

Welsh Carbon Budgets - Call for Evidence

The Environment (Wales) Act received Royal Assent in March 2016. It sets a 2050 target to reduce emissions by at least 80% and provides the legislative framework for establishing a carbon budgeting approach in Wales.

The Act requires that before the end of 2018, Welsh Ministers must set in regulation interim emissions targets for 2020, 2030 and 2040, together with 5-year carbon budgets for the periods 2016-2020 and 2021-2025.

The Committee on Climate Change was asked by the Welsh Government to provide advice on these emissions targets and is seeking evidence to help with that task.

The Committee is providing advice in two stages:

- Stage 1: Advice on carbon accounting and design of Welsh carbon budgets/targets. We published this advice in March 2017.¹
- Stage 2: Advice on the level of ambition embodied within the targets and budgets and sectors in which there are particular opportunities to decarbonise (November 2017).

This Call for Evidence focuses on the second of these stages. Responses to this Call will help inform the Committee's advice to the Welsh Government, to be published in November 2017. This Call contains questions relevant to the Act, regarding the appropriate levels of the targets and carbon budgets and what should be considered in recommending these.

The deadline for responses is 11 September 2017.

¹ <https://www.theccc.org.uk/publication/advice-on-the-design-of-welsh-carbon-targets-2/>

a. Climate science and international circumstances

The 2050 target under the Environment (Wales) Act, for an emissions reduction of at least 80%, is based on a global path that keeps central (i.e. 50% likelihood) estimates of global temperature rise close to 2°C. The Paris Agreement contains a set of new long-term aims to limit warming, which are more ambitious than previous UN agreements. The Agreement aims to keep the global temperature rise to well below 2°C, pursuing efforts to limit it to 1.5°C. To achieve this, the Agreement aims to balance sources and sinks of greenhouse gases in the second half of the century (i.e. net zero global emissions by 2050-2100).

The CCC published a report on the implications for UK climate ambition on 13 October 2016.² This concluded that it is not appropriate to set new UK-wide emissions targets now, but agreed with the intention to set a new UK target in future that reflects the global aim of reaching net zero emissions. To be credible, such a target needs to be evidence-based, accompanied by strong policies to deliver existing nearer-term targets and keep open pathways that go beyond an 80% reduction by 2050, and a strategy to develop greenhouse gas removals. The five-yearly cycle of pledges and reviews created by the Paris Agreement provides regular opportunities to consider increasing ambition.

The Environment (Wales) Act requires interim targets to be set for 2020, 2030 and 2040, on the path to a reduction of at least 80% by 2050. It also requires carbon budgets to be set as a maximum amount of emissions produced in Wales over a 5-year period (initially 2016-2020 and 2021-2025).

Whilst a substantial fraction of Welsh emissions, across the industry and power sectors, is covered by the EU Emissions Trading System, the Committee recommended that Welsh emissions targets should be on the basis of actual Welsh emissions (as opposed to the 'net' basis used for UK carbon budgets). That recommendation was [accepted] on [5] July 2017.

The UK leaving the EU will therefore not affect emissions accounting under Welsh targets. However, there a number of policy areas would be affected. The Committee published a Briefing Note in October 2016,³ setting out how policy areas could be affected.

Question 1: Does the Paris Agreement mean that Welsh emissions targets should keep open a deeper reduction in emissions than 80% by 2050? Are there implications for nearer-term targets?

ANSWER:

Question 2: Do you think that leaving the EU has an impact on the targets or how they can be met?

ANSWER:

² <https://www.theccc.org.uk/publication/uk-action-following-paris/>

³ <https://www.theccc.org.uk/publication/meeting-carbon-budgets-implications-of-brexite-for-uk-climate-policy/>

b. The path to 2050

Achieving an emissions reduction of at least 80% by 2050 on 1990 levels (at least 75% on 2015 levels) requires sustained falls in emissions over the coming decades. In many sectors the necessary transition will require policy action over the full period to 2050 (and in some cases beyond).

