



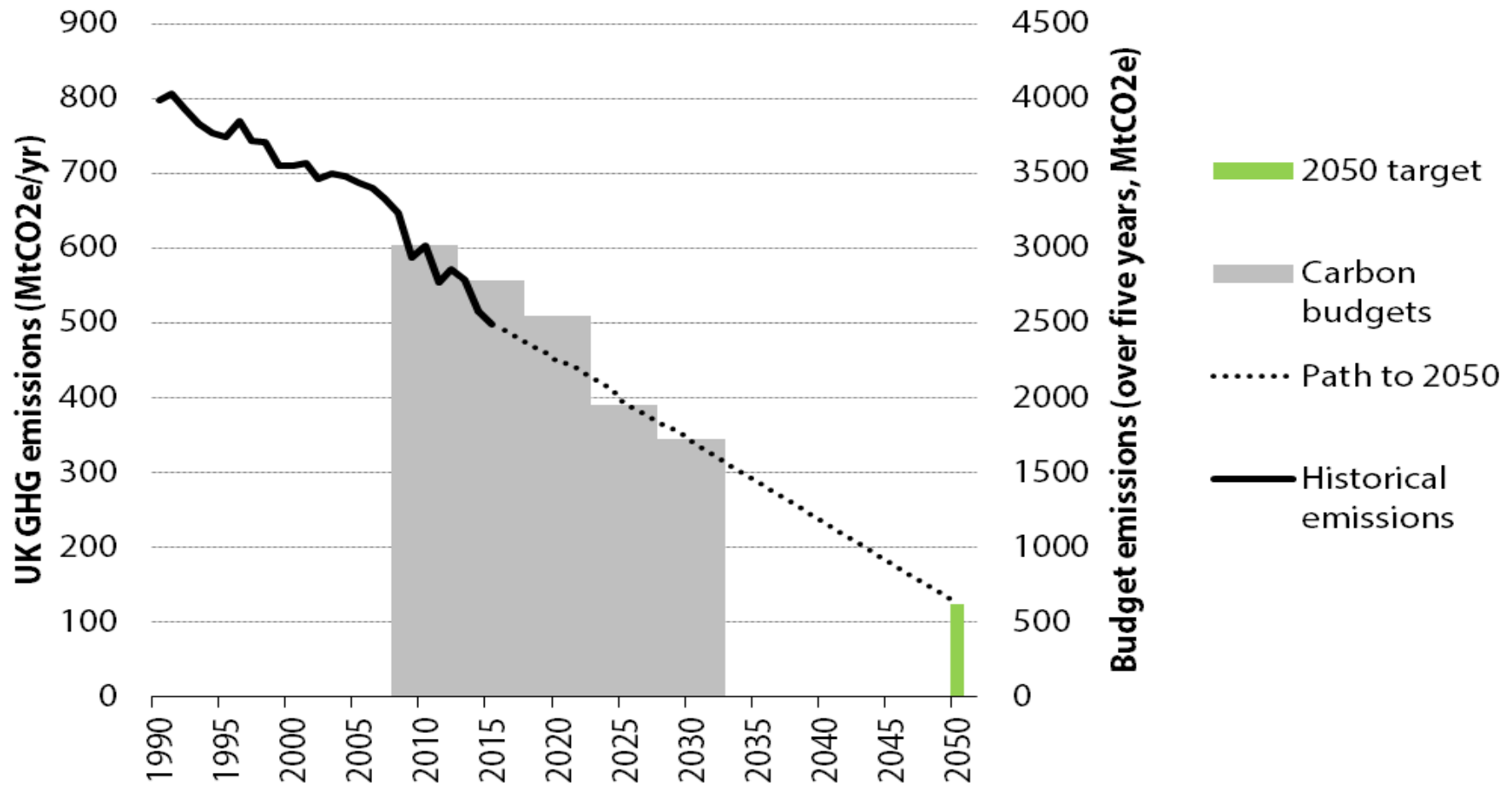
Meeting carbon budgets: Closing the Policy Gap

