



Foreign &  
Commonwealth  
Office

# UK Climate Change Act

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# UK commitment

*“I don’t want to hear warm words about the environment. I want to see real action. I want this to be the **greenest government ever**”.*

DAVID CAMERON, 21 MAY 2010

# Climate Change Act 2008



## Climate Change Act 2008

### CHAPTER 27

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#### PART 1

#### CARBON TARGET AND BUDGETING

##### *The target for 2050*

- 1 The target for 2050
- 2 Amendment of 2050 target or baseline year
- 3 Consultation on order amending 2050 target or baseline year

##### *Carbon budgeting*

- 4 Carbon budgets
- 5 Level of carbon budgets
- 6 Amendment of target percentages
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- 8 Setting of carbon budgets for budgetary periods
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- 10 Matters to be taken into account in connection with carbon budgets

##### *Limit on use of carbon units*

- 11 Limit on use of carbon units

##### *Indicative annual ranges*

- 12 Duty to provide indicative annual ranges for net UK carbon account

##### *Proposals and policies for meeting carbon budgets*

- 13 Duty to prepare proposals and policies for meeting carbon budgets
- 14 Duty to report on proposals and policies for meeting carbon budgets
- 15 Duty to have regard to need for UK domestic action on climate change

- The world's first long-term, legally binding framework to tackle the dangers of climate change
- Bill introduced to Parliament November 2007
- Became law November 2008

# Climate Change Act 2008



Climate Change Act 2008

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Response to a number of factors:

- Attitudes in UK towards climate change started to shift
- Pressure from the public / in Parliament / NGO campaigns – 45,000 letters
- Stern Review – showed it is cheaper to act early
- Political consensus
- Why legislate?

# Climate Change Act: Objectives

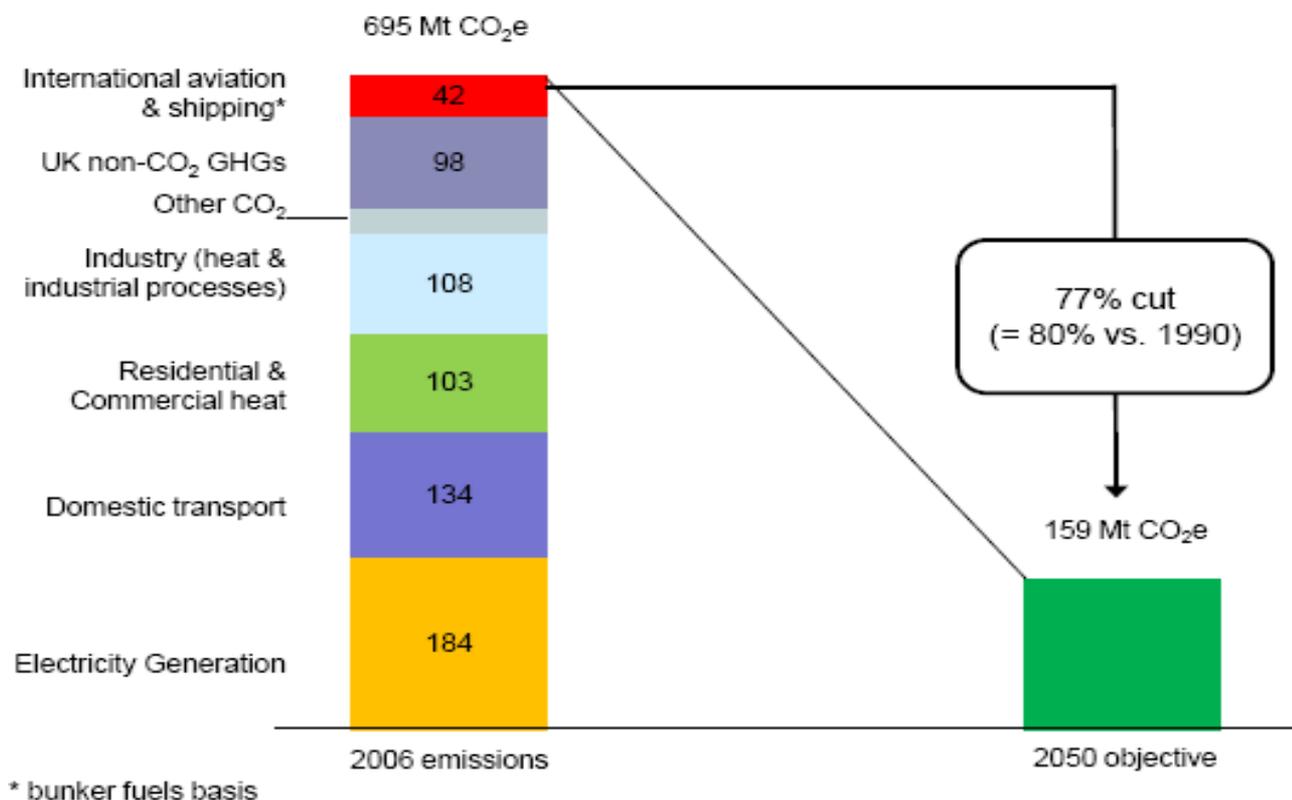
- Meet UK and international climate change commitments
- Clarity and certainty for industry, households and individuals to plan for and invest in a low carbon economy
- Adapt to the impacts of unavoidable climate change
- Low carbon growth
- International leadership

