating greenhouse gas emissions, which have been agreed internationally under the auspices of the UNFCCC and the IPCC. Although, as with any system, there may be scope for improvement, this is not something that can be done unilaterally by the UK but will need to be negotiated with international partners. It is important to be aware that we also have an existing verification process, which we believe we can further develop to improve the resolution of the data by increasing the number of monitoring sites. However, we are happy to work with NPL in developing next generation methodologies for measurability, verifiability and verification.

23. We recommend the Government explore the use of a discount rate on offset credits and that the Government work on proposals for discounting the carbon value of offset credits within the EU ETS. (Paragraph 77)

The Government supports the flexibility provided by the use of credits in the EU ETS, which helps the EU deliver emission reductions at lower cost than if all the effort had to be delivered within the EU.

We agree that this flexibility should be managed in such a way that environmental integrity is preserved and that a tonne of carbon bought through international offsets is as environmentally robust as a tonne of carbon bought in the EU ETS market. The EU ETS already sets strict limits on the quantity of offset credits allowed in the system. The Climate and Energy Package has successfully restricted access to credits from Clean Development

Mechanism (CDM) and Joint Implementation (JI) projects to 50% of effort across Phases II and III (2008–2020). Improving the quality of the Clean CDM should remain the primary way of ensuring the robustness of offset credits and reform will continue to be a UK priority in international negotiations.

This is one of the areas where progress was made in Copenhagen, with a decision to move towards a benchmarking approach to the generation of CDM credits. This will not only help speed up the CDM project approval process but also improve the environmental quality of credits. We also support the agreement and development of large scale emission reductions through a new mechanism based on ambitious benchmarks which could include host country contribution to global emission reductions.

24. The Government should not score any EU ETS credits purchased from Phase I as having reduced emissions in the UK by an equivalent amount. We recommend that efforts should be made to determine what actual savings were in order to provide a sound basis for future budgets to deliver the necessary real savings in emissions. (Paragraph 78)

Banking of allowances was not allowed from Phase I and any problems with Phase I are now historical and do not impact on the current or future reporting of emissions.

The way we account for carbon trading is in line with the international carbon accounting rules. We also publish this information in a completely transparent manner so that the contribution of trading can be clearly seen. It would be misleading to count actual UK emissions from the traded sector towards our carbon budgets, rather than the UK's allocation under the EU ETS because, for example, although we might report reduced emissions in the UK, these might actually be displaced by increased emissions elsewhere in the EU, or vice versa.

Going forward, we have good quality verified EU ETS emissions data from 2005 onwards against which emissions reductions can be judged for the whole of the EU. This was a major success of the first 'learning by doing' phase of the EU ETS. The tighter caps set by the EU in Phases II and III (2008–20) based on reductions from the 2005 emissions mean that we can be confident that the emissions reductions figures we publish, for the current and future Phases of the EU ETS, are accurate. We therefore have a sound statistical basis to make carbon budgeting—which applies from 2008—work.

25. We recommend the UK should only accept emissions credits (whether from the EU ETS or any other scheme) for use within UK carbon budgets, if they have come from countries that have implemented equivalent national emissions targets and managed to cut emissions below them. (Paragraph 79)

The Government does not accept this recommendation. Emissions trading is a tool that uncovers low-cost abatement and broadening the market can reduce costs considerably. The exact location of where the emissions saving will be made is unknown. However, this is immaterial given that emissions savings have the same environmental effect wherever they are made. If we were not to recognise allowances from the EU ETS, this would suggest that we do not have confidence in the system to deliver significant reductions across the EU.

Neither should the recommendation be applied to international project credits under the Clean Development Mechanism (CDM). This would undermine the mechanism which is explicitly designed to include in the global carbon market those countries that do not have binding emission targets. This would also compromise the UK's ability to meet tighter and future budgets in the most cost effective way at a time when the CDM is being reformed and would have a significant impact on developing countries for whom international offset credits are a key source of climate finance and a successful means of engaging them in the global mitigation effort.

Reforming the CDM to move towards an approach based on standardised baselines will improve the integrity of the mechanism and ensure that offset credits represent real and additional emissions reductions. In addition, we have been arguing internationally that advanced developing countries that are projected to substantially increase their emissions in the future should take action and contribute more actively to the global mitigation effort. This implies moving away from the CDM and possibly adopting carbon market mechanisms that allow a higher net global contribution to emissions reductions in certain countries and sectors.

