

Press release for immediate release

“Overhaul dodgy accounting and set a 5th carbon budget fit for purpose”

In its formal reaction to Paris today the Committee on Climate Change declined to update its advice on the level of the 5th carbon budget despite admitting that the Paris agreement was more ambitious than the UK’s current commitments. Instead it has adhered a budget which it claims is aligned with its current statutory goal of cutting emissions by 80% in 2050, but, according to campaign group Sandbag, the Committee’s own analysis shows that the proposed budget fails even this modest test.

This morning the Committee on Climate Change published a letter to Secretary of State Amber Rudd, reacting to the Paris climate change agreement. In a surprise move, the Committee declined to increase the ambition on the level of the 5th carbon budget, despite the Paris agreement explicitly supporting a stronger target of “holding the increase in the global average temperature to well below 2C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5C above pre-industrial levels.” [Emphasis added]ⁱ

The Committee judges the current budget to be “sufficient at this time” despite formally acknowledging that the Paris Agreement is “...is more ambitious than the basis of the UK’s statutory target for 2050, which was a global path to hold the temperature rise close to 2°C.”ⁱⁱ In effect, the Climate Change Committee has ignored the global agreement which the UK has signed and assisted to broker, on the shaky grounds that “the pledged contributions by the EU and others have not yet changed”, and suggesting that “the UK should continue to push for a revised EU pledge more consistent with the agreed global ambition” rather than taking more action at home.

The Committee has instead reiterated its call for a 5th carbon budget of **1,765 million tonnes** (including shipping emissions). This is supposed to be in line with the cost-effective pathway to reach the 2050 statutory goal in the Climate Change Act (i.e. to reducing emissions by 80% compared with 1990 levels). **Unfortunately, the Committee’s own analysis shows that the suggested 5th carbon budget offers no assurance that the UK will remain on the cost-effective pathway.**

Excluding shipping emissions, the Committee’s proposed 5th carbon budget is amounts to **1,725 million tonnes (Mt)**, or **57% below 1990 levels**. However, the Committee’s analysis in the selfsame 5th carbon budget report shows that the cost-effective pathway requires emissions of **1,585 Mt** over the 5th carbon budget period (2028-2032), **61% below 1990 levels**.ⁱⁱⁱ This can be seen in the following extract from Table 6.1 of the CCC’s 5th Carbon Budget Report.

Table 6.1: Budget recommendation		
MtCO₂e	2030	The fifth budget period (2028-2032)
Non-traded sector	227	1,135
Traded sector (gross emissions)	87	450

The budgets are not set at the correct level because of accounting anomalies in the UK carbon budgets. Current rules ignore emissions from the electricity and manufacturing sectors, and instead assume these are the same as the level of carbon allowances the UK receives under the EU Emission Trading Scheme. Remarkably, this means that government is under no obligation to reduce emission from these sectors, and these sectors can even grow their emissions so long as they continue to comply with the EU emissions trading scheme.

An amendment to the Energy Bill that seeks to address this accounting fudge is due to be debated in the House of Commons next week.

Damien Morris, Sandbag’s Head of Policy says:

“The UK needs to overhaul the dodgy accounting of its carbon budgets, and set a 5th carbon budget that is fit for purpose. Emissions in the 5th carbon budget period need to fall by 61% relative to 1990 levels if we are to meet our current 2050 climate target, and that target should be further strengthened in light of the Paris climate agreement. Currently the carbon budgets make the government accountable for meeting just half of the carbon budget, and give the electricity and manufacturing sectors a virtually unlimited license to pollute. An amendment being debated in the Energy Bill gives MPs a clear opportunity to fix this once and for all.”

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Sandbag is a UK-based not-for-profit think tank conducting research and campaigning for environmentally effective climate policies. Our research focus includes the phase-out of old coal in Europe; deep decarbonisation of industry through technologies including Carbon Capture Utilisation & Storage; reform of the EU Emissions Trading Scheme; and increasing ambition in the EU 2020 and 2030 climate & energy packages.

ⁱ Paris agreement published at: <http://unfccc.int/resource/docs/2015/cop21/eng/l09.pdf>

ⁱⁱ CCC letter to Amber Rudd published at: <https://www.theccc.org.uk/publication/implications-of-the-paris-agreement-for-the-fifth-carbon-budget/>

ⁱⁱⁱ The DECC 2015 Emissions Projections put UK GHG emissions at 807.5 Million tonnes in 1990. See: <https://www.gov.uk/government/publications/updated-energy-and-emissions-projections-2015>