# Main provisions of the Act

<b>Ambitious targets</b>	<ul style="list-style-type: none"><li>• Requiring us to cut emissions by 34% by 2020 and 80% by 2050 relative to 1990 levels</li></ul>
<b>Binding carbon budgets</b>	<ul style="list-style-type: none"><li>• Five-year carbon budgets, set three budget periods ahead</li></ul>
<b>A clear accountability framework</b>	<ul style="list-style-type: none"><li>• Requirement for Government to publish policies and proposals for meeting the carbon budgets</li><li>• Independent Committee on Climate Change to advise on budgets and scrutinise delivery through annual reports</li></ul>
<b>Adaptation</b>	<ul style="list-style-type: none"><li>• Government to report at least every five years on impacts on UK of climate change and publish a programme to address</li></ul>

# Carbon Budgets

- Give us the mechanism to manage our response to the mitigation challenge
- Cutting emissions by 34% by 2020 and 80% by 2050 relative to 1990 levels



# Carbon Budgets

Proposed by Government; approved by Parliament

## 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
- Regular reporting to Parliament, and scrutiny by the Committee on Climate Change

## Genuine financial consequences if budgets aren't met

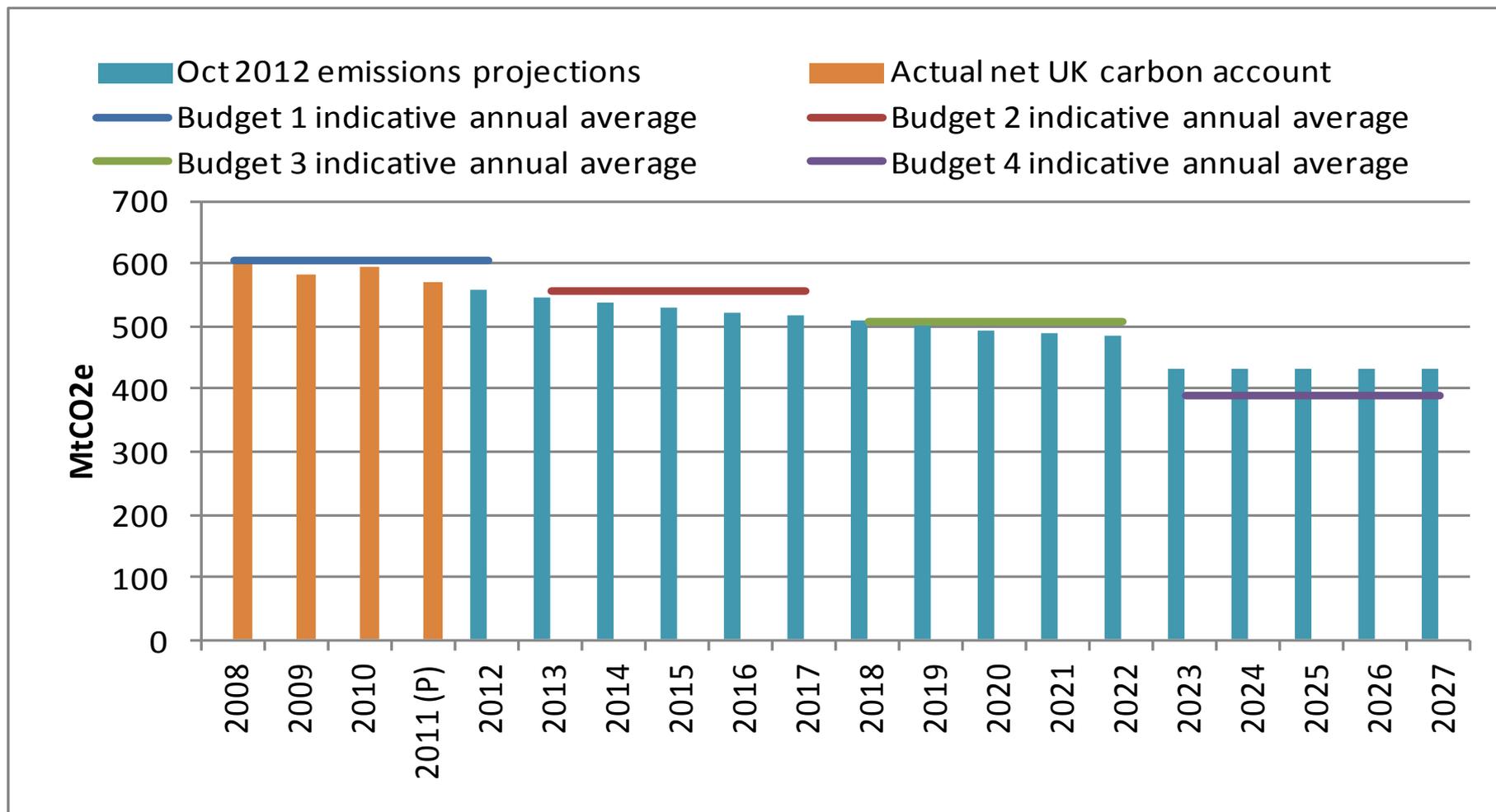
- Climate Change Act means carbon budgets are legally binding
- Any shortfall must be met by purchase of international credits
- For a significant shortfall, this could run to £billions

## Going beyond international commitments and ensuring their delivery

- Higher level of ambition than our international commitments require
- Clear framework enshrined in domestic law for delivering economy-wide emissions cuts

