



Department
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Lord Deben
Chair, Committee on Climate Change
7 Holbein Place
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10/31 2015

Dear John,

PRESERVING THE INTEGRITY OF THE UK'S CLIMATE CHANGE REGIME

We are now less than ten months away from one of the most important moments in the global effort to tackle man-made climate change.

We have a proud tradition of leadership in this area and I am delighted that all three major party leaders have pledged to work together, across party lines, to maintain this. We were the first country to put in place a long-term greenhouse gas target, the first to introduce Carbon Budgets to help drive the steady action required, the first to set up an independent body that you chair to hold us to our targets, and the first to demonstrate – in the last twelve months, under this Government – that Carbon Budgets could be met and that the UK was up to the challenge. Others around the world look to us as an example when coming up with their own approaches. The credibility of our regime gives us the authority to lead.

In this context it is vital that we preserve this credibility. You'll recall that I wrote to you for advice on how to handle genuine over-achievement from the first carbon budget last year. The Government duly followed your advice not to roll forward the over-achievement for use in the second budget.

It is therefore with some concern that I have started to receive challenges from well informed stakeholders that our carbon budgets system has a loophole which means that we are accumulating a significant quantity of emissions reductions as a result of purely statistical changes. The suggestion is that these "phantom emissions" are created artificially by the complex interplay between the EU ETS and the UK's regime. Essentially, the way the EU ETS works has changed since the budgets were set.

There is no suggestion that this situation has arisen through any deliberate action or omission on the part of government, so with prompt action I am confident that we can resolve it without having any long term impact on the credibility of the carbon budgets system.

I would therefore welcome the advice of the Committee on Climate Change on how to deal with this issue in a way that maintains the integrity of the UK's approach to tackling climate change, and which ensures that we continue to be a credible leader in this most critical of years.

Yours,

EDWARD DAVEY