Mike Thompson
UK Committee on Climate Change

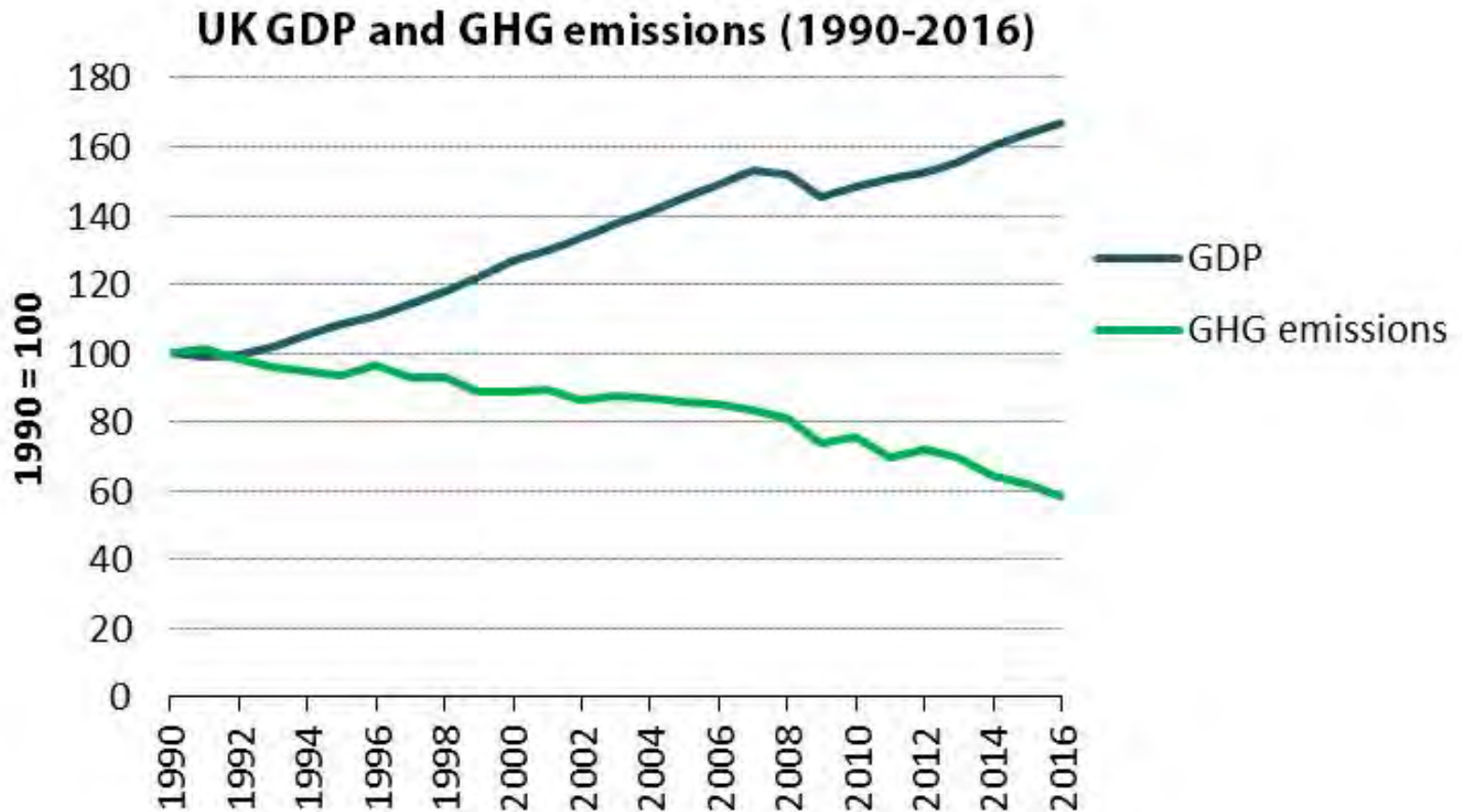
www.theccc.org.uk

May 2017