# Carbon Budgets

We have now set the first four carbon budgets



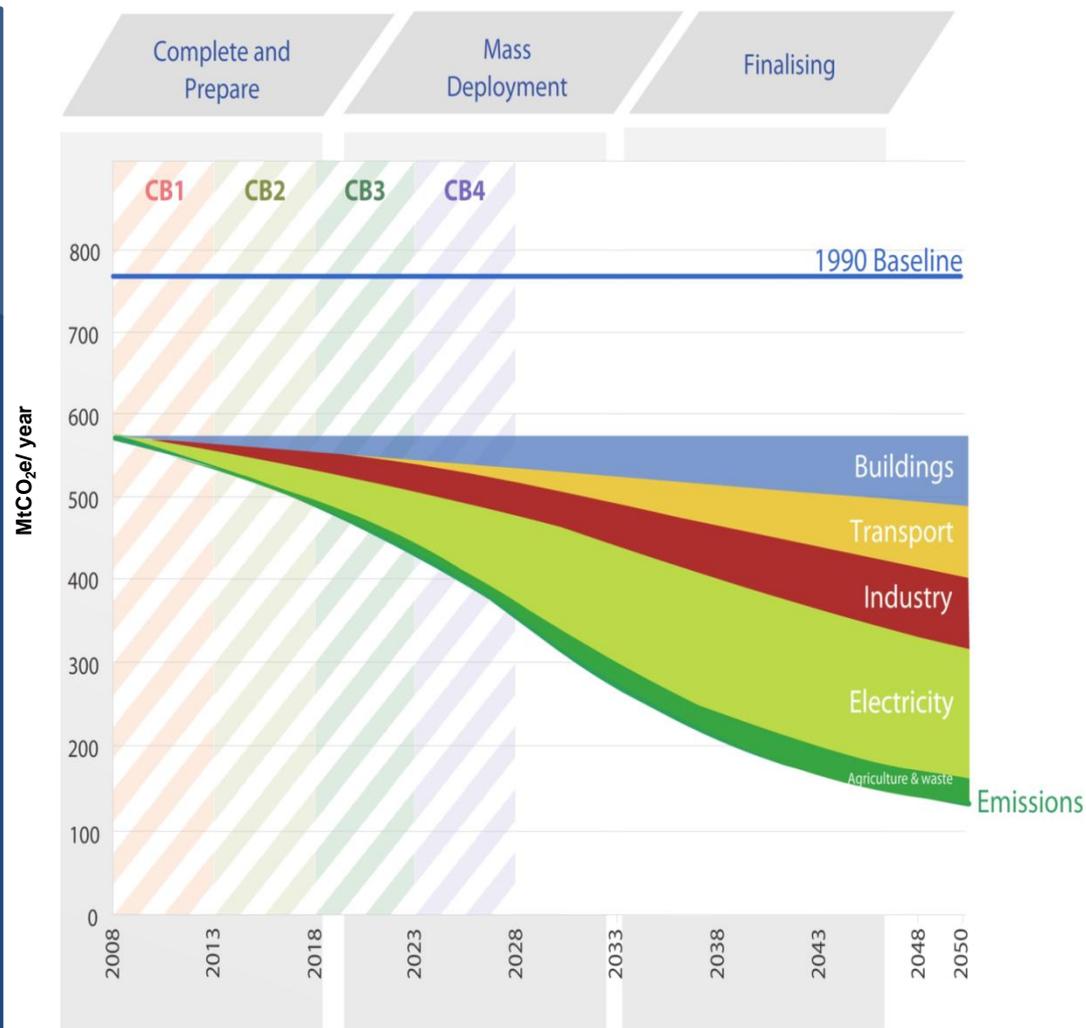
# Carbon Plan

Sets out the UK's strategy for meeting our carbon budgets

The Carbon Plan took a scenario based approach, recognising uncertainty in planning to 2030 and beyond

It set out a three stage strategy:

- **Phase 1: Complete and prepare** – From now to 2020
- **Phase 2: Mass deployment** – In the 2020s and 2030s
- **Phase 3: Finalising** – From 2030 onward



# Carbon Plan

Specifies policies and proposals to meet the first four Carbon Budgets

- Quantified emissions savings by policy for the period until 2022
- In line with Carbon Budgets

Projected non-traded sector emissions savings by policy – residential sector (MtCO<sub>2</sub>e)

