

Briefing for MPs • July 2023

# Briefing on CCC report for Climate APPG parliamentarians

### Background

- The <u>Climate Change Committee</u> (CCC) is an independent adviser to the UK and devolved Governments on tackling climate change established in 2008 as a statutory body under the <u>Climate Change Act 2008</u>.
- Beyond advising the Government on emission targets (including on net zero by 2050), they provide an annual report to Parliament on progress made in reducing greenhouse gas emissions and preparing for and adapting to the impacts of climate change.
- In their most recent <u>progress report to Parliament published in June 2023</u>, the CCC said its confidence in the UK meeting its climate goals from 2030 is now markedly less than it was a year ago. Arguing that the UK has been too keen to embrace the production of new coal, oil and gas in favour of cleaner, cheaper energy alternatives.
- In line with the report's arguments, Lord Deben (the CCC's outgoing Chair) <u>labelled</u> the potential new development such as Rosebank, the UK's largest undeveloped oil field, as 'unnecessary' and a 'bad example' to the world. Rosebank has the potential not only to bust UK climate goals but produce the equivalent annual <u>CO2 emissions of 28 low-income countries</u> combined.
- With the world's temperature <u>continuing to rise</u> and the impacts of climate change becoming ever clearer there has never been a more critical time for the Government to deliver policies that not only cut emissions to secure a liveable planet but create economic opportunities across Britain too.
- NOTE: Until June 2023 the CCC was Chaired by former Conservative environment secretary, <u>Lord Deben</u>. Since then <u>Professor Piers Forster</u> has been appointed Interim Chair and <u>Chris Stark</u> is the CCC's Chief Executive.

"..in these times of extraordinary fossil fuel prices, Government has been too slow to embrace cleaner, cheaper alternatives and too keen to support new production of coal, oil and gas." - Lord Deben, outgoing CCC Chair

### What are the key messages from the June 2023 progress report to parliament?

- 1. A lack of urgency. While the policy framework has continued to develop over the past year, this is not happening at the required pace for future targets.
- 2. **Stay firm on existing commitments and move to delivery.** The Government has made a number of strong commitments, these must be restated and moved as swiftly as possible towards delivery.
- 3. **Retake a clear leadership role internationally.** The UK will need to regain its international climate leadership.
- 4. **Immediate priority actions and policies.** Action is needed in a range of areas to deliver on the Government's emissions pathway.
- 5. **Develop demand-side and land use policies.** The Government's current strategy has considerable delivery risks due to its over-reliance on specific technological solutions, some of which have not yet been deployed at scale.
- 6. **Empower and inform households and communities to make low-carbon choices**. Despite some positive steps to provide households with advice on reducing energy use in the last year, a coherent public engagement strategy on climate action is long overdue.
- 7. **Planning policy needs radical reform to support Net Zero.** The planning system must have an overarching requirement that all planning decisions must be taken giving full regard to the imperative of Net Zero.



- 8. **Expansion of fossil fuel production is not in line with Net Zero.** As well as pushing forward strongly with new low-carbon industries, Net Zero also makes it necessary to move away from high-carbon developments.
- 9. The need for a framework to manage airport capacity. There has been continued airport expansion in recent years, counter to our assessment that there should be no net airport expansion across the UK.

"Expansion of fossil fuel production is not in line with Net Zero." – CCC 2023 Progress Report to Parliament

Key <u>recommendations to Government</u> relating to fossil fuel phaseout, Net Zero workforce, restoring UK climate leadership, promoting clean energy alternatives and accelerating insulation

### Fossil fuel phaseout:

- 1. **Restrictions on new oil and gas.** Strengthen and clarify the tests in place for allowing any further exploration and extraction of oil and gas. Stringent tests should be applied at each stage of the licensing and consenting process underpinned by a presumption against exploration and tighter limits on production.
- Decarbonise existing oil and gas. Publish a delivery plan for the decarbonisation of oil and gas
  infrastructure, as part of an offshore industries integrated strategy as recommended by the <u>Skidmore
  review</u>. This includes a timetable for electrification and the phase-down of production including more
  ambitious decarbonisation targets well beyond the 50% target set out in the North Sea Transition Deal.
- 3. **Restrictions on new coal.** Ensure all frameworks and guidance support a clear presumption against new consents for coal production and reflect the declining role of coal in the context of binding UK and international emissions targets. Current practices that encourage new coal development are outdated and should be ended immediately.
- 4. **Prohibit fossil fuel boilers.** Confirm and accelerate the proposed regulatory mechanism for phasing out fossil fuel boilers. Timely implementation of plans to prohibit fossil fuel boiler replacements in off-gas grid buildings from 2026 (2024 for large non-residential buildings) must be prioritised.
- 5. **Limit flaring and venting.** Targets for methane flaring and venting should be strengthened and brought forward. For all facilities that will remain in operation post 2030, flaring and venting should only be permitted beyond 2025 when necessary for safety reasons.

### **Net Zero workforce**

- 1. Net Zero Skills Action Plan. Publish an Action Plan for Net Zero Skills that includes an assessment of when, where, and in which sectors there will be skills gaps specific to Net Zero. Including consideration of barriers to inclusive and accessible labour market entry (especially for under-represented demographics whose lack of participation limits the transition to Net Zero) occupations needed for the transition and Government plans for action on the skills system to facilitate entry into these occupations. This plan should also include a strategy for workers and communities in those areas of the economy affected by industries that are expected to experience job losses as a result of the Net Zero transition, including by providing reskilling packages and tailored support to transition to low-carbon sectors.
- 2. **Public Private Partnership.** Build clear definitions of responsibilities to help coordinate action across government, businesses, local authorities, education providers and workers, aiming to grow demand for workers in sectors that are key to the Net Zero transition.



