

The UK Climate Change Act – legislating for a low carbon future



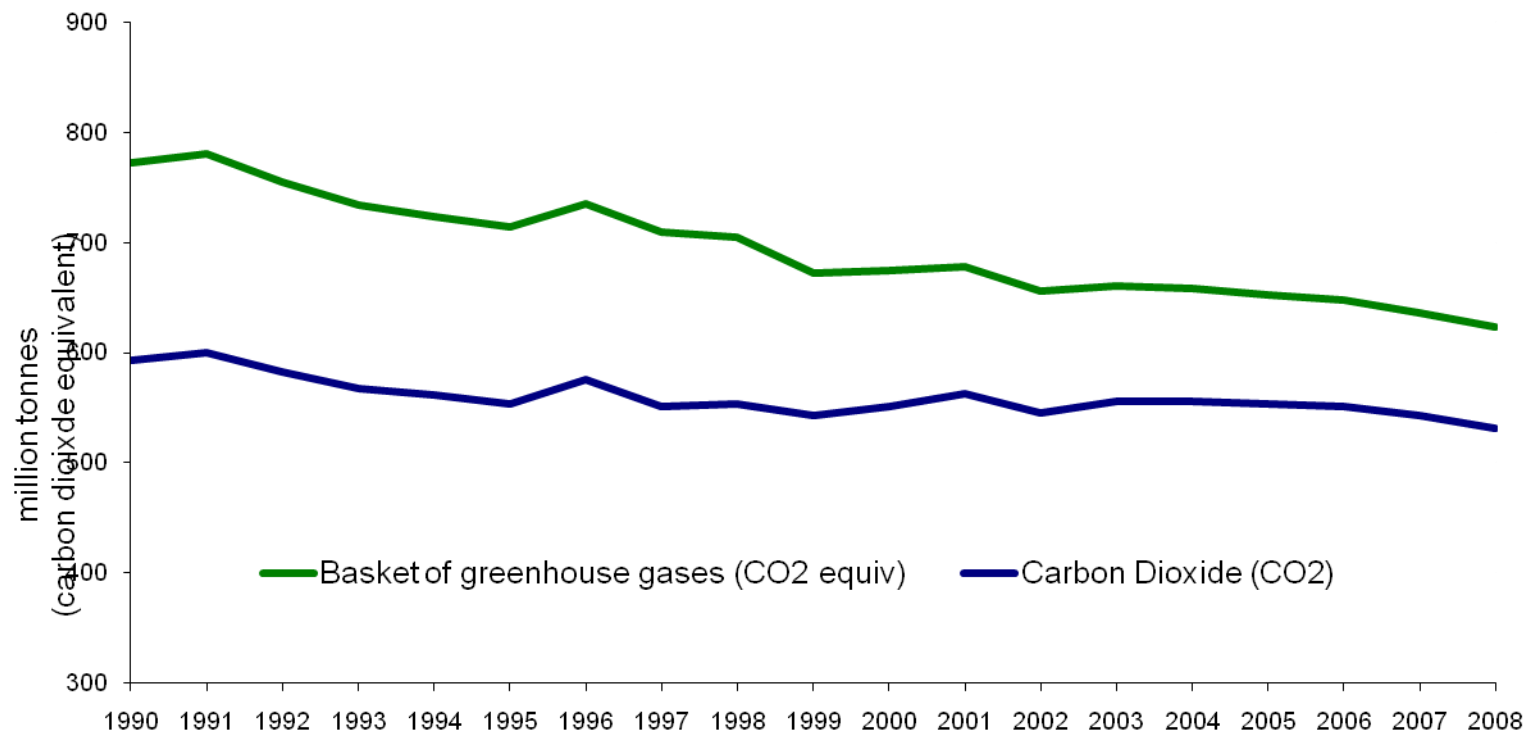
Foreign &
Commonwealth
Office



John Pearson

**British High
Commission, Singapore**

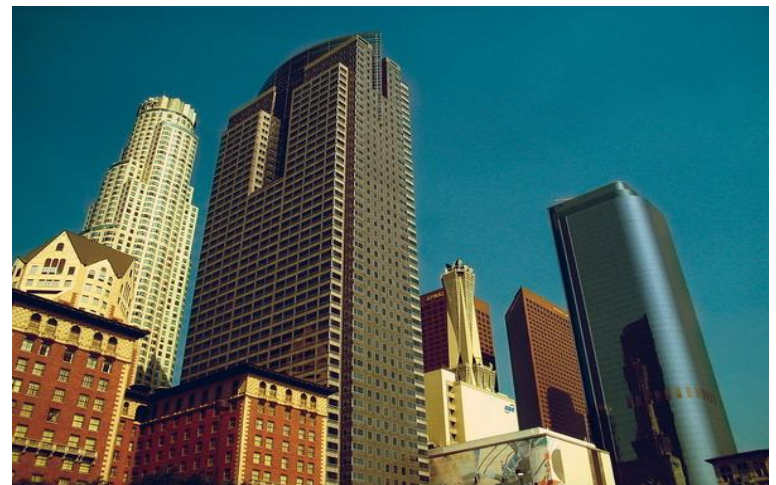
Background to the Act



Greenhouse gas emissions in 2008 down by more than 19% on 1990 levels

CO2 emissions in 2008 down by more than 10% on 1990 levels

Background to the Act



Main provisions of the Act

Legally binding targets

- Cut GHG emissions by at least 80% by 2050 and by at least 34% by 2020.

Carbon budgets & accountability

- Five-year carbon budgets set three budget periods ahead;
- Set the trajectory towards the 2020 and 2050 targets, and ensure that cumulative emissions are limited

Committee on Climate Change

- To advise Government on carbon budgets and targets and cost effective emissions saving; and to scrutinise and report to Parliament on progress.

Measures to reduce emissions

- Requirement to develop and produce report on policies and proposals to meet budgets.
- Powers to introduce new emissions trading schemes in UK

Adaptation

- Government to report at least every five years on impacts on UK of climate change and publish a programme to address them.
- Power to require public authorities to take action based on risk assessment.

1. Legally-binding targets

- **2020 target - 34% emissions reduction**
- **2050 target - 80% (from 60%)**
- **Limit on use of international credits**
- **Included aviation and shipping**

2. Carbon budgets...

A concrete reporting cycle set through UK law

- Setting limits on emissions for each five year period
- Set fifteen years in advance to give long-term clarity
- Requiring regular reporting to Parliament, and scrutiny by the CCC

Genuine financial consequences if budgets aren't met

- The Climate Change Act means the carbon budgets are legally binding and have to be met
- Any shortfall must be met by purchase of international credits
- For a significant shortfall, this could run to £billions