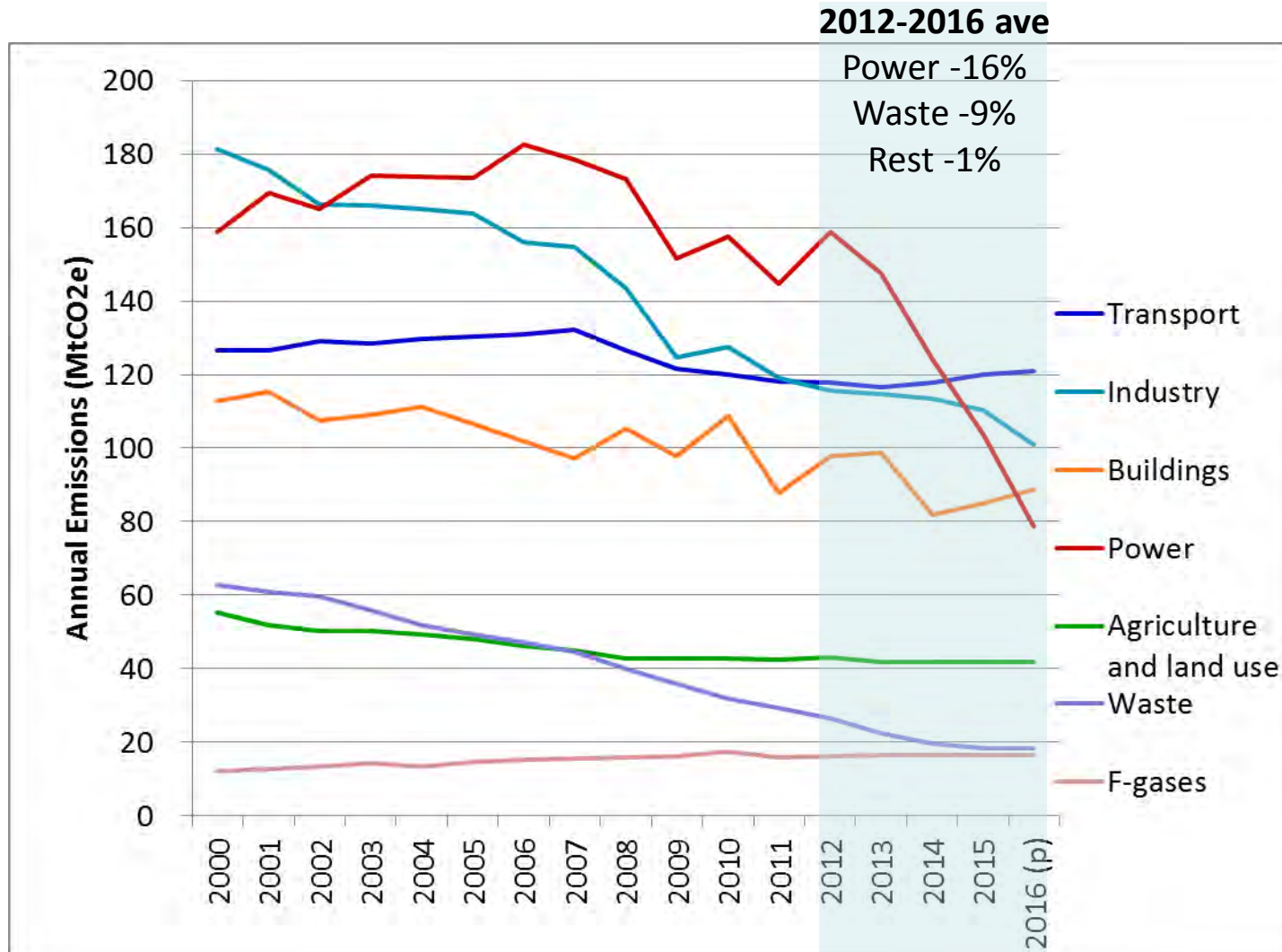
The UK's carbon budgets set a steady path towards the long-term target