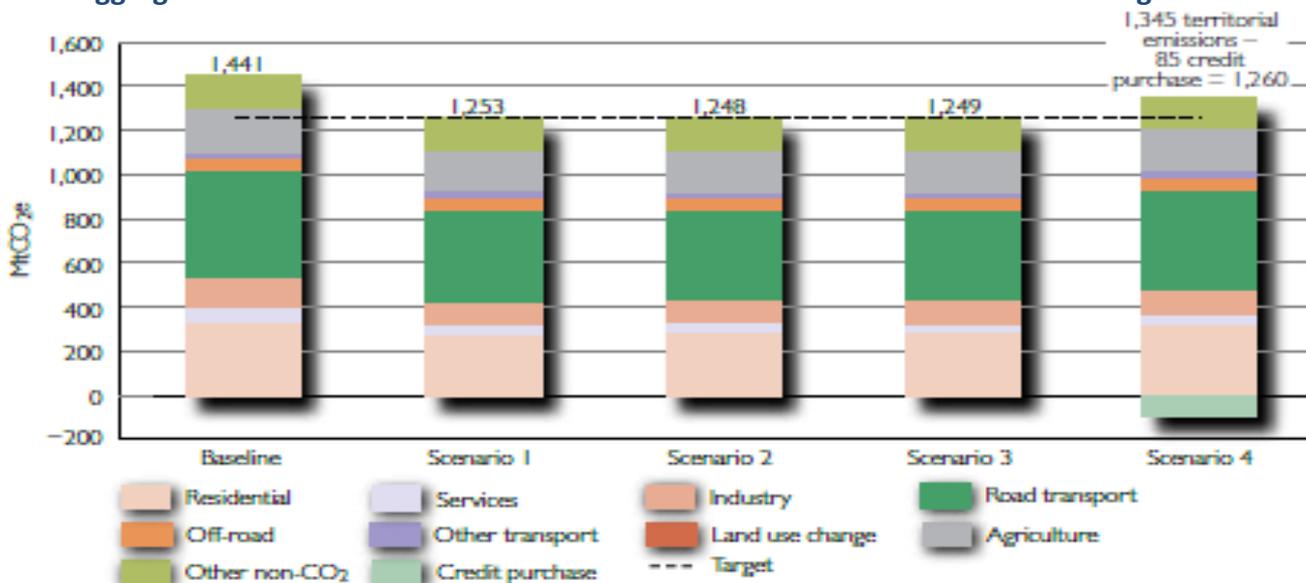
Residential	Carbon budget 1					Carbon budget 2					Carbon budget 3				
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Supplier Obligation (CERT +20% and CERT extension)	0.0	0.1	0.2	0.4	2.0	4.1	4.1	4.1	4.0	4.0	4.0	4.1	4.0	3.9	3.9
Building Regulations Part L (2010)	0.0	0.0	0.0	0.0	0.4	0.8	1.1	1.5	1.8	2.1	2.4	2.7	3.0	3.2	3.5
Smart Metering <sup>108</sup>	0.0	0.0	0.0	0.0	0.1	0.1	0.2	0.4	0.6	0.8	0.9	1.0	1.0	1.0	1.0
EU Products policy (Tranche 1, Legislated) <sup>109</sup>	0.0	0.0	-0.2	-0.5	-0.7	-1.0	-1.2	-1.4	-1.6	-1.7	-1.9	-2.0	-2.0	-2.0	-1.9
EU Products policy (Tranche 2, Proposed) <sup>110</sup>	0.0	0.0	0.0	0.0	-0.1	-0.1	-0.1	0.0	0.1	0.2	0.3	0.4	0.5	0.5	0.5
Community Energy Saving Programme	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Zero Carbon Homes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.2	0.3	0.4	0.5	0.6
Energy Company Obligation and Domestic Green Deal <sup>111</sup>	0.0	0.0	0.0	0.0	0.0	0.3	0.6	0.9	1.2	1.3	1.4	1.5	1.2	1.4	1.5
Renewable Heat Incentive	0.0	0.0	0.0	0.0	0.1	0.1	0.2	0.3	0.4	0.5	0.6	0.8	0.9	0.9	0.9
<b>Total</b>	<b>0.0</b>	<b>0.1</b>	<b>0.1</b>	<b>0.0</b>	<b>1.8</b>	<b>4.4</b>	<b>5.0</b>	<b>5.8</b>	<b>6.6</b>	<b>7.4</b>	<b>8.1</b>	<b>8.7</b>	<b>9.0</b>	<b>9.5</b>	<b>10.0</b>

# Carbon Plan

Specifies policies and proposals to meet the first four Carbon Budgets

- Scenario-based approach for the period 2023 – 2027

Aggregate non-traded emissions under illustrative scenarios for 4th Carbon Budget