Going beyond international commitments and ensuring their delivery

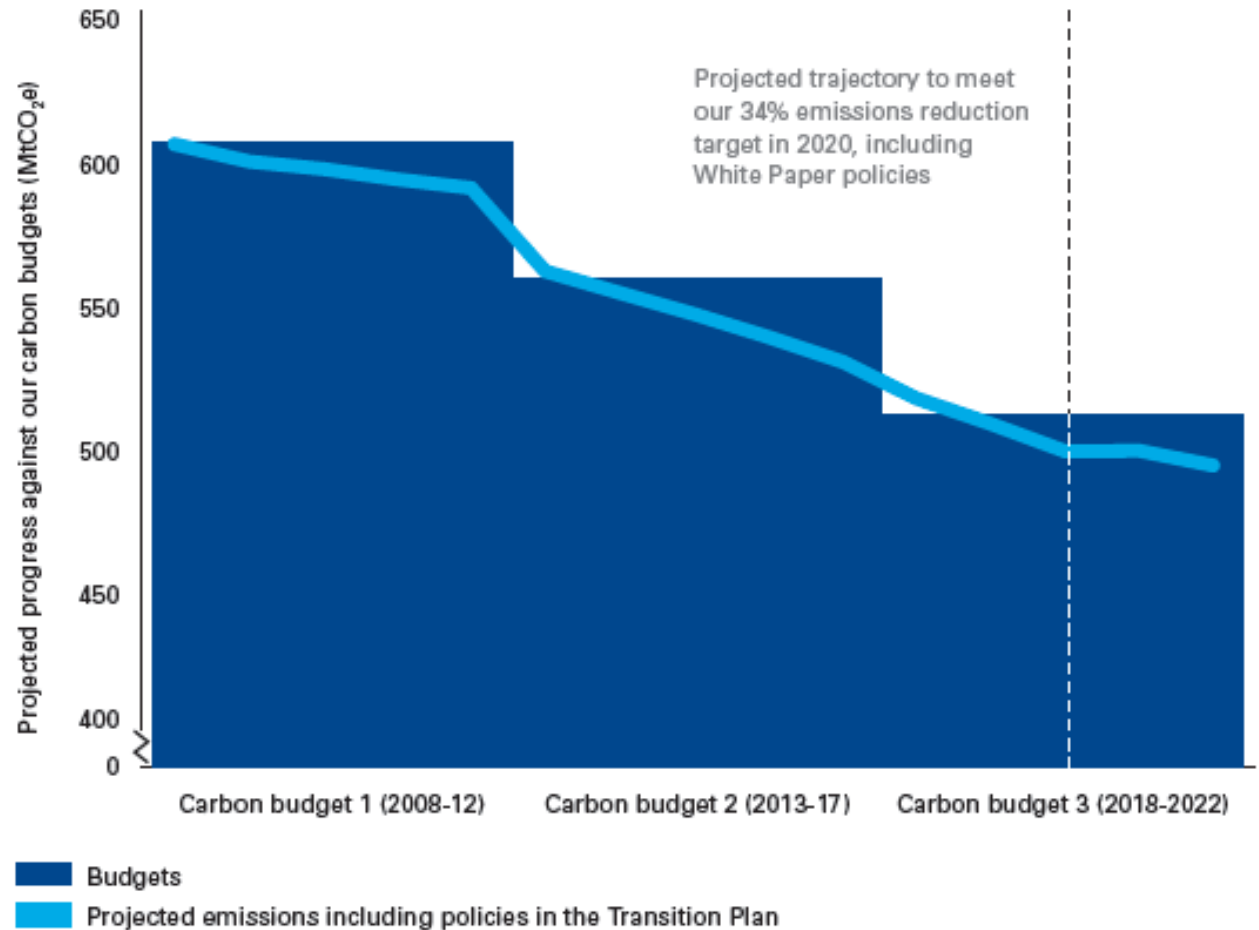
- A higher level of ambition than our international commitments require
- A crystal clear framework enshrined in domestic law for delivering economy wide emissions cuts

...deliver incremental cuts

Carbon budgets are equivalent to a **34% cut in greenhouse gas emissions in 2020.**

....and **will be tightened** if the EU moves to 30% – around 42%??

The UK will also cut emissions by **80% by 2050.**



Departmental carbon budgets

- Policies must be assessed for their carbon impact
- Internal mechanism needed to ensure departments take responsibility for carbon budgets.

Sectoral allocations based on share of influence and emissions projections

Public sector allocations based on an agreed level of ambition and emissions projections

The total makes up a departmental carbon budget for each UK Government Department

