

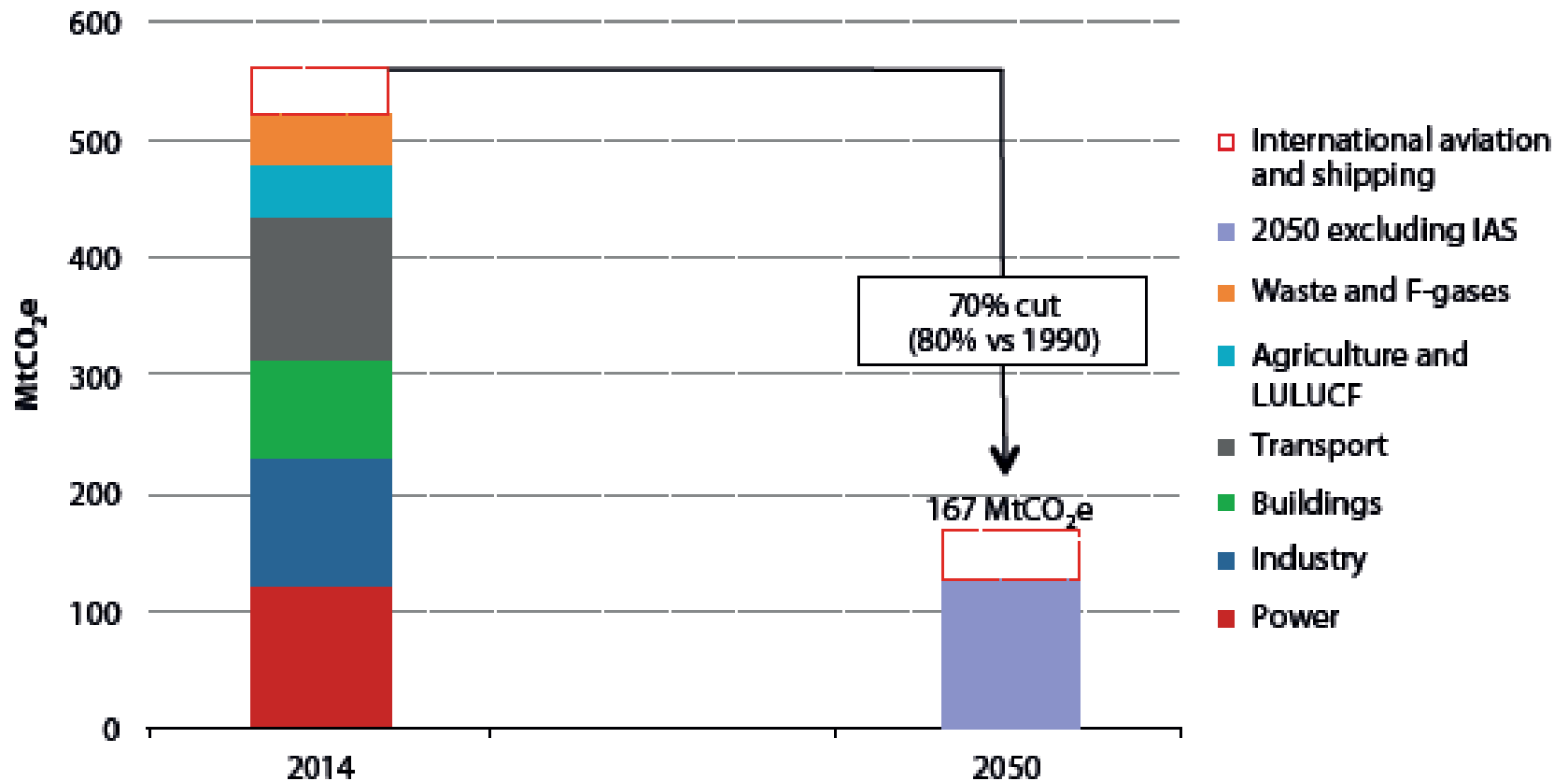


The Next Step for climate policy: The Fifth Carbon Budget

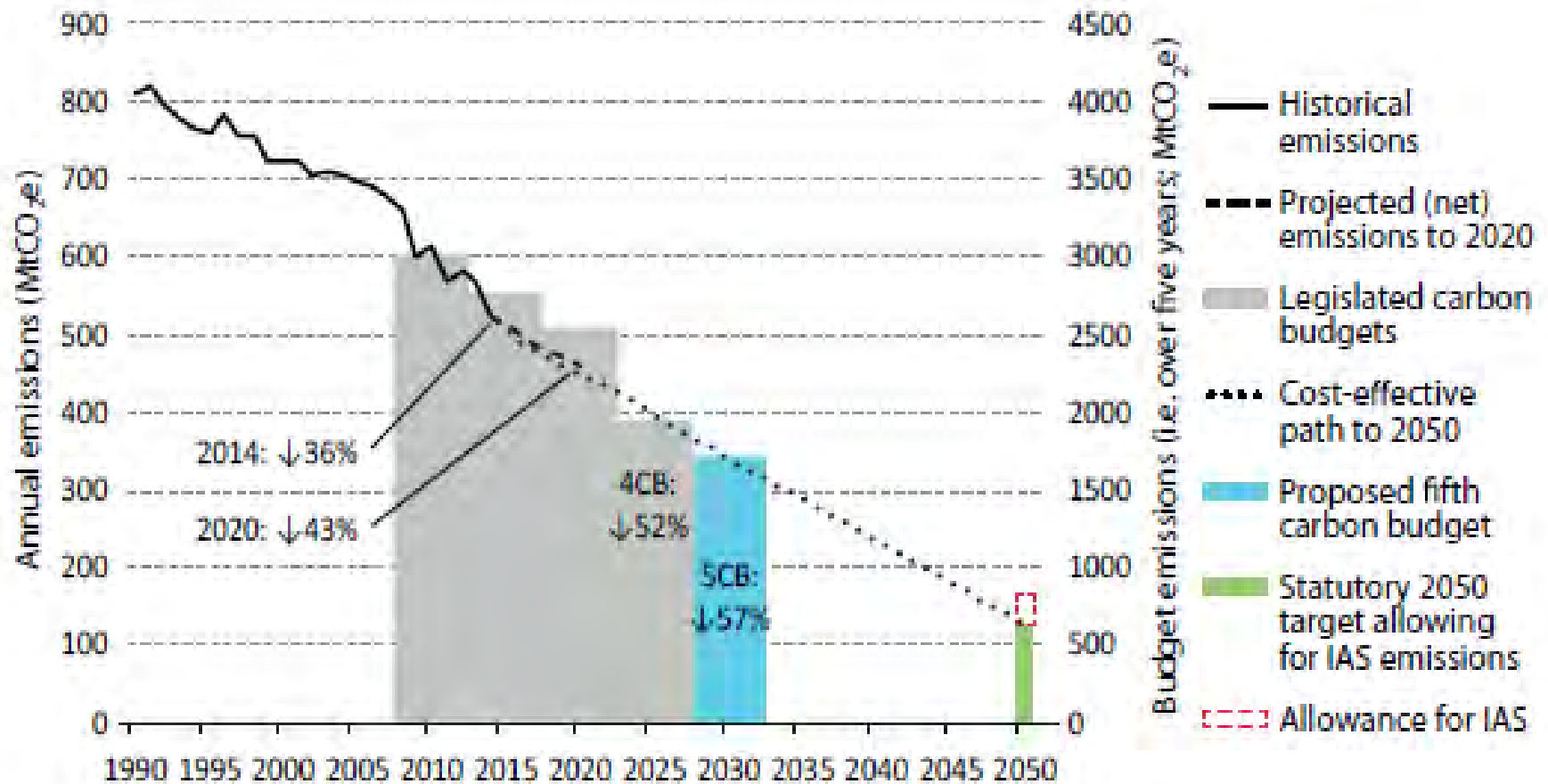
Mike Thompson, Head of Carbon Budgets

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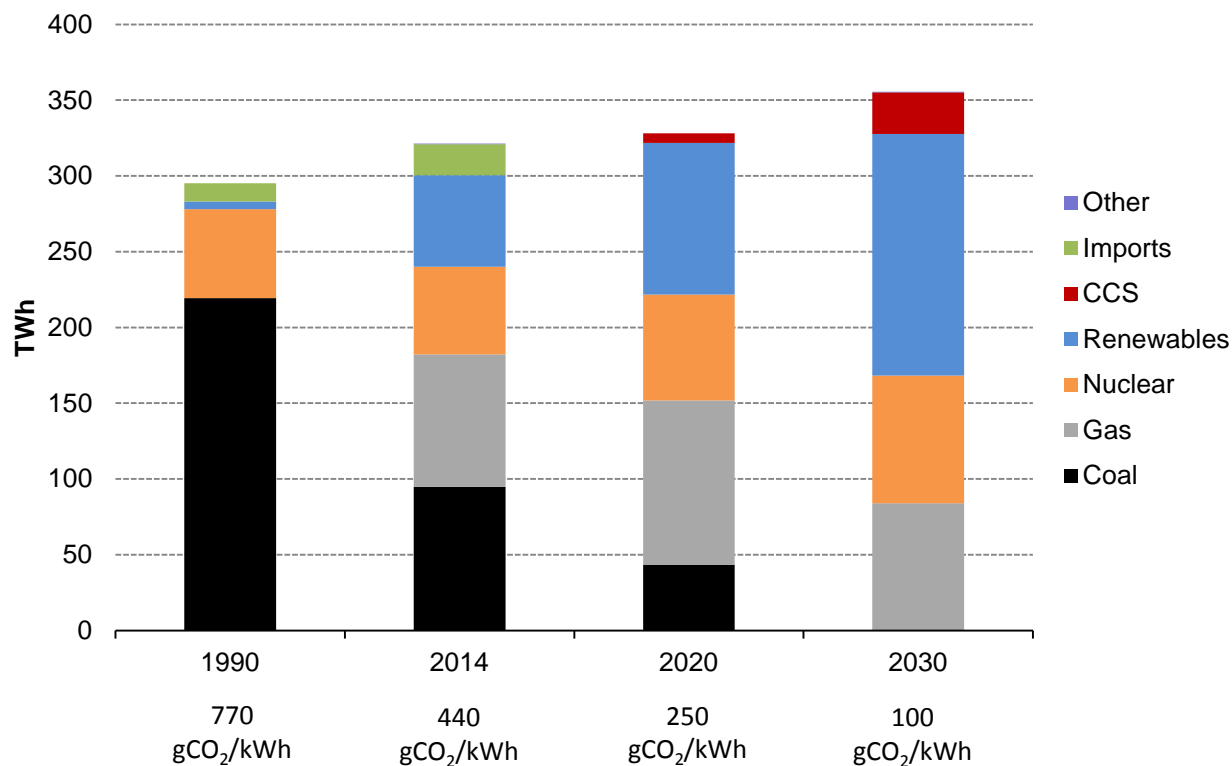
The 2050 challenge



Fifth carbon budget: reduce emissions 57% versus 1990 levels by 2028-2032.



Power sector scenarios – continue low-carbon investment in the 2020s



The 5th budget will require action by government, businesses and households – action that is easier the earlier it starts.



- Heat networks, heat pumps, etc
- Insulation, efficiency & behaviour change
- By 2030: 1 in 7 homes, half of public and commercial use, low-carbon heat



- Further conventional fuel efficiency improvement
