Reaching net-zero—the government has given itself some ‘flexibility’

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Environment analysis: The second of a two-part series on the government’s progress on reaching the legally-binding target of ‘net zero’ carbon emissions by 2050. In light of the multitude of reports which have raised issue with the government’s approach to meeting its target, Mike Foster, CEO of the Energy and Utilities Alliance (EUA) and former Minister for International Development, provides the industry perspective, raising the point that the government has ensured it has some subtle ‘flexibility’ should it fail to reach net zero. Foster also emphasises that achieving net zero is dependent on consumer support withstanding the ‘eye-watering’ costs which come with reducing carbon emissions.

Original news

Government could face litigation if legislated emissions targets are not met, LNB News 10/07/2019 66

UK government action is ‘lagging far behind’ what is needed to reduce greenhouse gas emissions by the 2050 net-zero emissions target, according to a report by the Committee on Climate Change (CCC).

Net zero carbon emissions by 2050 is ‘achievable’ with ‘immediate action’, LNB News 11/07/2019 103

The future energy scenarios (FES) report for 2019 has been published, concluding that reaching net zero carbon emissions by 2050 is ‘achievable’ but this requires ‘immediate action across all key technologies and policy areas’.

Second carbon budget was not met through policy over-performance—study finds, LNB News 12/07/2019 19

The CCC has published a report presenting the results of a study by Cambridge Econometrics investigating how the second carbon budget was met. The study finds that, had the EU emissions trading system cap and economic conditions reflected expectations when the second carbon budget was set, the budget would have been missed.

Make energy efficiency a ‘national infrastructure priority’ or miss net-zero emissions target, LNB News 12/07/2019 90

A report by the Business, Energy and Industrial Strategy Committee has concluded that the UK ‘stands no chance’ of meeting its emissions reduction targets—such as net zero by 2050—unless the government *takes urgent action to revive its failing energy efficiency policy and builders are required to deliver the latest energy efficiency standards.*

Significant disruption to several industries required to meet net zero targets, LNB News 19/06/2019 90

The UK Energy Research Centre has published a report *assessing the impact of the government's target of net zero emissions by 2050. The report discusses the level of disruption that is expected to be required in certain sectors to achieve this target, stating that businesses will need to make fundamental changes to business models and operating practices.*

Numerous reports have now analysed the government's plans for reaching net-zero. What are the most important issues raised by these reports? Are there any noticeable similarities or differences in the findings between these reports? What has the government's response been and how has it been received?

Firstly, we should acknowledge that the government asked its advisory body whether net zero was achievable and, in May 2019, the CCC reported that it was, within the same cost parameters of the 80% reduction target, by 2050 (see 'Government 'hard pressed to ignore' new climate change zero-emissions report', LNB News 02/05/2019 65). Trying to achieve it earlier would be uneconomic. The government responded promptly by changing the Climate Change Act 2008 to target net zero. There are slight differences to what the government has agreed compared to what the CCC advised, with the most relevant being our flexibility to use international carbon reductions as part of the UK's contribution.

The general view is that the revised target is acceptable, but the debate is still on-going over how to actually achieve that figure. Here commercial interests clash. Competing technologies, different visions and debatable assumptions are all playing out within the energy sector, with the wider public totally unaware of this and the consequences.

As is usual, industry is asking for certainty—and for clear direction but understandably government has been quiet on this. The challenges to the status quo are so great—the costs so high—the uncertainties so unclear, that this is to be expected. When the wider public actually enter the debate, then we'll see the government respond in detail. The CCC report pointed out some of the changes to everyday life that will be necessary—from eating less red meat to reducing the number of flights we take.

The Business, Energy and Industrial Strategy (BEIS) Committee has expressed, in letters to the Treasury and the Minister of State for Energy and Clean Growth, concerns in relation to the lack of detail surrounding numerous specificities, including the costing of the move to net-zero emissions and the effects on industries such as international aviation and shipping. What do you think are the most salient issues raised in these letters?

