

Committee on Climate Change Meeting Minutes

Friday 10th July 2020, 9:30 – 15:30 | Virtual meeting

Present: Present were John Deben, Keith Bell, Julia Brown, Nick Chater, Piers Forster, Rebecca Heaton, Paul Johnson (sessions 1&2 only), Corinne Le Quéré, Pete Betts (as an advisor), Chris Stark.

Members' interests: Interests can be found on the CCC's website at:
<https://www.theccc.org.uk/about/transparency/>.

Committee members were reminded of the need to declare any conflicts of interest.

1. Findings of the Expert Advisory Group on Health Co-Benefits

Professor Sir Michael Marmot presented the findings of the Health expert advisory group he chaired, to advise the Committee on its pathways to Net Zero. The Committee had an extensive discussion with Sir Michael, including on overlaps between climate and Covid, and on how possible it is to quantify the full range of health benefits from climate action.

The Committee were keen to publish the Chair's Report of the expert advisory group as early as possible, given the current public policy focus on health.

2. Findings of the Expert Advisory Group on Finance

Professor Nick Robins presented the findings of the Finance expert advisory group he chaired, to advise the Committee on how the framework for delivery of decarbonisation can be improved.

The Committee were interested in the recommendations of the advisory group, including the potential role for a National Investment Bank. The Committee discussed the positions of different companies on decarbonisation and the potential roles for offsets to help or hinder progress to Net Zero.

The Committee agreed to publish the Chair's Report of the finance expert advisory group alongside the advice on the Sixth Carbon Budget.

3. 6th carbon budget: industrial decarbonisation scenarios and supporting infrastructure

The secretariat provided an update on the industry pathways and scenarios for the 6th Carbon Budget advice, including pathways for emissions and technology roll-out as well as implications for infrastructure development.

The Committee discussed the pace of decarbonisation in the industry and the fact this roll-out is considerably faster than was envisaged in the Committee's 2019 advice on Net Zero. The Committee was broadly satisfied that the faster rate is feasible, and was pleased that the assessment was for more rapid progress given the requirement under the Paris Agreement for 'maximum possible ambition' to reduce emissions.

However, there was some concern that smaller companies may respond more slowly to incentives, so the Committee asked that the modelling try to take this into account.

The Committee also discussed how quickly the manufacturing sector could be put on this path, given the need to develop a policy framework that not only incentivises investments to decarbonise but also mitigates competitiveness concerns. The Committee were satisfied that a phased approach, starting with a greater emphasis on subsidies for decarbonisation before transitioning to an enduring regime (e.g. border tariffs or standards) that enables costs of decarbonisation to be passed onto customers without competitiveness risks.

Similar issue also apply to the fossil fuel supply sector, but the Committee were clear that a transitional position of providing subsidies to fund decarbonisation measures would not be acceptable, and so this sector would need to go straight to an regime that passes on these costs to UK fossil fuel consumers.

4. Progress report 2021

Having recently published its 2020 annual progress report to Parliament, the Committee discussed what it would like to cover in the 2021 report.

The Committee views the Department-by-Department recommendation tables as having been successful, and would like to keep these. On tracking progress towards emissions reductions, the Committee was keen to identify things on which data are not currently collected, but could be in future.

The Committee agreed to come back to detailed plans for the progress report in early 2021.

5. International session: the global effort and UK influence

The secretariat reported on work commissioned from Vivid Economics and UCL, including further developing the 'leadership-driven' global scenario which features developed countries will taking a lead in achieving the goals of the Paris Agreement.

The Committee discussed what these leadership pathways imply from developed countries ahead of COP26, and what that might mean for a UK NDC. The Committee agreed to come back to the possible recommendation of a UK NDC when the analysis on UK decarbonisation pathways is closer to being finalised.

The Committee discussed the role of international emissions credits in the global transition and what this means for the targets set under the Climate Change Act. The Committee were keen to emphasise that there are other ways that the UK can support international progress in decarbonisation that may be more effective than the purchase of credits, but that these would need to be additional to domestic action to reduce emissions, rather than a substitute for it.

No firm decision was taken on the role for credits in the Sixth Carbon Budget, but the Committee remains keen that the Climate Change Act targets drive domestic action to reduce emissions within the UK. The Committee agreed to come back to the formal recommendation of the role for credits in the Sixth Budget after the summer.