

## We still need a step change to meet carbon budgets

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The Committee on Climate Change said today that a *step change* in the pace of underlying emissions reductions is still required if the UK is to meet its legislated carbon budgets - which require at least a 34% cut in emissions by 2020 relative to 1990 levels.

The conclusions are set out in the Committee's 2<sup>nd</sup> progress report to Parliament. Emissions of greenhouse gases have declined over the past year (by 8.6%), but this is almost entirely due to a reduction in economic activity caused by the recession and increased fossil fuel/ energy prices, and is not the result of the implementation of measures to reduce emissions. As the economy returns to growth, the risk is that emissions will increase, and that carbon budgets will not be achieved.

Progress implementing measures can be divided into three categories:

- Measures such as loft and cavity wall insulation, where targets based on modest ambition were achieved, but where a faster rate of progress is required in future (e.g. the pace of cavity wall insulation should double in coming years to 1.2 million homes annually).
- New car efficiency, which improved significantly due to a combination of the recession and rising fuel prices reinforced by policies, but where there is a risk that this behaviour will bounce back as the economy returns to growth.
- Measures where very limited progress was made in 2009 (e.g. solid wall insulation, SME energy efficiency improvement, renewable heat and encouraging greater use of public transport) but where significant progress is required in the period to 2020 to meet carbon budgets.

Achieving the step change will require new policies in at least 4 key areas:

1. **Electricity market reform** – To ensure that incentives for investing in low-

carbon power generation are strengthened, it is crucial to proceed with the energy market reform that has been proposed by the new Government. Before these new market arrangements are introduced, there is a strong case for introducing a minimum price on carbon (a carbon price underpin / floor). Action to support early demonstration of coal and gas CCS projects is required.

2. **Buildings** - more clarity is required on how a national programme to encourage energy efficiency measures in the home will be funded, how householders will be incentivised to act, and the role of energy companies, businesses, local authorities and private landlords in helping to make buildings more efficient.
3. **Transport** – The Government should consider further first year VED differentiation to encourage the purchase of more fuel efficient cars. The Government should set ambitious targets for electric car deployment in 2020 (e.g. the Committee’s analysis suggests that this should be in the order of 1.7 million). This will require funding both to ensure that the first electric cars are affordable, and to cover the cost of a national battery charging network.
4. **Agriculture** – there is potential to go further than the current target for reduction of emissions from agriculture (3 MtCO<sub>2</sub> in 2020) through measures relating to the way that livestock are fed, application of fertiliser to soils, and anaerobic digestion. The full range of policies to incentivise emissions reductions should now be considered.

**Chair of the Committee on Climate Change, Lord Adair Turner said:**

*“The recession has created the illusion that progress is being made to reduce emissions. Although emissions have declined substantially, our analysis shows that this is almost wholly due to a reduction in economic activity and not from new measures being introduced to tackle climate change.*”

*“So we are repeating our call for new policy approaches to drive the required step change, in order that the UK can ensure a low-carbon recovery.*

*“Given new approaches, we are confident that individuals and business will respond, taking advantage of the affordable opportunities available to reduce emissions”.*

Noting scientific controversies in 2009 and 2010, the Committee highlighted recent enquiries which concluded that the fundamental climate science remains robust: evidence suggests that climate change is happening and is highly likely to be caused by human activity. In addition, the case for action to reduce emissions remains strong, both in the light of recent international developments, and in consideration of the opportunities available to build a green economy.

Given the impacts of the recession and lower projected emissions in the period to 2020, the Committee also raised the question of whether the UK should move to the more ambitious Intended carbon budget (based on a 42% cut in GHG emissions in 2020 relative to 1990, compared to the currently legislated 34% cut), and will provide a view on this when advising on the fourth carbon budget (2023-27) later in the year.

ENDS

## **Notes to Editors**

### **Committee on Climate Change (CCC)**

The Committee on Climate Change (CCC) is an independent statutory body established under the Climate Change Act to advise the UK Government on setting carbon budgets, and to report to Parliament on the progress made in reducing greenhouse gas emissions: [www.theccc.org.uk/](http://www.theccc.org.uk/).

- [\*“Meeting carbon budgets – ensuring a low-carbon recovery”\*](#) is the Committee’s 2<sup>nd</sup> annual progress report to Parliament which monitors progress made in reducing emissions and approaches taken to meeting carbon budgets.
- The main messages in the report reflect the fact that it is only nine months since the Committee’s [first report to Parliament](#), and therefore that we would expect that there had only been limited progress made towards the step change.
- The Committee will consider whether the 2020 target should be raised to 42% and will review the latest science on climate change in its 4<sup>th</sup> Budget report, which will be published by the end of 2010.
- The European Union is considering increasing the Europe-wide target for reductions of greenhouse gas emissions from 20 to 30%. This is in line with achieving a more ambitious UK target and the Committee will consider this in the 4<sup>th</sup> Budget Report.
- On 18 June, the [Committee wrote to Secretary of State for Energy and Climate Change, Chris Huhne](#) to advise that the Government consider extending the Carbon Capture and Storage competition/ pilot scheme to include gas as well as coal.
- \*Carbon Capture and Storage (CCS) is a new technology which is yet to be proven at large-scale. It involves capturing the carbon dioxide emitted from burning fossil fuels, transporting it and storing it in secure spaces such as geological formations, including old oil and gas fields and aquifers under the seabed.
- The Committee uses a range of indicators to assess Government’s progress and to monitor whether Government is on track to meeting carbon budgets.

### **For further information/ media bids please contact:**

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