

Minutes of CCC Meeting - 12/02/10

Present were Adair Turner, Jim Skea, Sam Fankhauser, Julia King, John Krebs, Robert May, Michael Grubb, Brian Hoskins, David Kennedy

1. Scottish report sign off

The Committee signed off on the advice to the Scottish Government subject to five changes to the Executive Summary of the report:

- In addition to setting out the level of the traded sector cap, the importance of the Scottish Government supporting investment in renewable electricity should be stressed.
- The role for the Scottish Government putting in place policies to deliver non-traded sector emissions reductions should be highlighted.
- The estimated cost of meeting the 2020 emissions reduction target should be qualified, noting that this derives from detailed UK analysis and relates to a world where a global deal has been reached and the EU's 30% emissions reduction target triggered.
- It should be noted that the possibility of purchasing credits before a global deal is not recommended by the Committee.
- The closing statement of the Executive Summary should state that the targets are challenging but achievable with new policies.

Jim Skea and David Kennedy will launch the report in Edinburgh on February 24th.

2. Update on DECC response to CCC's first progress report

The Committee agreed that the response from the Department of Energy and Climate Change (DECC) was generally positive.

Specific highlights include:

- The electricity market assessment announced in the pre-budget report.
- The framework for investment in coal fired generation / support for Carbon Capture and Storage (CCS).
- The commitment to assess scope for rolling out EPCs and DECAs to all non-domestic buildings.
- The commitment to consider scope for better integrating land use and transport planning in the context of updating planning guidance and streamlining the planning policy suite.

Areas where the response was less positive are:

- Concrete commitments to roll out Smarter Choices, notwithstanding that the Government recognises the benefits of this approach.
- Lack of commitment in terms of ambition for roll out of electric cars.

The Committee did not regard as appropriate the current proposals that the Government will not set out trajectories in advance for indicators against which future progress can be assessed.

The Committee will set out a more detailed response in the forthcoming June report to Parliament. This may also include follow up discussion of the impacts of the credit crunch / recession for meeting carbon budgets, including possible roles for instruments to underpin the carbon price and new financing vehicles.

The June report may also include a high level commentary on the electricity market assessment, with more detailed analysis presented in the fourth budget report to be published in November (see below).

3. Low carbon R, D, D & D review

The Committee agreed a methodology for assessing which technologies the UK should support from the development stage and beyond:

- There should be a need for the technology in meeting UK or global emissions reduction targets.
- The UK should have a capability to develop and / or demonstrate the technology. In providing support, the UK should have a material impact on technology development and / or gain economic benefit.
- The UK should support technology deployment where this would make a difference (e.g. moving the technology to market readiness) and / or where this would help to meet carbon budgets. In supporting deployment, the UK might also aim to develop an industrial base where there is an appropriate capability and therefore potential economic benefit.

4. Fourth budget trajectories and timing of recommendations

The Committee noted that whilst Copenhagen was disappointing because it did not result in a legally binding agreement, the commitments under the Copenhagen Accord may be consistent with required trajectories (i.e. with global emissions peaking before 2020), although further analysis is required to establish whether this is the case.

The Committee agreed to bring forward the publication date of the fourth budget advice to November 15th given the importance of the global context for this advice, and the difficulties coordinating a response to COP 16 with the timetable for publication before the end of December under the Climate Change Act.