

## Committee on Climate Change Meeting Minutes

Friday 23<sup>rd</sup> October 2020, 9:30 – 15:30 | Virtual meeting

**Present:** Present were John Deben, Keith Bell, Julia Brown, Nick Chater, Piers Forster, Rebecca Heaton, Paul Johnson, Corinne Le Quéré, Pete Betts (as an advisor), Chris Stark.

**Members' interests:** Interests can be found on the CCC's website at:  
<https://www.theccc.org.uk/about/transparency/>.

Committee members were reminded of the need to declare any conflicts of interest.

### 1. 6th carbon budget: Formal agreement of the budget level and associated recommendations

The Committee agreed that the Sixth Carbon Budget should be set on the basis of the Balanced Net Zero Pathway, equating to a reduction in emissions of 78% by 2035. Although this is close to the reduction previously required by 2050 under the Climate Change Act, the Committee's assessment was the evidence has shifted and that this is achievable at reasonable cost.

The Committee were very pleased with the analysis, and that the agreed path reflected the best assessment of the UK's highest possible ambition, as required by the Paris Agreement, given available evidence. There was hope that the evidence develops in such a way that a more ambitious path could turn out to be feasible.

The Committee discussed the resource cost estimates, and the differences between these and the impact on GDP. The Committee were clear that although aggregate costs are important, so is the distribution of these costs and savings across sectors and the matter of 'who pays'. The costs as assessed look manageable, but the Committee were concerned by the potential for higher costs if insufficient action led to a rush later on and if investment cases are undermined, pushing up risks and the cost of capital.

On the emissions accounting basis for the budget, the Committee agreed that the recommendation must be made on the basis of projected actual UK emissions under the Balanced Pathway, not adjusted for potential international emissions trading. However, given the potential for a UK emissions trading system to be set up and subsequently linked to another scheme (i.e. the EU ETS or another scheme), it does not currently make sense to be definitive on whether the emissions accounting for the budget is on this basis or allows for adjustments for trading with other schemes aligned with Net Zero. It makes sense to provide further advice on this when more information is available.

The Committee agreed that purchase of international credits outside of net-zero-aligned trading systems should not be allowed to contribute to the Sixth Carbon Budget. However, a mechanism is required to enable UK greenhouse gas removals to contribute to the carbon budget, as they are not currently allowed under the Climate Change Act. This could be done by defining a 'carbon unit' under the Act for verified UK greenhouse gas removals.

There was discussion of a potential recommendation on the UK's Nationally Determined Contribution (NDC) for 2030. The main issue was the inclusion of the UK's share of international aviation and international shipping (IAS), where there are arguments for and against. The Committee agreed to come back to this at the next meeting.

There was initial discussion of the implications of the recommended path for emissions from 2020 to 2050 for the existing Fourth and Fifth Carbon Budgets. The Committee agreed that it looked like the upward and downward changes to appropriate path for emissions to 2027 meant that Fourth Carbon Budget remains appropriate, excluding IAS emissions. However, it seems clear that the Fifth Carbon Budget is too loose – the Committee agreed to make a final decision about whether to recommend that it is changed at the November meeting.

The Committee discussed the names for the scenarios, and agreed to use those proposed. There was discussion of the naming of the Headwinds and Tailwinds scenarios, which emphasise the importance of exogenous factors, but after discussion the Committee were satisfied that this reflects the way that these scenarios were designed, reflecting genuine uncertainties in the future levels of success on innovation and public engagement.

The Committee agreed that while they had agreed the recommendation on the level of the Sixth Carbon Budget in principle, the analysis was still subject to finalisation and quality assurance. The final budget level may be tweaked at the November meeting to reflect small changes in the analysis.

The Committee considered recommendations on policies to deliver the necessary emissions reductions, particularly over the next 10-15 years. Within this, members were keen to provide detailed advice without being overly prescriptive or going beyond the remit of the Committee. Given time constraints, the Committee agreed to discuss sector-specific policy recommendations in separate meetings with the relevant Committee champions.

## **2. 6th carbon budget: Other recommendations on aviation**

The Committee agreed that IAS emissions must be included in the recommendation on the Sixth Carbon Budget.

The secretariat presented results of analysis on non-CO<sub>2</sub> effects of aviation, for discussion of how these should be tackled and whether they can be incorporated into the existing framework to manage emissions. The Committee agreed that it is not scientifically robust to include aviation non-CO<sub>2</sub> effects within a single emissions metric (e.g. by using a 'multiplier' for aviation emissions), due to the much shorter lifetimes of the effects. However, it is clear that there are additional effects that will need to be managed.

The aviation champions agreed to look outside the meeting at making a separate recommendation on what should happen to non-CO<sub>2</sub> effects of the UK's domestic and international aviation activity over time.

The Committee was clear that these additional climate impacts of aviation are another reason why inclusion of CO<sub>2</sub> emissions from international aviation must be included in carbon budgets.

## **3. 6th carbon budget: Consumption emissions**

The Committee emphasised the importance of tackling the UK's consumption emissions, alongside the territorial basis under carbon budgets. The Committee agreed that it is important to track estimates of the UK's consumption emissions, and that it would continue to do so in its annual report to Parliament.

The Committee were pleased that analysis of global pathways has enabled production of an estimate that the pathway to UK Net Zero on a territorial basis by 2050 would also entail a 90% reduction in the UK's consumption emissions if other countries also meet their commitments under the Paris Agreement, with further reductions post-2050 as global emissions fall further on the path to global Net Zero.

There was a desire to set out practical examples of what people can do to reduce their consumption emissions, alongside policy approaches that Government can take both to driving down the emissions embodied in imports and providing UK low-carbon activity with a level playing field against potentially higher-carbon imports.

#### **4. Advice to Wales and Scotland**

The secretariat provided a brief update on the analysis specific to Wales and Scotland that is built on the UK pathways for the Sixth Carbon Budget. The Committee provided high-level feedback and agreed to return to these pathways at the next meeting, as well as in more detailed sessions with the Committee champions for Wales and Scotland.