

Climate change in the 2017 general election

1. Climate Leadership

The UK demonstrated leadership with the Climate Change Act 2008. This is the moment to renew that initiative.

We look to all political parties to commit to Britain's leadership role on climate change and spell out what that means.

This paper sets out WinACC views on the commitments which each party should include in its manifesto to keep to, and strengthen, legally binding targets and objectives on global warming, carbon emissions and renewable energy, with a convincing plan to achieve them.

2. The economic opportunity

General election manifestos should explain how the next Government will take advantage of and build on the enormous economic opportunities in the coming energy transformation, as well as the health and lifestyle benefits of rapid decarbonisation.

Climate change is an opportunity as well as a great threat. According to the New Climate Economy Commission, trade in low carbon and energy efficient technologies is expected to exceed 2 trillion US dollars each year by 2020.

3. UK Carbon Reduction Plan

General election manifestos should outline their party's plans to stay within the 4th and 5th carbon budgets. They should also set out how the party would increase the ambition of these budgets to bring them in line with the targets of the Paris Agreement and the latest science.

The Committee for Climate Change¹ warned in March 2017 that the UK is likely to fail to meet its legally binding carbon budgets, both the 4th (2023 to 2027) and 5th (2028 to 2032).

The carbon reduction plan will describe how the UK would stay within these budgets. The Climate Change Act required the carbon reduction plan to be published "as soon as reasonably practicable" after the 4th carbon budget was set in 2011. Structural change to

¹ This is an executive non-departmental public body, sponsored by the Department for Business, Energy & Industrial Strategy, which advises the government on emissions targets and reports to Parliament on progress made in reducing greenhouse gas emissions.

the UK energy system takes time to implement, so the plan will be far reaching and its implementation urgent. The much delayed report is now likely to be postponed until after the general election 2017.

4. Renewable energy targets

General election manifestos should commit to keep the agreed EU 2020 renewable energy targets after Brexit. Reneging on these targets would undermine confidence in Government's commitment to clean energy and the climate targets agreed in Paris.

General election manifestos should also increase ambition, setting targets in line with the Paris Agreement.

Manifestos should state how the targets can be achieved (including the role of electricity storage in increasing the efficiency of intermittent or cyclical production from some renewable sources).

In 2016, the then Energy and Climate Change Committee warned that, on its current course, the UK would fail to achieve these targets.

5. Environmental legislation after Brexit

General election manifestos should commit the UK to retaining all legislation that protects the biosphere, and to full parliamentary scrutiny of the process of the Great Reform Act. They should also commit the UK to continuing to co-operate fully on energy and environment issues with our international partners, including commitments to strengthen environmental standards and legally binding targets and objectives.

UK environmental standards and norms are embedded in EU accountability, governance and legal structures. With so many issues to be dealt with in the Brexit negotiations, we must not overlook the environment, and especially climate change.

6. Climate Justice

General election manifestos should commit the UK to provide effective overseas aid and to make a full and fair contribution to both the UNFCCC Least Developed Countries and the Adaptation Funds.

Climate change is an issue of justice – between rich and poor, and between generations. The poorest people are the least responsible for climate change, yet they suffer the most from it, and are likely to do so increasingly in the future. Richer people and nations need to do more to mitigate climate change *now*; the poorer ones need help to adapt to it.

7. Fracking

General election manifestos should commit to an immediate and complete moratorium on fracking.

WinACC is fundamentally opposed to fracking for gas or oil. It would lead to burning yet more fossil fuels and almost certainly increase carbon dioxide emissions. WinACC is also concerned about the escape of an even more powerful greenhouse gas, methane, during and after fracking. There are also concerns about the possible pollution of drinking water aquifers with fracking chemicals.

8. Air quality

To improve health and reduce climate change, general election manifestos should promote increased use of public transport, cycling and walking and a great reduction in traffic that burns petrol or diesel.

