

### Climate Change Committee Meeting

**Present:** John Deben, Keith Bell, Nick Chater, Pier Forster, Corinne Le Quéré, Paul Johnson, Pete Betts, Mike Davies, Chris Stark. Apologies from Rebecca Heaton.

**Member interests:** [www.theccc.org.uk/about/transparency](http://www.theccc.org.uk/about/transparency)

Date: 19th March 2021, 09:30 – 15:00

Held: Virtual meeting by Zoom

Climate Change Committee

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

Lord Deben led a discussion around key climate related policy announcements in the last month including: the Bank of England NZ remit, the Industrial Strategy, planned cuts in Air Passenger Duty for domestic flights; the cut in plug-in-car grants for EVs; the Infrastructure Bank; and a few small funding announcements in the Budget.

The secretariat gave an update of the work programme over the next few months and key dates for progress report input.

#### 1. Power sector work plan for 2021

The secretariat set out key power sector developments and proposed work for the year. Power demand is expected to be down by around 10% in 2020 compared with the previous year, with slightly lower demand, more renewables and a reduction in gas combustion.

Key areas publications expected this year are the 6<sup>th</sup> carbon budget decision, Ofgem price control work, ETS auctions,

The proposed work priorities for the year were discussed, including the role of networks in delivering extra capacity, planning, power flexibility and storage, including the role of hydrogen and biomass. The key deliverable for the year is the Progress Report where CCC will assess the Energy White Paper and develop indicators for gas phase-out. The Committee endorsed these areas particularly in relation to various forthcoming strategies in this area.

#### 2. BEIS Secretary of State

Rt Hon Kwasi Kwarteng MP joined the Committee for an informal discussion.

#### 3. March Budget update

The secretariat gave an update of key Budget climate related Budget measures.

On the Bank of England Net Zero role, it was unclear what this means in practice. It was suggested that CCC invite the BoE governor to talk to the Committee.

The National Infrastructure Bank was welcomed, although it was noted the funding envelope is much lower than was previously invested by the European Investment Bank. Green bonds are aiming to raise £15bn, which is ringfenced for green projects, although not necessarily additional and difficult to know what would have happened anyway. £27bn for the Aberdeen Transition Zone would help transition away from oil and gas.

Overall the sense was that the focus was of the Budget was inevitably on Covid impacts, and very limited on transitioning to NZ. CCC advice has previously stressed importance of greening the recovery and not locking in high carbon investments.

#### 4. Aviation sector update

The secretariat recapped the CCC advice on airport expansion in the 6CB to limit aviation demand growth in view of recent announcement by various regional airports to expand capacity. The potential risks that these meant for carbon budgets as well as potential solutions to limit utilisation were discussed. The arguments are complicated as they play into growth and levelling up of economic opportunities in different areas. **Action:** Secretariat to follow-up with a note setting out the issues and choices.

On IAS the Committee argued that inclusion of IAS emissions in carbon budgets is urgently required and compatible with the international ICAO negotiation framework.

#### 5. International – global context and engagement update

The Secretariat presented latest estimates for global GHG emissions and the impact of Covid-19. Having fallen by 4-7% last year, global emissions were now back to pre-Covid levels. Assessment of medium-term investments suggest that outside Europe these are skewed towards fossil-fuels. An update of countries' NDCs ahead of COP26 was given, showing a significant gap from Paris-compliant ambition. The decision to cut the overseas development budget and moving climate finance to FCDO was discussed. The team updated the Committee on its International Engagement Strategy including International Climate Council meetings and other collaborative work.

#### 6. Onshore Petroleum 2021 update

The Committee is required to provide advice on onshore petroleum every five years. The Committee agreed to publish a letter providing our advice. This will set out an updated position on fossil fuel consumption in line with the proposed 6<sup>th</sup> carbon budget. The secretariat circulated an updated draft of the letter which was discussed. **Action:** Secretariat to circulate a revised draft taking account of the Committee discussion.

#### 7. AOB

The Committee discussed the issue of timing of emissions data from the devolved administrations and the difficulty with taking them into account in the annual progress report. **Action:** Secretariat to draft letter to DAs to stress the need for timely data.