

Media Briefing



**Friends of
the Earth**

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TACKLING CLIMATE CHANGE - A TWELVE POINT PLAN FOR THE GOVERNMENT **GENERATING BUSINESS OPPORTUNITIES, AVOIDING NUCLEAR POWER.**

The Government has pledged in its last two general election manifestos to reduce carbon dioxide emissions to 20 per cent below 1990 levels by 2010. Delivering on this promise would show international leadership and stimulate a dynamic, competitive and strong low-carbon economy fit for the 21st Century. But the Government is way off its target and emissions have actually increased since 1997, despite scientific warnings about the impacts of climate change becoming louder and more frequent.

If the Government is to retain any credibility on environmental, global poverty or scientific issues, it must demonstrate that it takes climate change seriously by making sustained reductions in carbon dioxide emissions. This briefing outlines how the Government could meet the 2010 target and achieve year-on-year cuts in carbon dioxide emissions thereafter, without turning to nuclear power.

Friends of the Earth does not pretend that achieving the necessary cuts will be easy. The policies are easy to identify, and will in fact reap benefits in terms of innovation and new industries, but they will require political courage and leadership to put in place.

The Government will need to confront the motoring and the aviation lobby. It will also need to force the big power companies to deliver on climate change. And it will need to reduce the demand for energy through energy saving and efficiency. There is no credible alternative to these measures. Nuclear power is too expensive and too dangerous. Voluntary agreements for industry have failed and will continue to fail. There is, in short, no alternative to vision and political leadership if a clean, safe and economically beneficial low-carbon economy is to materialise.

Action in the next 12 months:

Within the first few months of its third term, the Government will publish its revised Climate Change Programme. If it is to be credible, the Government must do the following within the next 12 months:

- **Introduce annual monitoring, reviews and reporting on carbon dioxide emissions.** This is needed to get back on track to deliver the 2010 carbon dioxide target and annual reductions of around three per cent (the level required to meet long-term equitable reduction targets). This carbon budgeting must become as much an annual parliamentary feature as

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the economic Budget. Gordon Brown has already listed climate change as one of the six major challenges for the economy in coming years.

- **Consult on and set targets for carbon dioxide emissions for sectors of the economy, based on a set of principles.** Friends of the Earth suggests possible sectoral targets in Table 1 (below). These targets are based upon the following principles:
 - (i) individual sector targets should be realistic, but should also force the pace of innovation. The combination of sectoral targets must meet an overall target which keeps the economy within environmental limits;
 - (ii) it is not equitable or realistic to exclude any sector from the need to make reductions;
 - (iii) targets should not result in emissions being exported overseas through, for example, manufacturing businesses being shifted abroad with products imported into the UK;
 - (iv) the social impact of policies and targets must be considered and measures taken to deal with regressive impacts.

- **Plan to close inefficient coal-fired power stations.** Research for WWF shows that by 2020 a 60 per cent cut in carbon dioxide emissions from 1990 levels is possible within the public electricity and heat production companies (the major part of the energy supply industry) through closing all coal-fired power stations, closing all the nuclear power stations and replacing them with efficient gas-fired power stations and renewable power together with some reduced demand for electricity. The big reductions in carbon dioxide achieved in the 1990s were due to this kind of shift. Friends of the Earth recognises that a wholesale shift to gas raises issues for security of supply, therefore the Government may need to further explore the potential for developing efficient and clean coal power stations with carbon capture and storage.

- **Introduce economic and planning measures to begin to reverse the trend of cheaper motoring and more expensive public transport.** Do this through:
 - (i) increasing public transport funding;
 - (ii) introducing wider differentials between Vehicle Excise Duty bands to substantially favour low emission vehicles and penalise gas guzzlers (with top rate of £500 phased in within three years and bottom rate of £0 introduced immediately, delivering a carbon emissions reduction of 1.1 MtC a year);
 - (iii) setting targets for renewable fuel use for transport;
 - (iv) ensuring fuel prices increase in real terms (if necessary through higher fuel taxes);
 - (v) issuing instructions to planning authorities to write Local Transport Plans to reduce transport emissions through spatial planning and other transport policies, including congestion charging where appropriate. Research suggests that local transport measures such as school and work place travel plans, car sharing, teleworking and other travel reduction methods could result in a reduction of around 11 per cent (2.8 MtC) from the sector.