3. Committee on Climate Change



Climate Change Committee

**Building a low-carbon economy –
the UK's contribution to tackling climate change**



Committee on Climate Change
December 2008

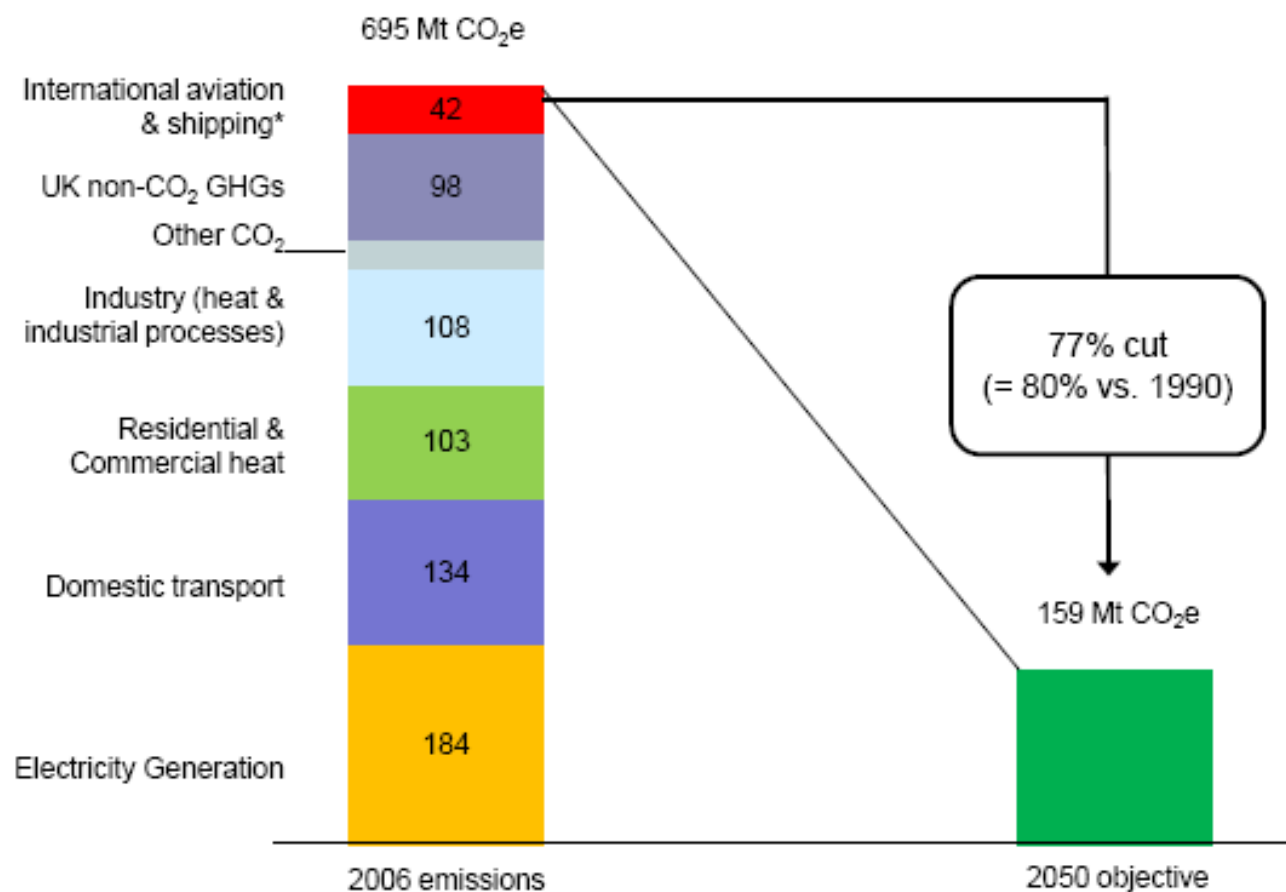
1. Recommendations:

- Energy efficiency in buildings and transport
- Decarbonisation of power generation by 2030
- Electric transport from 2015

