

Minutes of CCC Meeting, 04/09/09

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

1. Chapter 5 – reducing emissions in buildings and industry

The Committee considered the draft chapter and agreed the following key points:

- Achieving ambitious targets for purchase of efficient appliances may require new policies (e.g. tax incentives).
- The Government's renewable heat target should be accepted, with the caveat that this will be expensive to achieve at the margin, and that a slightly lower level of renewable heat penetration would reduce costs without undermining ability to meet carbon budgets.
- EPCs and DECAs should be rolled out quickly for SMEs so as not to delay introduction of a new policy framework.

2. Chapter 1 – recent developments and progress reducing emissions

The Committee considered the draft chapter and agreed the following key points:

- It is important to quickly move to 100% auctioning in EU ETS for all firms except those which are truly subject to the risk of leakage (i.e. energy intensive and operating in globally competitive markets)
- In describing the agreed European package as ambitious, a caveat should be added that this relates to the 30% GHG target.
- Graphs showing emissions trends versus carbon budgets / the Committee's sector scenarios should be included in order to highlight the required step change going forward.

3. Emissions reduction scenarios and indicators

The Committee considered the draft chapter and agreed the following key points:

- In describing the Extended scenario, it should be clear that this includes emissions reductions from Government commitments, but that policy strengthening would require in order that emissions reductions ensue.
- It should be noted that differences between CCC and official emissions projections suggest that the level of policy ambition should be increased.
- Population growth should be noted as a key driver of emissions and included in the indicators framework.

4. Aviation – global deal letter and update on aviation review

The Committee agreed the letter to DfT and DECC advising on a global aviation deal, which was drafted according to principles agreed at the previous meeting.

The Committee were presented with an overview of the developing evidence base on UK emissions including preliminary demand projections, estimates of emissions reduction potential from modal shift, scope for plane and fleet efficiency improvement, and use of biofuels.

The Committee expressed strong reservations about very high biofuels scenarios given concerns over sustainability.

5. AOB

The Committee agreed to write a letter to Ofwat requesting that low carbon R&D be given appropriate consideration in the current water company price review.