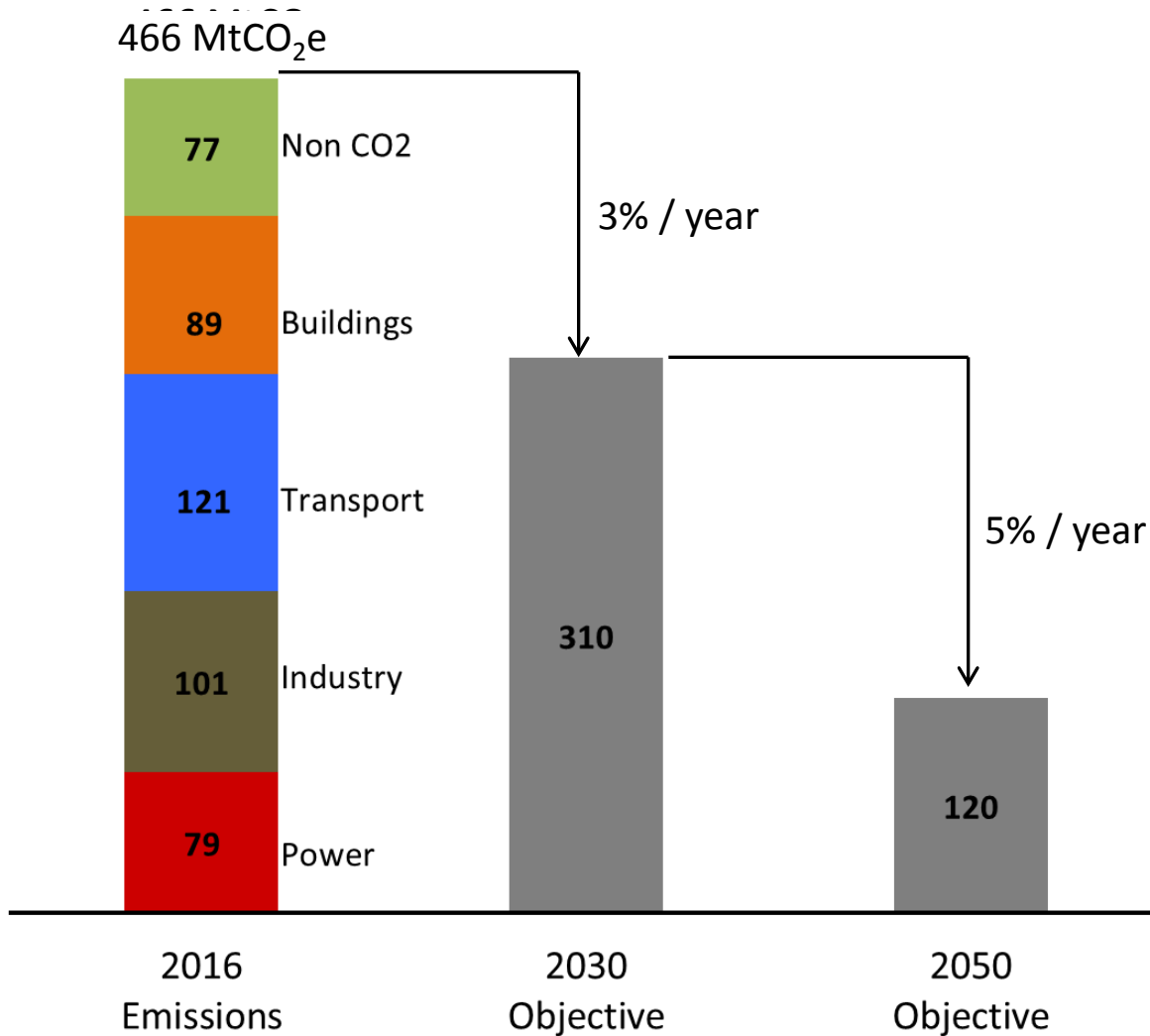
The UK has succeeded in cutting emissions while growing the economy