2. Progress report:

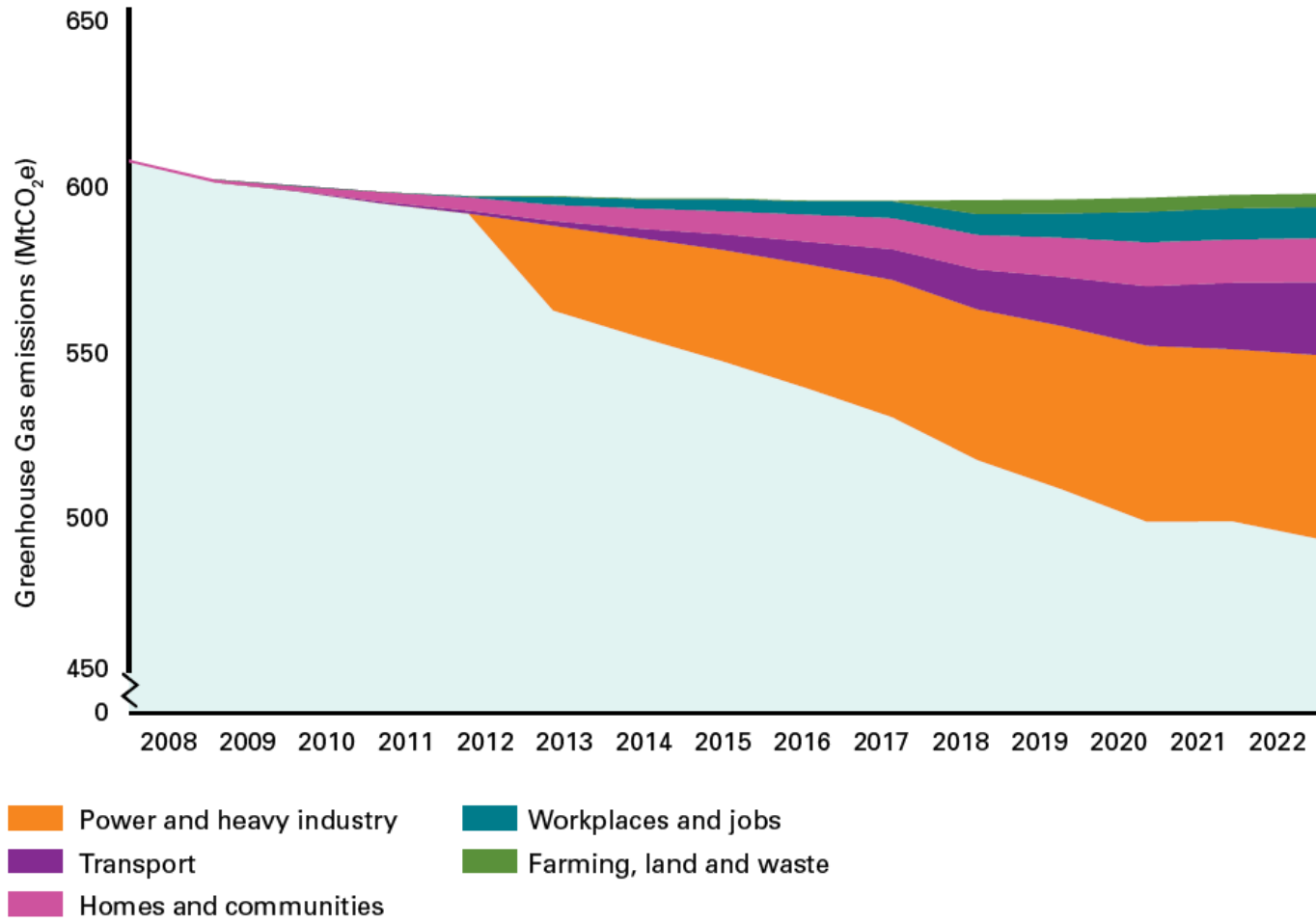
- Emissions need to fall by 1.7% per year
- Fell by less than 1% a year between 2003-2007
- Emissions fell by 2% in 2008

A huge challenge I...



* bunker fuels basis

A huge challenge II...



...requiring big changes



Managing the system

UK Low Carbon Transition Plan - policies and proposals to meet carbon budgets



Carbon Budget Management Unit oversees delivery



Every Government Department has published a Climate Change Strategy, stating how it will reduce emissions, and manage adaptation

Feedback on the Act



“We welcome this mature and open debate that has been initiated by the Government on the future of Britain's energy requirements.”



“The commitment to a joined-up approach across Government is very welcome, as is the commitment to delivering 15% of renewable energy by 2020 from domestic sources. There appears to be a genuine commitment to a radical transformation of UK energy generation.”



“This is a promising start, and includes many measures the CBI has been calling for to reduce emissions across the economy.”



“It is easy to criticise governments when they publish such programmes... (and) it would be easy to greet this one with a cynical rictus. I don't think that would be right ... It is thoughtful, ambitious, and - for just about the first time I can remember - gives the impression that the various government departments know what meeting their headline targets will entail in practice.”



“This is a very welcome document that maps out not just a proper response to the threat of climate chaos but also starts to map out the shape of the UK economy after the recession.”

