



The Sixth Carbon Budget and Welsh emissions targets – Call for Evidence

Background to the UK's sixth carbon budget

The UK Government and Parliament have adopted the Committee on Climate Change's (CCC) <u>recommendation</u> to target net-zero emissions of greenhouse gases (GHGs) in the UK by 2050 (i.e. at least a 100% reduction in emissions from 1990).

The Climate Change Act (2008, 'the Act') requires the Committee to provide advice to the Government about the appropriate level for each carbon budget (sequential five-year caps on GHGs) on the path to the long-term target. To date, in line with advice from the Committee, five carbon budgets have been legislated covering the period out to 2032.

The Committee must provide advice on the level of the sixth carbon budget (covering the period from 2033-37) before the end of 2020. The Committee intends to publish its advice early, in September 2020. This advice will set the path to net-zero GHG emissions for the UK, as the first time a carbon budget is set in law following that commitment.

Both the 2050 target and the carbon budgets guide the setting of policies to cut emissions across the economy (for example, as set out most recently in the 2017 Clean Growth Strategy).

The Act also specifies other factors the Committee must consider in our advice on carbon budgets – the advice should be based on the path to the UK's long-term target objective, consistent with international commitments and take into account considerations such as social circumstances (including fuel poverty), competitiveness, energy security and the Government's fiscal position.

The CCC will advise based on these considerations and a thorough assessment of the relevant evidence. This Call for Evidence will contribute to that advice.

Background to the Welsh third carbon budget and interim targets

Under the Environment (Wales) Act 2016, there is a duty on Welsh Ministers to set a maximum total amount for net Welsh greenhouse gas emissions (Welsh carbon budgets). The first budgetary period is 2016-20, and the remaining budgetary periods are each succeeding period of five years, ending with 2046-50.

The Committee is due to provide advice to the Welsh Government on the level of the third Welsh carbon budget (covering 2026-30) in 2020, and to provide updated advice on the levels of the second carbon budget (2021-25) and the interim targets for 2030 and 2040. Section D of this Call for Evidence (covering questions on Scotland, Wales and Northern Ireland) includes a set of questions to inform the Committee's advice to the Welsh Government.

Question and answer form

When responding, please provide answers that are as specific and evidence-based as possible, providing data and references to the extent possible.

Please limit your answers to <u>400 words</u> per question and provide supporting evidence (e.g. academic literature, market assessments, policy reports, etc.) along with your responses.

A. Climate science and international circumstances

Question 1: The climate science considered in the CCC's 2019 Net Zero report, based on the IPCC Special Report on Global Warming of 1.5°C, will form the basis of this advice. What additional evidence on climate science, aside from the most recent IPCC Special Reports on Land and the Oceans and Cryosphere, should the CCC consider in setting the level of the sixth carbon budget?

ANSWER: n/a

Question 2: How relevant are estimates of the remaining global cumulative CO₂ budgets (consistent with the Paris Agreement long-term temperature goal) for constraining UK cumulative emissions on the pathway to reaching net-zero GHGs by 2050?

ANSWER: n/a

Question 3: How should emerging updated international commitments to reduce emissions by 2030 impact on the level of the sixth carbon budget for the UK? Are there other actions the UK should be taking alongside setting the sixth carbon budget, and taking the actions necessary to meet it, to support the global effort to implement the Paris Agreement?

ANSWER: n/a

Question 4: What is the international signalling value of a revised and strengthened UK NDC (for the period around 2030) as part of a package of action which includes setting the level of the sixth carbon budget?

ANSWER: Given long lead-times for many abatement measures (e.g. large-scale new infrastructure build out, tree planting) many critical abatement options will have to be in place, or well advanced, by the sixth carbon budget period if Net Zero is to be achieved in 2050. Given the present shortermist investment cycles such milestones allow progress to be measured.

B. The path to the 2050 target

Question 5: How big a role can consumer, individual or household behaviour play in delivering emissions reductions? How can this be credibly assessed and incentivised?