- **Scenario 1 implies, by 2030:**
- 6 million low carbon heat installations
- Average new car emissions 60gCO<sub>2</sub>/Km
- 3.7 million solid wall insulations 2023-2030

# Longer term scenarios

We looked at a range of possible scenarios for 2050



These are just indicative – but they give a sense of common messages, and no regrets action we can take now

# Committee on Climate Change

Independent advisors to the UK Government on tackling and preparing for climate change



# CCC: Responsibilities

- Advice on:
  - levels of emissions reduction targets and carbon budgets
  - the contributions that different sectors could make
  - the extent to which offsetting could be used to meet the budgets
- Annual reports to Parliament on progress against the carbon budgets
- Advice on international aviation and shipping in carbon budgets
- Advice, on request, on any other climate change issues
- Also advises the Devolved Administrations (in Scotland, Wales and Northern Ireland) on their targets

# CCC: 4<sup>th</sup> Progress Report (2012)

Confirms that the UK remains on track to overachieve against the level of the first three carbon budgets

- Looks at emissions trends over the past year and evaluates underlying progress in implementing carbon-reduction measures and policies
- Assesses performance of government policies in driving down emissions
- Greenhouse Gas Emissions fell by 7%. 0.8% of this can be linked directly to implementation of proactive carbon lowering measures
- Highlights challenges which remain across key areas:
  - investment in renewable energy and low carbon power
  - energy efficiency and renewable heat in buildings
  - cleaner transport and travel

# CCC: 4<sup>th</sup> Progress Report (2012)

Government response...

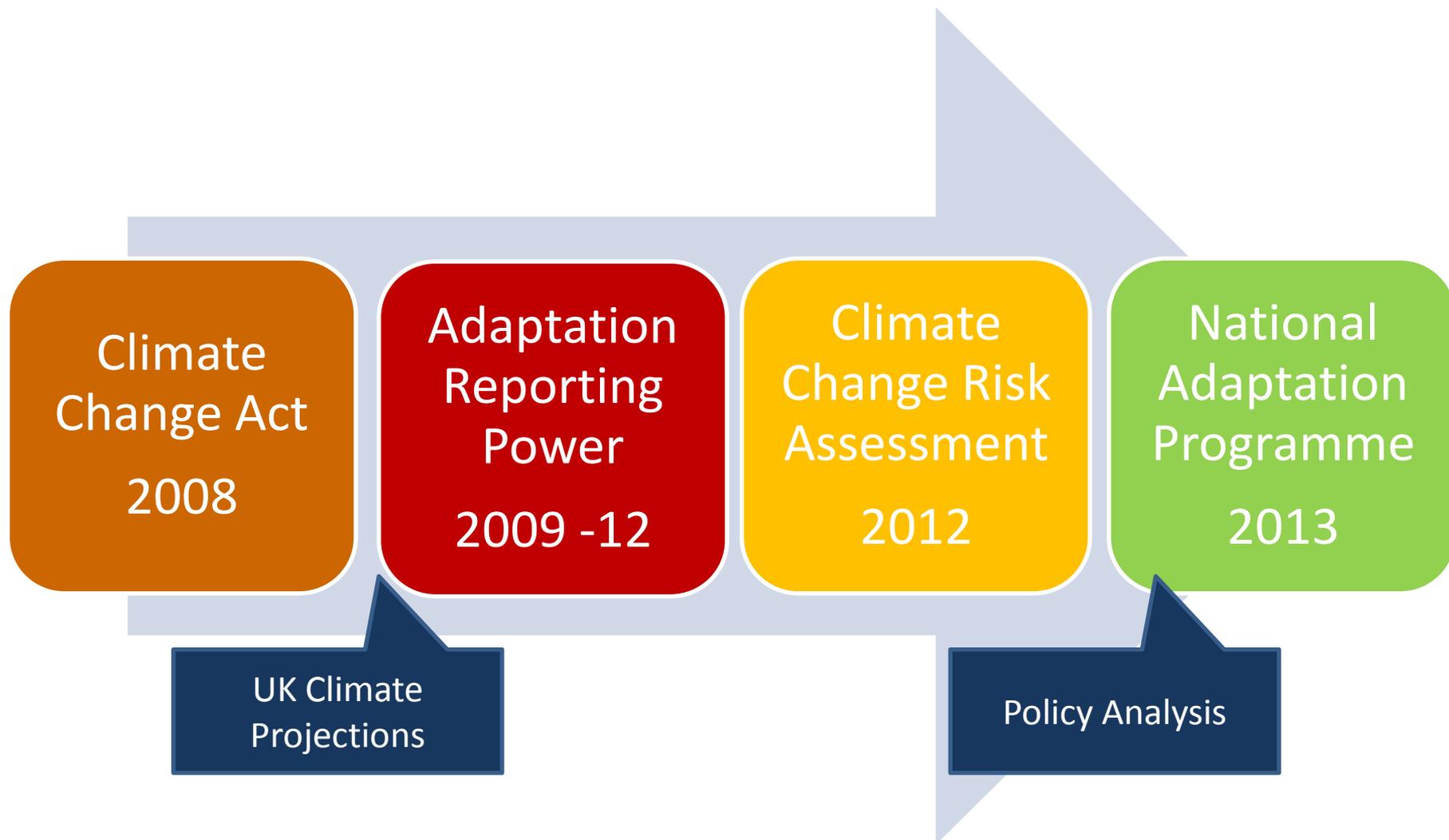
... confirms commitment to meet the targets set out in the Climate Change Act and the carbon budgets; acknowledges the scale of the challenge.