Action over the first part of the period (e.g. to 2030) is necessary not only to reduce emissions in the nearer term but also to prepare for the deeper reductions later on (e.g. by developing markets for electric vehicles and low-carbon heating).

Emissions paths that meet the 2050 target via a lower level of emissions in the intervening period (e.g. in 2030) will have lower cumulative emissions, and therefore a lesser impact on the climate.

Question 3: *In the area(s) of your expertise, what are the opportunities and challenges in reducing Welsh emissions in the nearer term (e.g. to 2030)?*

ANSWER:

Question 4: *What is required by 2030 to prepare for the 2050 target for an emissions reduction of at least 80% on 1990 levels, recognising that this may require that emissions in some areas are reduced close to zero? Is there any impact of the need to go beyond 80%, either in 2050 or subsequently?*

ANSWER:

Question 5: *What are the respective roles of UK Government, Welsh Government, the wider public sector, business, third sector and individual or household behaviour in delivering emissions reductions between now and 2030? And, separately, between 2030 and 2050?*

ANSWER:

c. Emissions targets and action

The value of emissions targets is to prompt actions to reduce emissions. Whilst the Welsh Government ultimately has responsibility for the targets being met, there are potential roles for a wide range of contributions towards meeting them.

It is important that, in recommending the level of Welsh targets, the Committee takes proper account of the circumstances in Wales that affect the extent and nature of possible emissions reductions.

One way in which Wales has different circumstances to the UK as a whole is that single sites contribute considerably larger proportions of overall Welsh emissions. In 2015 (the most recent year for which full data are available), the Tata Steel installation at Port Talbot emitted 17% of total Welsh emissions, while the Aberthaw coal-fired power plant emitted 15% of the total.

Overall Welsh emissions could therefore be affected significantly by developments at those installations. In particular, given the UK Government's commitment to phase out unabated coal-fired generation by 2025⁴ (the final year of Wales's second carbon budget), uncertainty of the timing of a drop in emissions from Aberthaw could significantly affect the level of emissions reductions needed in other parts of the Welsh economy in order to meet carbon budgets.

Question 6: *As a business, as a Public Sector Body, or as a citizen, how do emissions targets affect your planning and decision-making?*

ANSWER:

Question 7: *In your area(s) of expertise, what specific circumstances need to be considered when setting targets and budgets for Wales and how could these be reflected in the targets?*

ANSWER:

Question 8: *The power and industry sectors in Wales are dominated by a small number of large emitters. What are the key challenges and opportunities that this presents in setting the levels of carbon budgets and how should the process of setting them reflect these?*

ANSWER:

⁴ <https://www.gov.uk/government/news/government-announces-plans-to-close-coal-power-stations-by-2025>

d. Wider considerations

The Environment (Wales) Act includes a requirement that the targets and carbon budgets are set with regard to:

- the most recent report under section 8 on the State of Natural Resources in relation to Wales,⁵
- the most recent Future Trends report under section 11 of the Well-Being of Future Generations (Wales) Act 2015 (anaw 2),⁶
- the most recent report (if any) under section 23 of that Act (Future Generations report),⁷

Question 9: What evidence should the Committee draw on in assessing impacts on sustainable management of natural resources, as assessed in the state of natural resources report?

ANSWER:

Question 10: What evidence regarding future trends as identified and analysed in the future trends report should the Committee draw on in assessing the impacts of the targets?

ANSWER:

⁵ The most recent State of Natural Resources report is available at <https://naturalresources.wales/evidence-and-data/research-and-reports/the-state-of-natural-resources-report-assessment-of-the-sustainable-management-of-natural-resources/?lang=en>

⁶ The most recent Future Trends report is available at <http://gov.wales/docs/statistics/2017/170505-future-trends-report-2017-en.pdf>

⁷ There has not been a Future Generations report to date.