ANSWER: The vast majority of emissions are there to serve the present 'needs' of consumers in one form or another. The 'costs' of the fulfillment of those 'needs' must be better understood and the true price established. It is likely that some if not all of those needs will then evaporate when the full cost is visible and then paid,

However the incumbent industries will resist the pressures to restructure or disappear. It is therefore hard to see basic business practices resulting in sufficient change.

The levers of taxation and compulsion will need to be used to either price the activity out of reach or else the risk of continuing will become too great. So as an example it used to be socially acceptable to live on the profits of slavery. Relative incomes from assorted such investments were matters of common discourse. It would now be a matter of shame to admit that the new car in the driveway had been bought on the profits of slavery. That change came about through a combination of peer pressure, legislation and civil unrest.

In future other social evils, such as the emission of CO2 or the destruction of carbon capturing habitat must be similarly shunned. Similarly the present unwarranted castigation of renewables must be stopped and the climate deniers called out and exposed as charlatans.

However this will require an unprecedented level of public pressure to deliver and that will in turn be a huge hearts and minds conversion.

Simple measures can, however be applied:

VAT should be removed on climate saving activities and products (insulation, EVs, bicycles etc)

A carbon tax should be properly and irrevocably implemented.

Renewables should be normalised in the media.

....the list can go on.

Question 6: What are the most important uncertainties that policy needs to take into account in thinking about achieving Net Zero? How can government develop a strategy that helps to retain robustness to those uncertainties, for example low-regrets options and approaches that maintain optionality?

ANSWER: Public opinion is always a risk. It can change quickly on marginal matters until it becomes part of culture. Hardly anybody is against the NHS, but this was established. Practically nobody trusts nuclear power because it has been shown to be untrustworthy and secretive.

An example of the unpredictability of the public opinion is seen in the arguments over windfarms. Here this should be seen as a positive move, but a few members of the public started NIMBY groups to stop development by spreading inaccurate information to stop developers making a profit. This receives much media attention, when in fact >80% of the population support renewables (BEIS WAVE surveys)

In other countries windfarms became part of the infrastructure and an industry that supports communities. This was because of effective and timely financial interventions by government (Denmark). Without direct community benefits being seen and actively

promoted then negative perceptions will continue. Some see renewables benefiting the already rich and fail to see the societal benefits we all enjoy from their deployment.

Question 7: The fourth and fifth carbon budgets (covering the periods of 2023-27 and 2028-32 respectively) have been set on the basis of the previous long-term target (at least 80% reduction in GHGs by 2050, relative to 1990 levels). Should the CCC revisit the level of these budgets in light of the net-zero target?

ANSWER: Yes; Of course they should.

Question 8: What evidence do you have of the co-benefits of acting on climate change compatible with achieving Net Zero by 2050? What do these co-benefits mean for which emissions abatement should be prioritised and why?

ANSWER: n/a

C. Delivering carbon budgets

Question 9: Carbon targets are only credible if they are accompanied by policy action. We set out a range of delivery challenges/priorities for the 2050 net-zero target in our Net Zero advice. What else is important for the period out to 2030/2035?

ANSWER: n/a

Question 10: How should the Committee take into account targets/ambitions of UK local areas, cities, etc. in its advice on the sixth carbon budget?

ANSWER: n/a

Question 11: Can impacts on competitiveness, the fiscal balance, fuel poverty and security of supply be managed regardless of the level of a budget, depending on how policy is designed and funded? What are the critical elements of policy design (including funding and delivery) which can help to manage these impacts?

ANSWER: n/a

Question 12: How can a just transition to Net Zero be delivered that fairly shares the costs and benefits between different income groups, industries and parts of the UK, and protects vulnerable workers and consumers?

ANSWER: n/a

D. Scotland, Wales and Northern Ireland

Question 13: What specific circumstances need to be considered when recommending an emissions pathway or emissions reduction targets for Scotland, Wales and/or Northern Ireland, and how could these be reflected in our advice on the UK-wide sixth carbon budget?

