

**UNITED KINGDOM**

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# Emissions pathway to 2050 enshrined in law, with binding 5-year carbon budgets

<b>Ambitious long term targets</b>	<ul style="list-style-type: none"><li>• -34% by 2020 below 1990 levels (rising to around 42% under EU 30% target)</li><li>• -80% by 2050 relative to 1990 levels</li></ul>
<b>Binding carbon budgets</b>	<ul style="list-style-type: none"><li>• Five-year carbon budgets</li><li>• Three budget periods ahead – 4<sup>th</sup> budget (2023-27) under preparation</li><li>• 1<sup>st</sup> budget to be met by EU ETS and domestic effort only – no additional offsets</li><li>• Set trajectory towards 2050 target</li></ul>
<b>A clear accountability framework</b>	<ul style="list-style-type: none"><li>• Independent <b>Committee on Climate Change</b> advises on budgets &amp; actions</li><li>• Annual progress reports to parliament</li></ul>

# 40% electricity low carbon by 2020, radical decarbonisation from 2030

=> Huge investment challenge - £200bn investment in energy required (whether high or low carbon). Policies designed to align price signals and investment flows with this challenge

- i) **Carbon pricing:** EU emissions trading plus renewables and energy efficiency targets. UK Carbon Price floor.
- ii) **Green Investment Bank:** £3bn government funding and ability to borrow from 2015-16
- iii) **Energy Market Reform:** Long term contracts for low carbon generation, Carbon price support, Emissions performance standard, encourage construction of reserve power plants

# Carbon budgeting framework helps to ensure that abatement potential of all sectors is tapped

<p><b>Homes and Communities:</b> 29% reduction in direct emissions over the first three carbon budgets (2008-2022)</p>	<ul style="list-style-type: none"><li>• Carbon Emissions Reduction Target</li><li>• Renewable Heat Incentive</li><li>• Smart Meters</li></ul>
<p><b>Domestic transport</b> GHG emissions fell 8% between 2007 and 2009, with a 7.5% fall in road transport emissions</p>	<ul style="list-style-type: none"><li>• Improved vehicle efficiency</li><li>• Support for ultra-low emissions vehicles</li><li>• Smarter Choices</li></ul>
<p><b>Industry and business</b> will contribute 9% of emission savings in 2018-22</p>	<ul style="list-style-type: none"><li>• EU ETS covers heavy industry</li><li>• Incentivising energy saving</li><li>• Green Deal</li></ul>
<p><b>Agriculture</b> industry committed to 3MtCO<sub>2</sub>e emissions saving by 2020; <b>waste:</b> landfill tax will reduce methane emissions by 86% by 2020 on 1990 levels</p>	<ul style="list-style-type: none"><li>• Improved resource efficiency by the farming industry</li><li>• Increasing recycling, reducing biodegradable waste, increasing methane capture, supporting energy from waste</li></ul>