...but recent strong progress has been dominated by the power sector

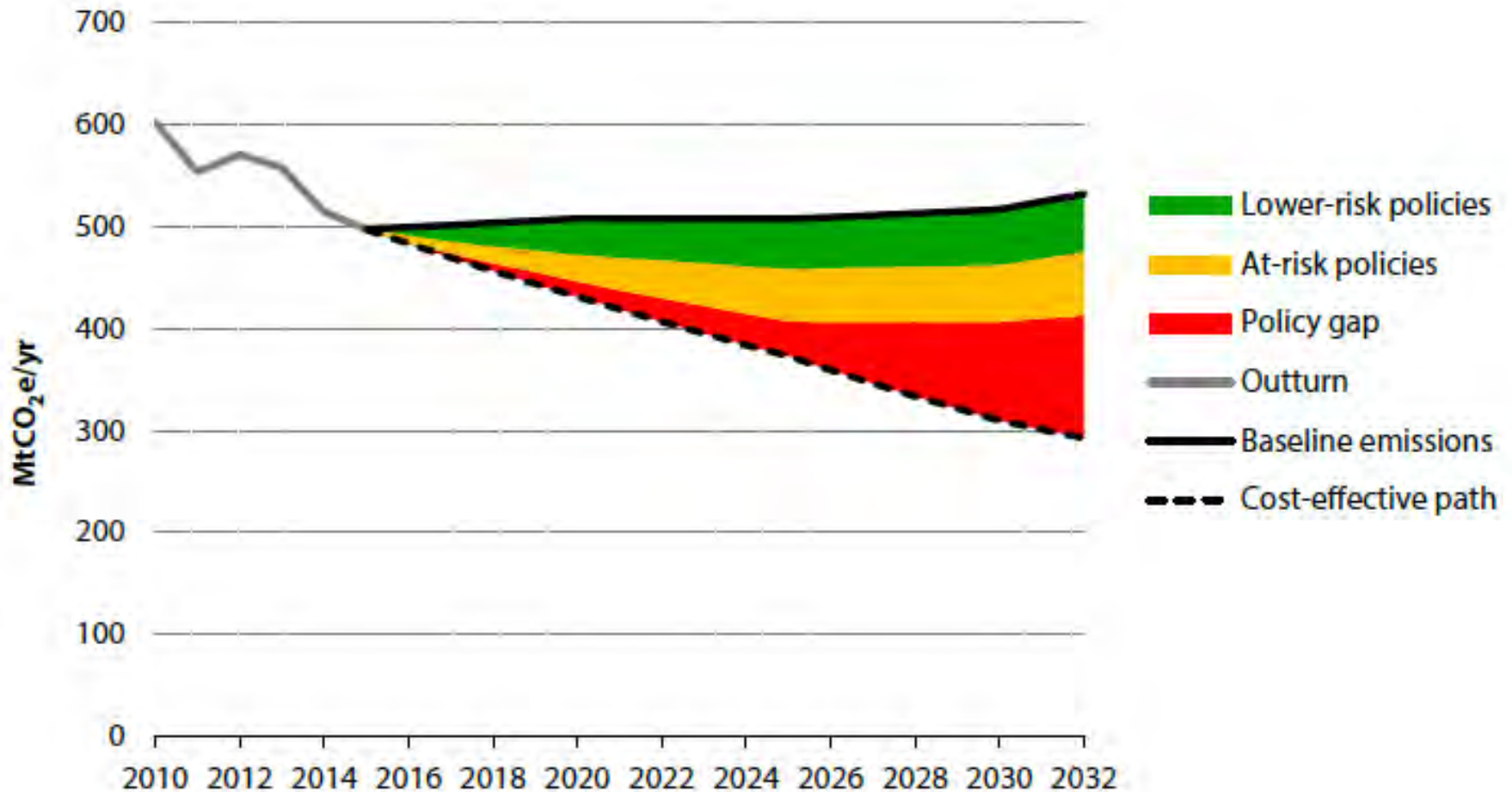


In future, progress will be needed across the economy








Notes: 2050 target allows for emissions from international aviation and shipping, not currently in carbon budgets. 2030 objective is aligned to the legislated fifth carbon budget, adjusted for expected emissions trading

Current policies would at best deliver around half of the required reduction in emissions