ANSWER: n/a

Question 14: The Environment (Wales) Act 2016 includes a requirement that its 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;
- The most recent Future Trends report under section 11 of the Well-Being of Future Generations (Wales) Act 2015;
- The most recent report (if any) under section 23 of that Act (Future Generations report).
 - a) 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?
 - b) What evidence do you have of the impact of acting on climate change on well-being? What are the opportunities to improve people's well-being, or potential risks, associated with activities to reduce emissions in Wales?
- c) 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?
- d) Question 12 asks how a just transition to Net Zero can be achieved across the UK. Do you have any evidence on how delivery mechanisms to help meet the UK and Welsh targets may affect workers and consumers in Wales, and how to ensure the costs and benefits of this transition are fairly distributed?

ANSWER: n/a

Question 15: Do you have any further evidence on the appropriate level of Wales' third carbon budget (2026-30) and interim targets for 2030 and 2040, on the path to a reduction of at least 95% by 2050?

ANSWER: n/a

Question 16: Do you have any evidence on the appropriate level of Scotland's interim emissions reduction targets in 2030 and 2040?

ANSWER: n/a

Question 17: In what particular respects do devolved and UK decision making need to be coordinated? How can devolved and UK decision making be coordinated effectively to achieve the best outcomes for the UK as a whole?

ANSWER: n/a

E. Sector-specific questions

Question 18 (Surface transport): As laid out in Chapter 5 of the Net Zero Technical Report (see page 149), the CCC's Further Ambition scenario for transport assumed 10% of car miles could be shifted to walking, cycling and public transport by 2050 (corresponding to over 30% of trips in total):

- a) What percentage of trips nationwide could be avoided (e.g. through car sharing, working from home etc.) or shifted to walking, cycling (including ebikes) and public transport by 2030/35 and by 2050? What proportion of total UK car mileage does this correspond to?
- b) What policies, measures or investment could incentivise this transition?

ANSWER: n/a

Question 19 (Surface transport): What could the potential impact of autonomous vehicles be on transport demand?

ANSWER: It is unclear, but likely that there may well be more trips of now empty vehicles being re-positioned or removed from urban areas for fuelling. The saving will, however come in two forms:

- 1. The reduction in embodied energy in the manufacture of vehicles. i.e. no need to have a 2nd car at home for occasional use.
- 2. The reduction in the need to have the vehicle as a status symbol. This will result in more utilitarian vehicles being used, and probably smaller ones too, so reducing material consumption further, but also increasing miles per kWh due to the lower vehicle mass.

Question 20 (Surface transport): The CCC recommended in our Net Zero advice that the phase out of conventional car sales should occur by 2035 at the latest. What are the barriers to phasing out sales of conventional vehicles by 2030? How could these be addressed? Are the supply chains well placed to scale up? What might be the adverse consequences of a phase-out of conventional vehicles by 2030 and how could these be mitigated?

ANSWER: Barriers:

1. Lack of a decent 'on-street' parking solution. This in part is driven by a pointless variation in the locations of vehicle plugs on the cars which itself then complicates charging arrangement.

- 2. Ignorance by policy makers of the impact of poorly designed facilities and support mechanisms (e.g. Charge Place Scotland back office).
- 3. Misinformation int eh press and an over concentration on charging times. Most cars will charge when people are asleep, so charge time is irrelevant. In addition most cars range already exceed that needed for the majority of the population.

Question 21 (Surface transport): In our Net Zero advice, the CCC identified three potential options to switch to zero emission HGVs – hydrogen, electrification with very fast chargers and electrification with overhead wires on motorways. What evidence and steps would be required to enable an operator to switch their fleets to one of these options? How could this transition be facilitated?

ANSWER: n/a

Question 22 (Industry): What policy mechanisms should be implemented to support decarbonisation of the sectors below? Please provide evidence to support this over alternative mechanisms.