3. **Fair Transition.** Design industrial decarbonisation policies in a way that supports and creates jobs, especially in regions with a reliance on industrial jobs.

### Restoring UK climate leadership:

- 1. **UK Climate Envoy.** Following the axing of the UK Special Representative on Climate Change in the FCDO the Government should announce a Secretary of State-level Climate Envoy that acts as the Ministerial Head of Delegation before the 2023 UN General Assembly.
- 2. COP28. Produce a Written Ministerial Statement in advance of COP28 outlining the UK's priorities for the summit and for the conclusion of the Global Stocktake. In addition, set out the Government's approach to domestically achieving aims of priority sectoral COP26 pledges before COP28. Given COP28 is expected to involve detailed discussions on the future role of fossil fuels, the UK should set out in advance a clear position on exiting oil and gas that avoids ambiguous references to, for example, hydrogen-ready infrastructures, and strengthen its language on this in all international climate fora including the G7 and G20.
- 3. **Finance.** Continue with a 50/50 split between adaptation and mitigation spend under UK International Climate Finance and follow up on commitment to restore UK Official Development Assistance to 0.7% of Gross National Income once underlying debt to GDP ratio will be falling and the UK will not be borrowing to finance day-to-day spending (now expected by the OBR in 2023/34). Further, in line with the Glasgow Climate Pact, to commit to phasing out the inefficient production subsidies for fossil fuels that lock-in financial resources towards oil and gas extraction, which could result in a breach of the UK's climate budgets or assets that may need to be stranded to comply. The UK can play an important role in UNFCCC processes aiming to produce proposals on future financing arrangements for Loss and Damage to ensure robust, detailed proposals that have potential to deliver for climate vulnerable nations.
- 4. **Keeping pace with global change.** In addition to producing responses to measures such as the US Inflation Reduction Act and EU Green Deal Industrial Plan, the UK should reconsider its membership of outdated agreements such as the Energy Charter Treaty to ensure it is well placed to keep pace with the growing momentum of the low-carbon transition.

### Promoting clean energy alternatives

- 1. **Prioritise Net Zero.** Review and update the National Planning Policy Framework to ensure that Net Zero outcomes are consistently prioritised through the planning system, making clear that these should work in conjunction with other outcomes such as development viability.
- 2. **Incentivise low carbon technologies.** Develop an overall review of the market price of low-carbon technologies and develop tax and price incentives so that low-carbon options are affordable and cheaper than their high-carbon alternatives, and demand reduction measures are appropriately encouraged.
- 3. **Simplify offshore wind.** Identify and address potential key supply-chain bottlenecks for delivering up to 50 GW of offshore wind by 2030, including for investment in ports, adequate vessel capacity, manufacturing capability and floating wind. Take opportunities to link supply chain action to key decision points in offshore leasing.
- 4. **Climate Impact Assessments.** Build the evidence for and make transparent the climate impact assessments of major government budgets, spending decisions and spending reviews in coordination with the Office for Budget Responsibility.

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### Accelerate insulation and efficiency

- 1. **Retrofit homes.** Outline a comprehensive vision to leverage private financing for the retrofit of UK homes and businesses. Financial levers to consider include green stamp duty, green mortgages, energy as a service, property-linked finance, and using the UKIB to de-risk retail investment into home retrofit.
- 2. **Decarbonise fuel poor homes.** Fully assess the level of investment required to decarbonise fuel poor homes by ensuring adequate targets and public funding commitments are in place to reduce energy bills and help meet climate targets. Publish plans to improve the targeting of support for fuel poor households to retrofit their homes, including through clear steps and timelines.
- 3. **Scale up transition.** Recognising that the transition needs to scale up over this decade and that stable funding provides certainty to households, businesses, and public bodies, strongly and credibly signal that the Boiler Upgrade Scheme, Home Upgrade Grant, Local Authority Delivery Scheme, Social Housing Decarbonisation Fund, Energy Company Obligation and public sector decarbonisation will continue to be fully funded as required beyond the spending review period.

# Public opinion:

# The Department for Energy Security and Net Zero <u>Attitude Tracker</u> recorded:

82% of the public care about climate change 85% believe everyone doing their bit can reduce effects of climate change The public MOST trust scientists, documentaries and campaigners for accurate information on climate YouGov poll:

A <u>YouGov poll</u> published in May 2023 found more public support than opposition to new oil and gas developments in the North Sea

# Onward report 2022:

64% voters support Net Zero by 2050, compared to only 9% who oppose this policy. 58% of people agreed that "The UK should keep its plan to reach Net Zero, even if it's going to be expensive, as we need to stop damaging the environment".

# Upcoming event on the report:

On **Tuesday 18<sup>th</sup> 2023** from **16:00** – **17:00** in **Room S, Portcullis House** the Climate APPG will host a roundtable discussion for MPs and Peers on the CCC progress report, with <u>Professor Piers Forster (Interim</u> <u>Chair of the CCC)</u>. Please RSVP to <u>appg@upliftuk.org</u> if you would like to attend.

Please note that this briefing was prepared by the Climate APPG's secretariat, <u>Uplift</u>. For further information, please contact: <u>appg@uplift.org</u>