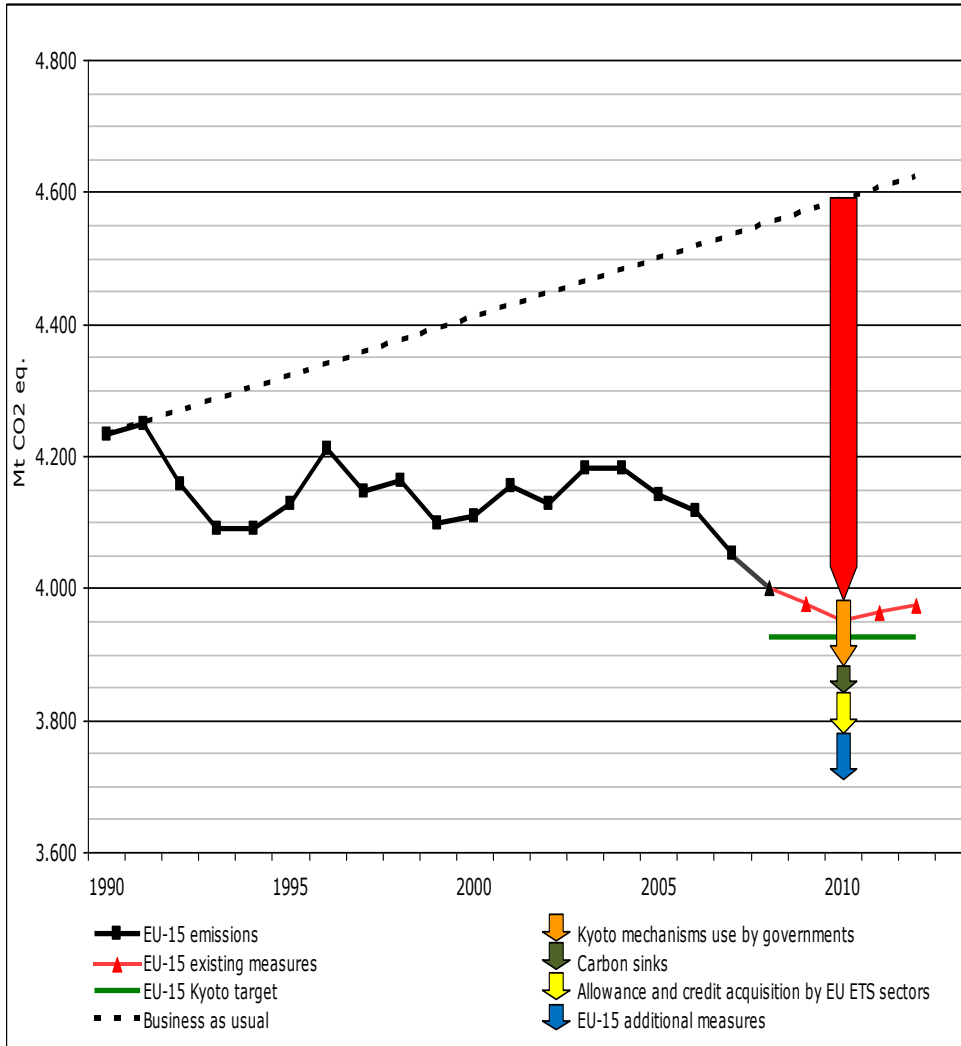


“No other government in the world has published anything quite like this, both a collective statement of intention and a fairly detailed description of how carbon reduction might be achieved.”

EU Action

- EU unilateral commitment to reducing its greenhouse gas emissions (from 1990 levels) :
 - 20% at least, by 2020 (Ready to cut by 30% under conditions)
- Target Share of Renewable Energy for Europe: 20% by year 2020 (final energy consumption)
- Cuts in EU emissions by saving 20% of energy consumption by 2020