- a) Manufacturing sectors at risk of carbon leakage
- b) Manufacturing sectors not at risk of carbon leakage
- c) Fossil fuel production sectors
- d) Off-road mobile machinery

ANSWER: n/a

Question 23 (Industry): What would you highlight as international examples of good policy/practice on decarbonisation of manufacturing and fossil fuel supply emissions? Is there evidence to suggest that these policies or practices created economic opportunities (e.g. increased market shares, job creation) for the manufacturing and fossil fuel supply sectors?

ANSWER: n/a

Question 24 (Industry): How can the UK achieve a just transition in the fossil fuel supply sectors?

ANSWER: Remove tax breaks or incentives for carbon releasing activities as rapidly as possible.

Question 25 (Industry): In our Net Zero advice, the CCC identified a range of resource efficiency measures that can reduce emissions (see Chapter 4 of the Net Zero Technical Report, page 115), but found little evidence relating to the costs/savings of these

measures. What evidence is there on the costs/savings of these and other resource efficiency measures (ideally on a £/tCO2e basis)?

ANSWER: n/a

Question 26 (Buildings): For the majority of the housing stock in the CCC's Net Zero Further Ambition scenario, 2050 is assumed to be a realistic timeframe for full roll-out of energy efficiency and low-carbon heating.

- a) What evidence can you point to about the potential for decarbonising heat in buildings more quickly?
- b) What evidence do you have about the role behaviour change could play in driving forward more extensive decarbonisation of the building stock more quickly? What are the costs/levels of abatement that might be associated with a behaviour-led transition?

ANSWER: n/a

Question 27 (Buildings): Do we currently have the right skills in place to enable widespread retrofit and build of low-carbon buildings? If not, where are skills lacking and what are the gaps in the current training framework? To what extent are existing skill sets readily transferable to low-carbon skills requirements?

ANSWER: We nearly have the right skills, but local experience suggests there are significant training needs to overcome systemic poor building practice. This is not impossible to address, but will require solid effort over a prolonged period of a magnitude similar to that applied to get PPE routinely introduced.

Question 28 (Buildings): How can local/regional and national decision making be coordinated effectively to achieve the best outcomes for the UK as a whole? Can you point to any case studies which illustrate successful local or regional governance models for decision making in heat decarbonisation?

ANSWER: n/a

Question 29 (Power): Think of a possible future power system without Government backed Contracts-for-Difference. What business models and/or policy instruments could be used to continue to decarbonise UK power emissions to close to zero by 2050, whilst minimising costs?

ANSWER: VAT should be removed from energy saving measures with immediate effect. This will reduce the scale of the power needed to be delivered.

Heat must become a utility and probably be governed by OFGEM

Storage must be enabled (electrical, chemical and heat).

Question 30 (Power): In Chapter 2 of the Net Zero Technical Report we presented an illustrative power scenario for 2050 (see pages 40-41 in particular):

- a) Which low-carbon technologies could play a greater/lesser role in the 2050 generation mix? What about in a generation mix in 2030/35?
- b) Power from weather-dependent renewables is highly variable on both daily and seasonal scales. Modelling by Imperial College which informed the illustrative 2050 scenario suggested an important role for interconnection, battery storage and flexible demand in a future low-carbon power system:
 - i. What other technologies could play a role here?
 - ii. What evidence do you have for how much demand side flexibility might be realised?

ANSWER: Heat storage will be both used over the short term, but also inter-seasonally.

Question 31 (Hydrogen): The Committee has recommended the Government support the delivery of at least one large-scale low-carbon hydrogen production facility in the 2020s. Beyond this initial facility, what mechanisms can be used to efficiently incentivise the production and use of low-carbon hydrogen? What are the most likely early applications for hydrogen?

ANSWER: The RTFO does not support the use of hydrogen for marine applications and it should.

There is an over concentration at present on preventing any renewables being diverted into hydrogen. Whilst this superficially makes sense as we need to decarbonise our electricity sector, it is preventing the connection of hydrogen manufacture to an increasingly decarbonised grid. It is therefore requiring hydrogen to only be from new renewables and therefore is raising the bar for connection unnecessarily.

Clearly it only makes sense to produce hydrogen from renewably generated electricity, but an over zealous determination to stick to this is preventing early adoption of hydrogen technology. It is therefore actively slowing down de-carbonisation.

