

Minutes of CCC Meeting - 09/01/09

Present were Adair Turner, Bob May, Brian Hoskins, Michael Grubb, Jim Skea, Sam Fankhauser, David Kennedy

1. CCC Work programme, presentation by David Kennedy

The Committee agreed a work programme for the September 2009 report to Parliament. The aim will be to develop a set of lead indicators underpinning the Committee's emissions reduction scenarios against which progress in reducing emissions can be measured.

The work programme will include – but not be restricted to - analysis in the following areas:

Cross cutting

- The macroeconomic context for emissions reduction, including the case for acting during a recession, constraints on action (e.g. lack of liquidity in financial markets), and the approach to emissions reductions that ensue from reduced GDP rather than effective policy.
- Progress reducing emissions over the five year period to (end) 2008.

Power sector decarbonisation

- Feasible trajectories for adding wind generation capacity to the system.
- Economic viability of tidal range generation.
- Milestones for CCS demonstration project and a timeline for post-demonstration deployment.
- Functioning of the power market with high levels of intermittent generation and increasing power demand from heat and transport sectors.

Energy use in buildings

- Feasible trajectories for energy efficiency improvement in (residential and non-residential) buildings and industry.
- Incentives required to unlock emissions reduction potential residential and SME sectors.
- Realistic potential for large scale CHP.
- Realistic potential for renewable heat including CHP microgeneration, air source heat pumps, and storage heating.

Fuel poverty

- Assessment of alternative mechanisms (income transfers, block tariffs, other) for mitigating fuel poverty impacts of meeting carbon budgets.

Transport

- Timeline for introduction of electric cars in the UK and supporting technology innovation, infrastructure development and consumer incentives.
- Scope for transport emissions reduction through behaviour change: modal switch / journey planning / network management (including road pricing); logistics; business relocation; land use planning.

International aviation and shipping

- Progress reducing emissions and scenarios for emissions going forward under alternative methodologies
- Scope for switch from short haul aviation to rail.
- Economics of adding to aviation infrastructure capacity in a carbon constrained world.
- The proposal by the International Maritime Organisation to the UNFCCC on mechanism for reducing international shipping emissions.

Agriculture

- High level assessment of policy options for unlocking emissions reduction potential.

2. Power market functioning consultancy project, presentation by Claire Thornhill, CCC Secretariat.

The Committee supported a proposal to engage specialist power sector consultants to assess power market functioning with high levels of intermittent renewable generation and increasing demand from heat and transport sectors. Specifically, the consultants will assess the market price profiles under high levels of renewables under alternative assumptions about demand, and the impact of these prices on incentives to invest under alternative assumptions about investor behaviour. The aim will be to determine required innovations to support market functioning in a world increasingly characterised by low carbon generation.

3. Consultancy project to assess commercial aspects of electric cars, presentation by Michele Pittini, CCC Secretariat

The Committee supported a proposal for a project to assess commercial viability of electric cars. This project will review the electric car cost estimates in the CCC's vehicles model, and provide analysis of when and under what circumstances electric cars could realistically be brought to market as scale in the UK.

4. Request by DIUS for the CCC to review the UK's framework for low carbon technology R & D.

The Committee considered a request to undertake a review of the low carbon R & D framework in 2010. The Committee agreed to take on this work in principle based on the high level description provided by DIUS. Further discussion will however be required in order to agree a detailed scope of work. In addition, the work would have to be adequately resourced, which could require incremental resources over and above what is currently planned for 2010-11. The Committee will return to this topic at a future date to define a scope of work. Given a scope of work, additional resourcing will be discussed at the CCC Sponsors Group as set out in the CCC Framework Document.