...highlights progress on :

- Reforming the electricity market to support low carbon generation and stimulate investment in low carbon technology
- Supporting take-up of energy efficiency measures through the Green Deal and Energy Company Obligation
- Building a market for renewable heat through the world's first Renewable Heat Incentive
- Measures to support the take-up of ultra low emission vehicles
- Installing smart meters in 53 million premises across the UK by 2019
- Introducing a Green Investment Bank to catalyse private investment

...re-states our commitment to Carbon Capture and Storage and our determination to press for the EU to show more ambition by moving to a tighter 2020 emissions target.

# Adaptation: Legislative Framework



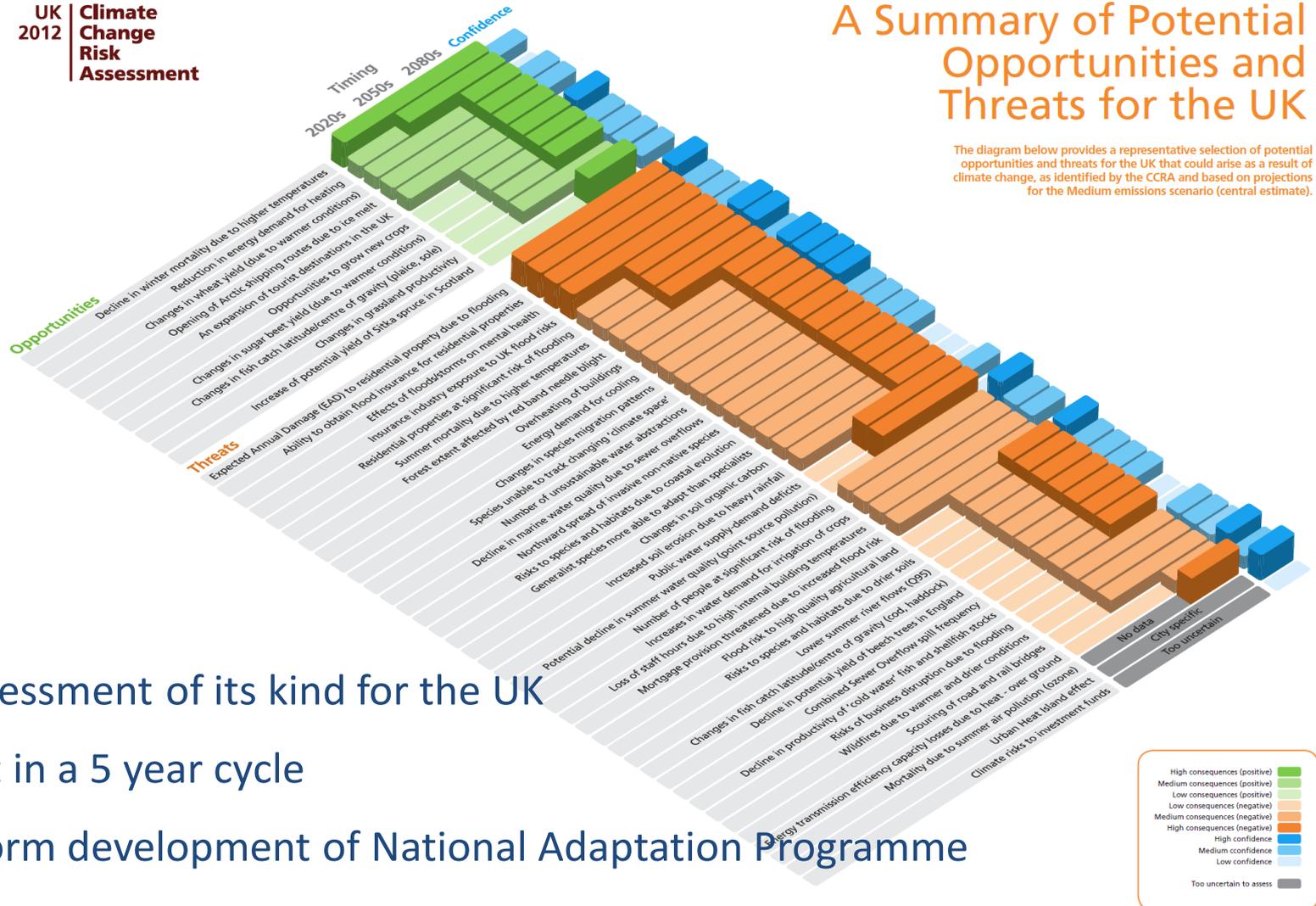
# Climate Change Risk Assessment

Provides an evidence base to help us understand the risks

UK  
2012 | **Climate  
Change  
Risk  
Assessment**

## A Summary of Potential Opportunities and Threats for the UK

The diagram below provides a representative selection of potential opportunities and threats for the UK that could arise as a result of climate change, as identified by the CCRA and based on projections for the Medium emissions scenario (central estimate).



- First assessment of its kind for the UK
- The first in a 5 year cycle
- Will inform development of National Adaptation Programme

# National Adaptation Programme

Helping UK businesses, local authorities and civil society to become more resilient to climate change impacts

## Innovative Approach – “Co-Creation”

- Defra (environment ministry) is working alongside businesses, local authorities and civil society to ‘co-create’ the National Adaptation Programme.
- Stimulating innovative policymaking
- Empowering a wide variety of non-government organisations to take responsibility for finding the best solutions for their sector

## 5 Themes

- Business and services;
- Health and wellbeing;
- Built environment and infrastructure;
- Agriculture and forestry
- Natural environment

# Mexico: General Law of Climate Change (LGCC)

- Second country in the world to legislate on climate change;
- Legislation seeks to reduce greenhouse gas emissions by 30% in 2020 and by 50% in 2050. Goal of 35% of Mexico's electricity coming from clean sources by 2024.
- Sets a new institutional framework
- Planning instruments
- Surveillance by the Federal Environmental Protection Agency (Procuraduría Federal de Protección al Ambiente)

# Lessons learned from UK experience

- Cross Government coordination is vital – UK has put in place a cross-Departmental management board
- Transparency and public visibility is important – UK has published projections, the Carbon Plan and modelling to 2050
- Government needs expert advice – UK set up the independent Committee on Climate Change
- Regular interim targets provide certainty for investors – UK has set interim Carbon Budgets

# Questions?

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