Question 32 (Aviation and Shipping): In September 2019 the Committee published advice to Government on international aviation and shipping and Net Zero. The Committee recognises that the primary policy approach for reducing emissions in these sectors should be set at the international level (e.g. through the International Civil Aviation Organisation and International Maritime Organisation). However, there is still a role for supplementary domestic policies to complement the international approach, provided these do not lead to concerns about competitiveness or carbon leakage. What are the domestic measures the UK could take to reduce aviation and shipping emissions over the period to 2030/35 and longer-term to 2050, which would not create significant competitiveness or carbon leakage risks? How much could these reduce emissions?

ANSWER: The manufacture of synthetic hydrocarbons from sequestered carbon will be necessary for many such heavy applications. Already some light applications can be electrified or supplied with hydrogen (Projects FRESSON and HYFlyer in Orkney) along with short heavy applications (HyDyme).

Heavier applications such as long distance shipping will need liquid fuels without a climatic impact. Sythetic fuel will deliver this.

Question 33 (Agriculture and Land use): In Chapter 7 of the Net Zero Technical Report we presented our Further Ambition scenario for agriculture and land use (see page 199). The scenario requires measures to release land currently used for food production for other uses, whilst maintaining current per-capita food production. This is achieved through:

- A 20% reduction in consumption of red meat and dairy
- A 20% reduction in food waste by 2025
- Moving 10% of horticulture indoors
- An increase in agriculture productivity:
 - Crop yields rising from the current average of 8 tonnes/hectare for wheat (and equivalent rates for other crops) to 10 tonnes/hectare
 - Livestock stocking density increasing from just over 1 livestock unit (LU)/hectare to 1.5 LU/hectare

Can this increase in productivity be delivered in a sustainable manner?

Do you agree that these are the right measures and with the broad level of ambition indicated? Are there additional measures you would suggest?

ANSWER: n/a

Question 34 (Agriculture and Land use): Land spared through the measures set out in question 33 is used in our Further Ambition scenario for: afforestation (30,000 hectares/year), bioenergy crops (23,000 hectares/year), agro-forestry and hedgerows (~10% of agricultural land) and peatland restoration (50% of upland peat, 25% lowland peat). We also assume the take-up of low-carbon farming practices for soils and livestock. Do you agree that these are the key measures and with the broad level of ambition of each? Are there additional measures you would suggest?

ANSWER: n/a

Question 35 (Greenhouse gas removals): What relevant evidence exists regarding constraints on the rate at which the deployment of engineered GHG removals in the UK (such as bioenergy with carbon capture and storage or direct air capture) could scale-up by 2035?

ANSWER: n/a

Question 36 (Greenhouse gas removals): Is there evidence regarding near-term expected learning curves for the cost of engineered GHG removal through technologies such as bioenergy with carbon capture and storage or direct air capture of CO₂?

ANSWER: n/a

Question 37 (Infrastructure): What will be the key factors that will determine whether decarbonisation of heat in a particular area will require investment in the electricity distribution network, the gas distribution network or a heat network?

ANSWER: Public acceptance of centralised heat. It seems peculiar that people vigorously defend the need for personal heating as some sort of independent right, when the heat source itself is already dependent upon a centralised fuel distribution system i.e. the electricity or gas grids. The illusion of independence is, however, deeply ingrained.

In addition the inertia of a whole industry of boiler manufacturers and servicers will need to be co-opted onto the side of installing new heat transfer plant.

The experience of Denmark should be shamelessly plundered for lessons.

If one takes heat from a central source, then that can receive heat from multiple fuels if needed, but best of all it can use large scale heat pumps to produce the heat. The town of Drammen (50,000 people?) is a good example where it is heated from a British built seasource heat pump. There is nothing to stop that becoming widespread.

Question 38 (Infrastructure): What scale of carbon capture and storage development is needed and what does that mean for development of CO₂ transport and storage infrastructure over the period to 2030?

ANSWER: n/a