- By 2030 around 60% new cars & vans electric (hybrid or full)
- Travel behaviour change: mobility choices, driving styles



- Options: renewables, nuclear, CCS, gas
- Demand-side behaviour, interconnection, storage
- By 2030: <100 g/kWh



- Adjusting industrial processes, energy efficiency, heat recovery
- Development of CCS
- Through 2020s: apprx. 1%/yr fall emissions from measures







- Efficient fertiliser use, animal diets, breeding, fuel efficiency
- Through 2020s: apprx. 1%/yr decrease emissions



- All main biodegradable waste diverted from landfill, alternatives to F-gases
- By 2030s: apprx. 50% decrease emissions from today

To meet the budget and stay on track to 2050, policies will need to be strengthened and extended

	<u>Current policy</u>	<u>Future policy</u>
	<ul style="list-style-type: none"> Renewable Heat Incentive Energy Company Obligation 	<ul style="list-style-type: none"> Action plan for low-carbon heat and energy efficiency
	<ul style="list-style-type: none"> EU g/km target to 2020 UK electric car grants, infrastructure funding, local initiatives 	<ul style="list-style-type: none"> Extend EU g/km targets to 2030 Continue electric vehicle market support Approach to HGVs, buses
	<ul style="list-style-type: none"> CfD auctions & negotiations £8bn funding by 2020 	<ul style="list-style-type: none"> Extend CfD auctions and funding Develop CCS Approach to flexibility & intermittency
	<ul style="list-style-type: none"> Industry 'Roadmaps' 	<ul style="list-style-type: none"> Turn Roadmaps into action Develop CCS