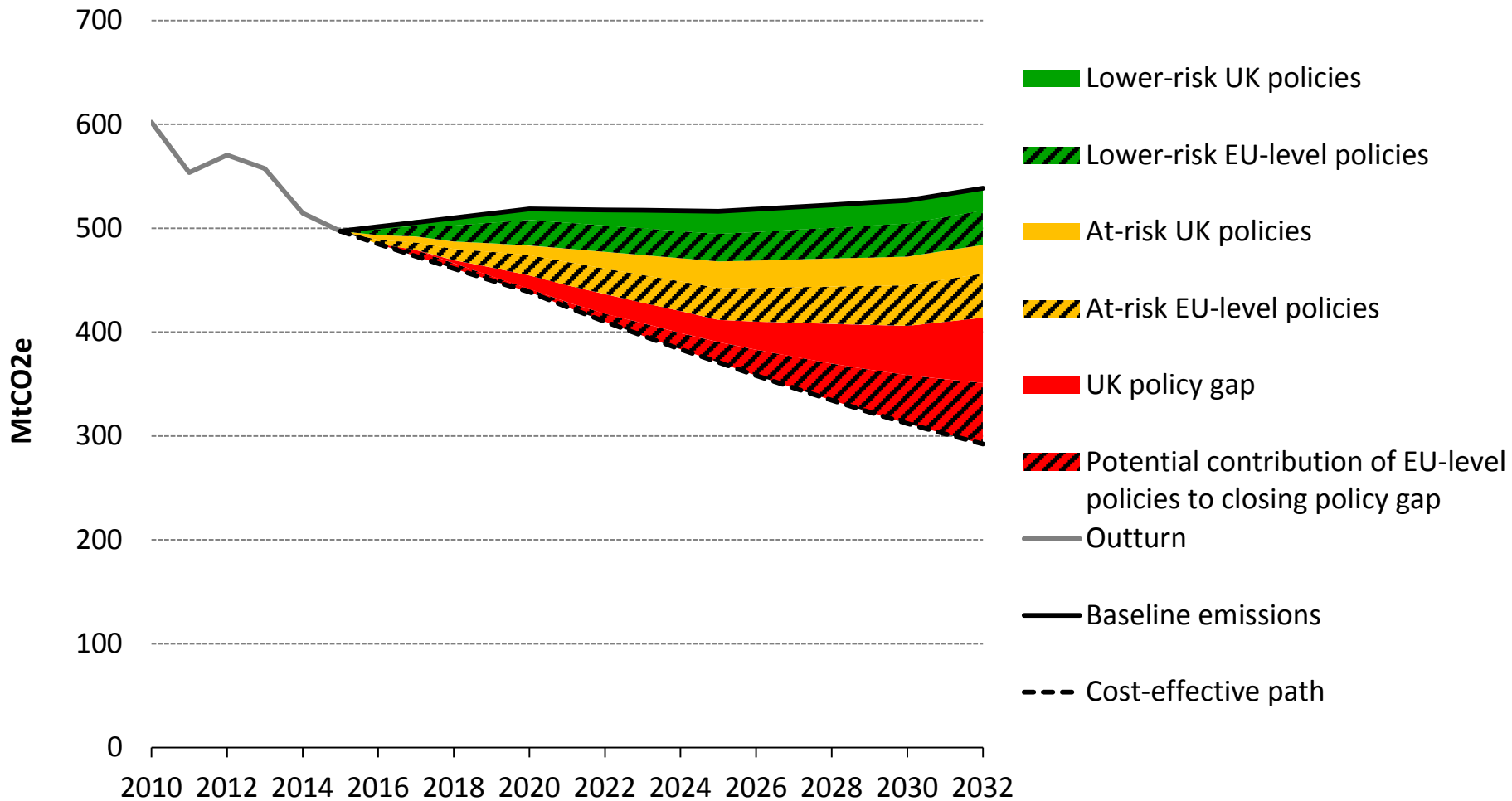
The new Government must set out the expected contribution of different sectors and credible policy plans to deliver those



2015 to 2030 37% reduction in total UK emissions					
	 Power -67%	 Transport -43%	 Buildings -22%	 Industry -23%	 F Other -33%
<i>Low-risk policies</i>	2020 renewables Coal closure Offshore wind	Biofuels	Boiler Regs Building Regs	Products Policy Building Regs	Afforestation
<i>At-risk policies</i>	Hinkley	gCO ₂ /km to 2020 EV support	ECO RHI	EU ETS, CCL RHI	Waste policy
<i>Policy gap</i>	+100 TWh low-C Flexibility CCS strategy	g/km after 2020 HGVs Demand-side Aviation	New homes Energy Efficiency 2020s low-C heat H ₂ strategy	Roadmaps->Action 2020s low-C heat CCS strategy	F-gas regulation Agriculture

Notes: low-C= low-carbon; EV= electric vehicle; ECO=Energy Company Obligation; RHI=Renewable Heat Incentive; ETS=Emissions Trading System; CCL=Climate Change Levy; CCS=carbon capture & storage.

The policy gap must be closed whatever the outcome of Brexit negotiations



- Excellent **progress** in power not matched by transport, buildings, industry, agriculture
- There is a large **policy gap** to meeting carbon budgets

- **Clean Growth Plan** very overdue, and must add up to meeting budgets
- **Brexit** does not change the goals, but means UK levers may need to do more

- **Policy priorities:**
 - Credible CCS strategy
 - Low-carbon power plans for $\sim +150\text{TWh}$ in 2020s
 - Electric vehicle support alongside 2030 g/km standards
 - E.g. White Paper on heating and energy efficiency
- A Plan that adds up!