Without being disrespectful to the BEIS committee—and I have previously been a member of a select committee—it is their job to hold the government of the day to account, to challenge and assess their work and where necessary to be critical. That is exactly what is happening with these letters (for more information see 'Committee chair raises concerns over £1trn cost of net-zero emissions by 2050', LNB News 28/06/2019 6). They hold no formal authority but could well be used in future committee hearings, so ministers will take them seriously. Probably the most salient point is that the committee's position has been put on the record. The letters are public, and the responses will be too. Holding the Executive to account is the right and proper thing.

How international shipping and aviation are measured and addressed in climate targets requires wider agreement. Both are significant contributors towards carbon emissions, yet both industries do not sit easily in a system that measures 'production' of carbon rather than 'consumption'. The UK may have ideas on how to tackle this challenge, and given its global leadership, it could get the debate moving but we cannot deal with it in isolation.

The costs involved are eye-watering—for example, to decarbonise the way we heat our homes (tackling just 13% of UK emissions) is estimated to be anywhere up to £400bn by 2050. The important aspect of the debate, that is often ignored, is who pays and how. Ensuring fairness in meeting the costs is a challenge yet to be properly discussed, let alone concluded. Get it wrong and the UK electorate will, in my opinion, swing behind a more sceptical attitude to climate change, as we have seen recently in Australia and with Donald Trump in the US.

Why do the approaches and progress towards the net-zero emissions target differ between England, Scotland, Northern Ireland, and Wales? Are there any worldwide examples to note?

The differences reflect the relative abilities of the devolved nations to contribute towards the UK's overall global emission reduction. According to the CCC, Wales has less opportunity for carbon dioxide storage and its agricultural emissions (such as hill-side livestock farming) are hard to reduce. Whereas Scotland, they argue, has greater potential for emissions removal—for example, wind and hydro power in greater abundance. Hence the different timescales for emission reduction, Scotland to achieve net zero by 2045 and, for Wales, a 95% reduction by 2050. It also reflects, in part, the devolved settlements within the UK but also the desire of elected politicians to act more swiftly in addressing what is called a 'climate emergency', aware of political pressure that is building up.

I'm not aware of any other worldwide example of this, partly I suspect because no other major developed nation has agreed to a legally binding net zero target nor having a devolved constitutional settlement as well.

In light of the report 'Progress in preparing for climate change''s criticism of current government policy and action, what changes do you think we can expect?

I don't think we will get any major change of direction or certainty in the short-term, partly because the evidence isn't always available to make a decision. We may see further field trials of technologies, such as hydrogen conversion of the gas grid, as evidence of action.

But although the public may be supportive of climate change action, when they see real change in their lives or additional expense, the support might be fragile. That's a real risk and one that all policymakers need to be aware of.

What will happen if the UK fails to meet the net-zero emissions target by 2050? Does the government have any room to avoid legal ramifications?

That's a good question. If the government fails to hit its carbon budgets, on the way to achieving net zero, then it does open itself up to legal challenge—in the same way as failing to address poor air quality has led to a number of legal challenges by organisations such as Client Earth.

One 'opt-out' the government has kept in its adoption of net zero by 2050, is a review after five-years to assess whether the UK is on its own or part of a wider international move towards the same end. If the UK is on its own—and disadvantaging our economy—then the government might review its position. Decarbonising industry will come at a price. If competitor countries do not apply similar decarbonising mechanisms, it could render UK industry uncompetitive. Loss of business, job losses all could be the effect of the UK moving faster than other countries. That is the argument around a five-year assessment set out by the government in their response to net zero.

The Energy and Utilities Alliance (EUA) provides a leading industry voice helping shape the future policy direction within the sector. Using its wealth of expertise and over 100 years of experience, it acts to further the best interests of its members and the wider community in working towards a sustainable, energy secure and efficient future.

Interviewed by Samantha Gilbert.

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