The UK Low Carbon Transition Plan sets out the policies and proposals we are putting in place to meet our carbon budgets. The Transition Plan shows that—as we committed to at Budget 2009—our aim is to meet the carbon budgets through domestic emissions reductions, without use of international credits (outside of the EU ETS, where limits on international credit use already apply). Consistent with this, we have set a zero limit on the use of credits, outside the EU ETS, for the first carbon budget. However, as the Committee on Climate Change have recognised the use of international credits may be necessary in transitioning from the Interim to the Intended budgets.

In addition the EU effort sharing decision already states that once a global deal is agreed, Member States can only use credits from countries which have ratified the agreement and this will apply within the EU ETS.

26. The Treasury has significant influence over the shape of the Government's climate change programme and the Low Carbon Transition Plan. Changes in taxation and spending could have a major impact on carbon emissions and on levels of investment in low-carbon industries. We believe that this influence should be acknowledged in departmental carbon budgets. (Paragraph 82)

The Treasury is part of the centre of Government, supporting and managing departments to improve the efficiency and effectiveness of delivery of public services. The importance the Treasury attaches to its role in climate policy is reflected in its own departmental strategic objectives, which have included an objective to 'Protect the environment in an economically efficient and sustainable way' since 2007. The Low Carbon Transition Plan therefore outlined a role for the Treasury at the heart of the departmental carbon budget system, supporting departments in delivering the whole range of government climate change policy. In particular, the Treasury will help to ensure that departments plan and allocate sufficient resource to delivery of carbon budgets through the next Spending Review, and will continue to drive delivery through its role in overseeing and monitoring the PSA performance management framework. The Treasury's forthcoming climate change plan will set out this role in more detail, as well as how the department will deliver reductions on its own estate and operations.

The Government agrees that environmental and transport taxes can play a significant role in reducing carbon emissions, but these instruments also need to meet the principles of good taxation. Tax policy changes announced in 2009 will save around 3 MtCO₂ in 2013–14, mainly through increases in fuel duty and landfill tax, which will help the UK meet its carbon budgets. The Treasury will continue to explore the use of taxes in helping to achieve climate change objectives, in the context of other long-term fiscal, economic and social objectives.

27. The management of the carbon budget is as vital as the management of the fiscal budget. It requires the same level of political attention and civil service commitment, and the same degree of parliamentary scrutiny. Our successors should lead the way in rigorously monitoring the robustness of the carbon budgets and the progress the UK makes in meeting them. (Paragraph 85)

The Government agrees that careful management of the carbon budgets is vital, especially given the particular challenges to monitoring emissions, including the uncertainty range around projections. The UK is the first country in the world to share its economy wide emissions between those departments with levers and influence to reduce them. The LCTP set out the budgets for each department and those departments will shortly be publishing their Climate Change Plans which will include how they intend to monitor delivery of their carbon budgets. The plans will include indicators and milestones and progress in meeting them will be included in the Government's response to the CCC annual report which will be laid before Parliament. Further details on monitoring, reporting and governance will be contained in departmental plans and in an overarching document to be published jointly by DECC and Defra this month.

Department of Energy and Climate Change

Appendix 2—Letter from Sir Michael Pitt, Chair of the Infrastructure Planning Commission

Carbon Budgets

There has been a great deal of interest in this important issue and I thought it might be helpful if I wrote to you setting out the IPC's position on it.

Consideration of climate change impacts is likely to form an important part of the IPC's examination of proposed Nationally Significant Infrastructure Projects (NSIPs).

The draft National Policy Statements make clear (EN-1 paragraph 2.1.5) that the Government policies that underlie NPSs have been set in accordance with the UK Low Carbon Transition Plan and carbon budgets, and the IPC does not need to assess individual applications in terms of carbon emissions against the carbon budgets. Nevertheless, applicants must provide information in their environmental statements, in accordance with the Environmental Impact Assessment Directive, about the likely significant effects of the project, including the direct effects and any indirect, secondary, cumulative, short, medium and long-term, permanent and temporary, positive and negative effects. Similar information must be provided even where an environmental statement is not required under the Directive.

The IPC cannot, in my judgment, have the function of assessing the cumulative impact of development proposals submitted to it on carbon budgets, in part because the infrastructure planning system itself is only one part of the wider picture, and in part because not all infrastructure proposals fall within the IPC's remit to consider.

I note the Committee's recommendation that the Government should put in place an alternative mechanism to ensure that the sum of the decisions taken by the IPC is consistent with the carbon budgets. This is a matter for Government. From the IPC's perspective, we would expect that parties to the examination of NSIP applications will wish to submit evidence relating to carbon emissions, and all that evidence will be considered and weighed in our decision making. The Committee on Climate Change may wish to provide evidence of this nature and we would have a duty to consider it.