Vehicle exhaust emissions of the greenhouse gases carbon dioxide and nitrous oxide cause climate change. Air that contains particulate matter and nitrogen dioxide emitted by motor vehicles causes respiratory problems, especially among the young and elderly.

9. Energy Efficiency

General election manifestos should commit to requiring and supporting energy efficiency in homes and other buildings, both new and existing, to reduce demand for gas, oil and electricity.

10. Flooding

Although we can adapt to increased rainfall, it makes more sense for **general election manifestos to commit to take actions to mitigate the global warming that is driving significant changes in our weather.**

Climate change is causing the extreme weather that produces greater amounts of rainfall in the UK. We have seen the power of floods and damage done by flood waters.

11. Fossil fuel subsidies and UK Export Finance Support

General election manifestos should commit to ending fossil fuel subsidies and UKEF support for fossil fuel exploitation.

Analysis by the IMF² predicted that the UK would spend in 2016 about £26 billion (equivalent to 1.37 per cent of its GDP) on subsidies including tax breaks for fossil fuel companies, considerably more than it would spend on renewable subsidies. In 2016 the Treasury spent £24 million more on subsidising the North Sea Oil industry than it received from the industry's tax contributions. In November 2015 UK became the only G7 country to increase fossil fuel subsidies and continued them in 2016.

In addition, there is evidence³ that the UK government agency UK Export Finance (UKEF) had provided 179 times more financial support to the UK fossil fuel industries since 2000 support than to renewable energy firms. The report disclosed that UKEF provided financial support worth £6.9 billion since 2000 to the UK fossil fuel industry in the form of loans and insurance. While this sum cannot be reckoned as a subsidy because it is likely that much of it will be repaid, the purpose behind these payments was to stimulate the export of goods and services such as equipment for oil extraction by helping to make high risk deals happen. This has the effect of shifting the financial risk of exporting goods and services away from businesses and on to UK taxpayers.

² The International Monetary Fund (IMF) is an organization of 189 countries, working to foster global monetary cooperation, secure financial stability, facilitate international trade, promote high employment and sustainable economic growth, and reduce poverty around the world.

³ <http://energydesk.greenpeace.org/2017/04/19/uk-trade-billions-export-finance-fossil/> (April 2017) and https://docs.google.com/spreadsheets/d/1fx8TQsjEW13_CU9D4JtEk8pZUTBrVycXpQA5SYhkYs/edit#gid=979510106

12. EU Emission Trading Scheme (ETS) and greenhouse gas accounting rules

Manifestos will need to explain the UK position on the difficult issue of the EU Emission Trading Scheme.

The EU ETS covers 45% of the greenhouse gas emissions emitted from 700 energy intensive installations in the UK.

The EU ETS faces continued criticism. Over-allocation of allowances resulted in a collapse of the permit price to its current price below €4. The vast majority of carbon credits in the Clean Development Mechanism have failed to reduce emissions. EU industry received a €24bn windfall from the EU ETS (by manipulating the sale of European carbon allowance permits, Clean Development Mechanism allowances and Joint Initiative Credits). Although the EU voted in December 2016 to include shipping, the scheme does not include aviation, which currently causes 7% of EU emissions, and this percentage seems likely to increase. The scheme is immensely bureaucratic and expensive to administer and open to falsification: it is difficult to verify as it depends on emissions made from a very large number of stacks and tail pipes.

The UK has the option to continue to participate in the scheme post-Brexit. Indeed Iceland, Lichtenstein and Norway do so even though they are not members of the EU. However, this reduces our ability to contribute to EU decisions about changes to improve the scheme

If the UK chooses to leave the EU ETS there will need to be a difficult disentanglement of the accountancy emissions schemes under the Climate Change Act and the EU ETS and a tightening of loopholes in and between the schemes.

Another option would be for Britain to show world leadership and seek to initiate a Cap & Dividend scheme capable of being extended to a regional and then to a global scheme. A Cap & Dividend scheme would cap fossil fuel production, which can be easily and accurately monitored, rather than emissions which cannot be.

27 April 2017