EU Action



EU-15 Kyoto target for
2012: - 8% below 1990
levels

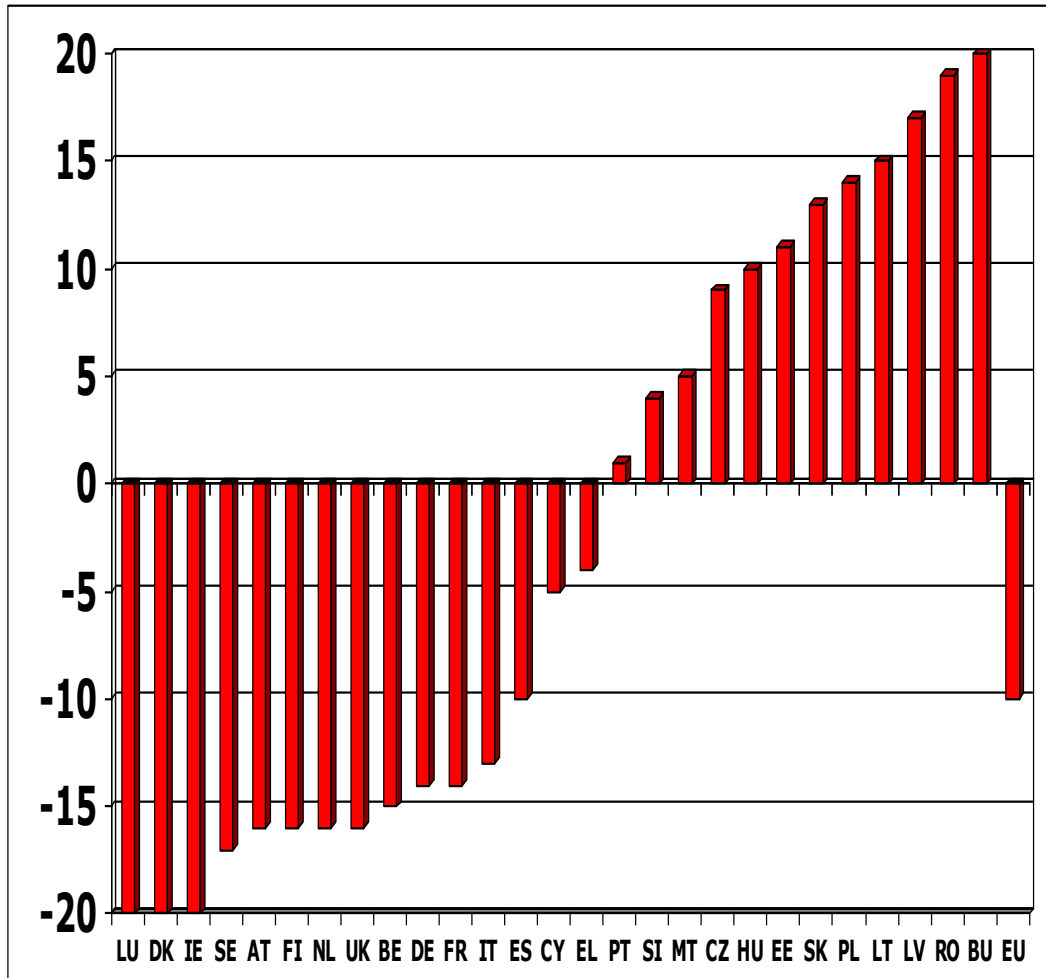
EU-15 - 1990-2008:

- GDP growth: +45%
- GHG emissions: -
6.5%

EU-27 - 1990-2008:

- GHG emissions: -11%
- GDP growth: +46%

EU Action



■ 2020 emissions compared to 2005

- Covers $\pm 55\%$ of EU emissions
- "small emitters", not covered by ETS
- Diverse set of sectors: transport, heating, agriculture, waste
- National, regional and local action very important

Emissions Trading Scheme (ETS)

Emitting CO₂ has a price (becomes a cost): incentive to use cleaner technology

Some 11,000 installations in power and industry face quantitative limits to CO₂ emissions (allowances)

Covers ±45% of EU emissions

Overall cap:

2005: 2.3 bn tonnes

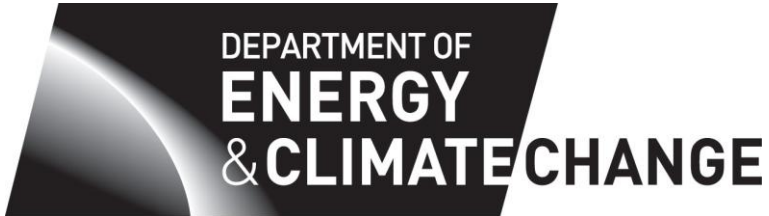
2008: 2.08 bn tonnes

2020: 1.72 bn tonnes

21% compared to 2005 by 2020

And continues to decline by 1.74% per annum beyond 2020

More information.....



www.decc.gov.uk



www.theccc.org.uk



[ec.europa.eu/climate
action](http://ec.europa.eu/climate/action)