Sir Michael Pitt
Chair of the Infrastructure Planning Commission

List of Reports from the Committee during the current Parliament

The reference number of the Government's response to each Report is printed in brackets after the HC printing number.

Session 2009–10

First Report	The work of the Committee in 2008–09	HC 58
Second Report	Green Jobs and Skills	HC 159-I and -II (HC 435)
Third Report	Carbon budgets	HC 228-I and -II (HC 479)
Fourth Report	The role of carbon markets in preventing dangerous climate change	HC 290
Fifth Report	Air Quality	HC 229-I and -II
Sixth Report	Adapting to Climate Change	HC 113

Session 2008–09

First Report	Work of the Committee in 2007–08	HC 108
Second Report	Environmental Labelling	HC 243 (HC 861)
Third Report	Pre-Budget Report 2008: Green fiscal policy in a recession	HC 202 (HC 563)
Fourth Report	Reducing CO ₂ and other emissions from shipping	HC 528 (HC 1015)
Fifth Report	Reducing greenhouse gas emissions from deforestation: No hope without forests	HC 30 (HC 1063)
Sixth Report	Greening Government	HC 503 (HC 1014)

Session 2007–08

First Report	Are biofuels sustainable?	HC 76-I & -II (HC 528)
Second Report	Reducing Carbon Emissions from UK Business: The Role of the Climate Change Levy and Agreements	HC 354 (HC 590)
Third Report	The 2007 Pre-Budget Report and Comprehensive Spending Review: An environmental analysis	HC 149-I & -II (HC 591)
Fourth Report	Are Biofuels Sustainable? The Government Response	HC 528 (HC 644)
Fifth Report	Personal Carbon Trading	HC 565 (HC 1125)
Sixth Report	Reaching an international agreement on climate change	HC 355 (HC 1055)
Seventh Report	Making Government operations more sustainable: A progress report	HC 529 (HC 1126)
Eighth Report	Climate change and local, regional and devolved government	HC 225 (HC 1189)
Ninth Report	Carbon capture and storage	HC 654 (Cm 7605)

Tenth Report	Vehicle Excise Duty as an environmental tax	HC 907 (HC 72)
Eleventh Report	The Exports Credit Guarantee Department and Sustainable Development	HC 929 (HC 283)
Twelfth Report	Greener homes for the future? An environmental analysis of the Government's house-building plans	HC 566 (Cm 7615)
Thirteenth Report	Halting biodiversity loss	HC 743 (HC 239)

Session 2006–07

First Report	The UN Millennium Ecosystem Assessment	HC 77 (HC 848)
Second Report	The EU Emissions Trading Scheme: Lessons for the Future	HC 70 (HC 1072)
Third Report	Regulatory Impact Assessments and Policy Appraisal	HC 353 (HC 849)
Fourth Report	Pre-Budget 2006 and the Stern Review	HC 227 (HC 739)
Fifth Report	Trade, Development and Environment: The Role of FCO	HC 289 (HC 1046)
Sixth Report	The Voluntary Carbon Offset Market	HC 331 (HC 418)
Seventh Report	Beyond Stern: From the Climate Change Programme Review to the Draft Climate Change Bill	HC 460 (HC 1110)
Eighth Report	Emissions Trading: Government Response to the Committee's Second Report of Session 2006–07 on the EU ETS	HC 1072
Ninth Report	The Structure of Government and the challenge of climate change	HC 740 (HC 276)

Session 2005–06

First Report	Greening Government: the 2004 Sustainable Development in Government Report	HC 698
Second Report	Sustainable Timber	HC 607 (HC 1078)
Third Report	Sustainable Procurement: the Way Forward	HC 740
Fourth Report	Pre-Budget 2005: Tax, economic analysis, and climate change	HC 882 (HC 195)
Fifth Report	Sustainable Housing: A follow-up report	HC 779
Sixth Report	Keeping the lights on: Nuclear, Renewables, and Climate Change	HC 584 (HC 196)
Seventh Report	Sustainable Development Reporting by Government Departments	HC 1322 (HC 1681)
Eighth Report	Proposals for a draft Marine Bill	HC 1323 (HC 1682)
Ninth Report	Reducing Carbon Emissions from Transport	HC 981
Tenth Report	Trade, Development and Environment: The Role of DFID	HC 1014 (HC 197)

Eleventh Report	Outflanked: The World Trade Organisation, International Trade and Sustainable Development	HC 1455 (HC 354)
Twelfth Report	Transport Emissions: Government Response to the Committee's Ninth Report of Session 2005–06 on Reducing Carbon Emissions from Transport	HC 1718