- **Rewrite the Aviation White Paper to rule-out further airport expansion and increase Air Passenger Duty.** Do this in preparation for introducing a UK Emissions Charge and EU level action on aviation (see below). This sector should reduce emissions through efficiency measures as well as either reducing passenger numbers or paying for additional carbon dioxide cuts in other sectors.

- **Ensure all government departments take action on climate change.** Do this by giving all relevant departments, together with the English regions, Wales and Northern Ireland governments, a responsibility to contribute to the target to reduce carbon dioxide emission by 20 per cent by 2010.

Table 1 – Sector targets for carbon dioxide emissions by source ¹

Sector	Base-line - 1990	2000 levels	2010 sector target (per cent reduction from 1990)	2020 sector target (per cent reduction from 1990 levels)
Energy supply industries	64.3 Million tonnes Carbon (39 per cent of total)	53.5 MtC	38.3 MtC (40 per cent reduction)	32.7 MtC (49 per cent reduction)
Manufacturing and construction ²	26.6 MtC (16 per cent)	23.7 MtC	23.3 (12.5 per cent)	21.3 (20 per cent)
Road transport	30.1 MtC (18 per cent)	32 MtC	30.1 (0 per cent)	26.7MtC (12.7 per cent)
Aviation ³	4.6 MtC (3 per cent)	8.8 MtC	4.2 MtC (8 per cent)	3.2 MtC (30 per cent)
Commercial & institutional ⁴	8 MtC (5 per cent)	8 MtC	6 MtC (25 per cent)	5 MtC (37.5 per cent)
Residential energy savings from saving heat and hot water ⁵	21.1 MtC (13 per cent)	23.3 MtC	18.5 MtC (12 per cent)	16.4 MtC (22 per cent)
Other sectors	9.5 MtC	8 MtC	7.2 MtC	7.2 MtC
Total of suggested sector targets			127.6 MtC	112.5 MtC
Government targets	165.1 MtC	156.6 MtC	132.1 MtC (20 per cent – UK target)	115.6 MtC (30 per cent – EU target)

Notes

1. Setting targets to cut by source means, for example, that power stations can reduce emissions by improving efficiency of energy production, switching fuels or reduce emissions by reducing demand for electricity through, for example, helping householders and businesses reduce consumption through energy efficiency.
2. Lower overall target than other sectors and these reductions are already forecast by the Government, which through the Climate Change Levy has taken into account competition issues.
3. Aviation will not be able to achieve these savings through efficiency measures alone and will either have to reduce passenger numbers to pay for additional reduction measures in other sectors.
4. This sector has largely been ignored and there is great scope for reductions here.
5. Savings in electricity usage is counted in energy supply industries

Action by the end of four years:

Regulatory changes are required to firmly put the UK on the path to year-on-year reductions. Drafting, consulting on and implementing these will take more than one year but must be achieved within the first four years, requiring clear and unstinting political commitment. The significant changes are to:

- **Introduce and deliver renewable heat and renewable fuel obligations.** The potential for savings in this area have largely been ignored to date by the UK Government. The EU has set an indicative target that 5.75 per cent of fuel should be from renewable sources by 2010, which would reduce emissions by around one MtC a year. The Royal Commission for Environmental Protection suggests targets for renewable heat of two per cent by 2010 and five per cent by 2020 saving 1 MtC and 2.5 MtC respectively.
- **Support and develop renewable technologies and install these in public buildings.** Technologies such as wave, tidal, solar, wind, renewable heat, and micro-generation have the potential to provide the UK with much of its energy needs of the future. Together with energy efficiency measures they are critical to meeting the longer terms needs of the UK economy without breaching environmental limits. They would also avoid the risks of the nuclear industry, such as proliferation, waste, security and economic black-holes. The Government must radically increase its investment in, and support for, these technologies with a step-change in policy during its third term if the economic, social and environmental rewards are to be gathered in future years. It should lead from the front and provide a much-needed sign of commitment by incorporating these technologies in public buildings such as schools, hospitals and government offices.
- **Transform the energy sector by creating energy savings companies by 2008-2010.** Legislation will be needed to force current energy supply companies to reduce energy demand. Targets should be based on customer numbers with a trading mechanism to allow those that exceed their targets to sell credits to those that do not. A new law would require companies to reduce demand year on year, replacing the current Energy Efficiency Commitment. Major savings could be made through this route. Friends of the Earth is suggesting a target of at least one per cent a year, which would comply with the EU Energy Services Directive.
- **Introduce an Emissions Charge on aviation and include aviation in an EU Emissions Trading System.** In theory, emissions trading could deliver the cuts required from the aviation sector but in practice there are two big problems to overcome. First, for historic reasons aviation is hugely under-taxed compared to other sectors. Unless rectified this could completely distort the trading. Second, the Government continues to take a 'predict and promote' approach to aviation. Expanding airport capacity now will inevitably result in a weaker trading cap on emissions because the industry will argue that it should be allowed to fully utilize recent economic investment in capacity. For these reasons the Government should, within the first four years of its term of office, replace Air Passenger Duty with an Emissions Charge and/or kerosene tax in the UK (and ideally the EU), as well as working to include aviation in an EU Emissions Trading System..
- **Introduce new policies to reduce car use, reduce the impacts of car use and make public transport an attractive choice.** This will need a clear package of new revenue-raising measures (such as road pricing) to keep the price of motoring constant or rising (in real terms), fund public transport and ensure public transport costs fall. A study by IPPR suggests that revenue raising road-pricing scheme could cut carbon emissions by around eight per cent. To date, in spite of oil price rises and fuel duty increases, motoring is cheaper

in real terms than in 1997 and the price differential between car use and public transport has widened. The Government should introduce greater fiscal incentives to buy greener cars and regulations to develop low-emissions vehicles. It should also ensure spatial planning leads to reductions in emissions by reducing the need to travel (eg. by providing local shops and work-places). Action on road freight is also needed, as emissions from road freight are forecast to rise significantly. The Government needs to provide greater support for transferring freight from road to rail, introduce standards for improved vehicle efficiency, and provide support for improved logistics and driver training.

- **Reform of the UK Emissions Trading System to include sectors and greenhouse gases not covered by the EU system.** The UK Emissions Trading Regime should be reviewed with a view to extending it to cover other sectors, for example the commercial sector, and greenhouse gases not covered by the EU scheme (such as methane). Part of the review could include initiating a system of UK accredited greenhouse gas reduction projects which companies could fund instead of achieving their own reductions in emissions.

Priority Challenges for the next Government (2009 onwards)

Future governments need to build on the progress made during Labour's third term. They should truly herald the low-carbon economy. They must ensure that all new homes and offices incorporate state of the art efficiency measures and generate their own energy. They should also introduce a major programme to retrofit older homes and offices. Decentralised energy generation should play a significant contribution to reducing emissions. The growth areas for renewable power will be solar, hot water, and wind. Power from tidal lagoons and construction of other tidal and wave generation will also start to flow. As nuclear begins to switch off it should be replaced with renewable technologies, including home generation, and gas. There may be a role for new efficient coal power incorporating mechanisms to capture and store carbon dioxide if the technology advances and is shown to be suitable. The UK, with the largest renewable energy resource in Europe, should be seen as a country committed to world leadership in sustainable energy and even in transport, where the UK currently has a very poor record. A very real change needs to happen if UK world leadership on climate change is to be credible.

References and further reading

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