

Tim Farron surgery at Milnthorpe, 2mar13 - Submission by Henry Adams, Jo Magne, Chris Rowley, re:

The Energy Bill: Yeo-Gardiner cross-party amendment for a 2030 decarbonisation target

- ◉ **Why this is essential (due to flaws in the Bill).**
- ◉ **A strong recommendation for a free vote* - if it comes to a vote.**

We have studied **Ed Davey's letter** to Tim Farron and Jo Magne (of 17jan13, appended) in which he defends his compromise agreement with George Osborne to delay a decision on a 2030 decarbonisation target for electricity generation until 2016 - and find it to be **fundamentally flawed: principally in that it allows a big enough window of time (several years) - for the "dash for gas" option in Osborne's Gas Strategy to allow decisions which will exceed the carbon intensity figure recommended by the Commission on Climate Change (50gCO₂/KWh)**. Such potential "locking in" of high carbon infrastructure would thus make it too late to set an effective target in 2016, resulting in potential non-compliance with The Climate Change Act and a disastrous 'trajectory' as regards reaching future successive targets. (And this is not the only flaw!)

Thus - the 2030 target has to be set *first* to be attainable with any certainty, and the amendment does this.¹

Thus we now have a decision point between scope for a dash for gas (which will also promote fracking), *OR* an effective 2030 decarbonisation target (with associated investor optimism for green renewables). There is a big chance of the LibDems going down in history as having allowed the wrong decision - to delay setting the 2030 target - and maybe even the future rejection of it altogether should Osborne have more power after the next general election (that's another flaw - the post-election date). To prevent such a disaster I hope you can consider not only making use of the above argument in the first paragraph but also the following recommendation.

The LibDem conference on 24sep12 apparently "overwhelmingly" **passed a motion in favour of decarbonising the UK power sector by 2030**. We argue that LibDem MPs should show allegiance to this motion rather than with a coalition compromise that is much nearer to Osborne's viewpoint, and its potential to drive more climate change. We strongly recommend that LibDem MPs are allowed a free vote on the amendment without any whip constraints - on the principal that they must be free to vote in accordance with LibDem policy as voted for by LibDem members. They should *not* be pressurized to vote against the amendment and thus for Osborne's dash for [unabated] gas without a limit to emissions.

We strongly recommend that both the free vote and the 'fundamental flaw' in the Osborne-Davey compromise agreement - be raised as matters of great importance in the LibDem Spring conference.

This matter is immensely important not just to the UK but the world as a whole: The 2030 target is what we all need, the planet needs, what business wants (even several of "the big six"!), green growth requires, green jobs need, and the UK economy as a whole. In fact - most people except Osborne and his "fossil fuel friends" (who appear to have questionable understanding of climate change or its importance²).

The billions of pounds won for clean energy - though a big success - does not restrict a dash for gas from exceeding the low-carbon trajectory, nor the promotion of fracking for gas.

Dr Henry Adams, Chris Rowley, Jo Magne as Chair of South Lakes Action on Climate Change *towards transition* March 2013

Appended: Useful end-notes and links, photos of Ed Davey's letter

* text in grey are corrections to 3 accidental omissions from the text emailed to Tim Farron and GreenLibDems

1 The main Yeo-Gardiner amendment(s) states that: **‘the decarbonisation level must not exceed the level deemed consistent with a low-carbon trajectory as advised by the Committee on Climate Change’** [50mgCO₂/KWH] and **‘a decarbonisation order must be made by 1 April 2014’**. [my addition]

2 The over-riding CLIMATE CHANGE reason for setting the 2030 target now

The Energy Bill as it now stands regarding a clean energy target (i.e. delay decision until 2016) is world’s apart from what is intrinsically implied by mounting climate change evidence, assessments by climate scientists, and consequent reports by e.g. International Energy Agency, The Potsdam Institute for Climate Impact Research for the World Bank, even PwC, etc, etc. These all strongly recommend - that we must set emissions-reductions trajectories (and avoid high-carbon infrastructure ‘lock-ins’) **now**, towards having any hope of reaching less than 2 degrees rise by the end of this century - otherwise we are on track for a perilous 4 degrees C rise [we have so far reached a 0.8 degrees C rise since pre-industrial times]. Having an effective 2030 decarbonisation target *now* is essential - and the Committee on Climate Change recommend an intensity target of 50mgCO₂/KWH for the electricity generation industry by 2030.

It would be absurd if The Energy Bill ends up aligned nearer to Osborne’s pro fossil fuel view than with the advice from all of the above bodies based on climate change evidence, and the green growth advice for jobs and the economy, not to forget those many members of the public who have a good understanding of the importance of climate change and regard to the future rather than short-term profits. It would be a huge failure and flaw in our ‘democracy’ if the 2030 target is not set soon.

Useful links:

[Chairman of CCC \(Commission on Climate Change\) Lord Deben here writes on 25feb13 to Ed Davey, SoS for DECC](#), strongly urging no delay for setting the 2030 carbon-intensity target [for cleaner energy production], so as to avoid a drop in confidence for investment into low carbon energy production such as off-shore wind turbines, and states that: **“Early decarbonisation is economically sensible compared to the alternative of a dash for gas through the 2020s”**:

[A decarb target is good for the economy, good for the environment and good for gas](#) - 19 Feb 2013 - James' Blog a blog from BusinessGreen.

[Take action now to save the Climate Act and get clean energy by 2030](#) Campaign against Climate Change

[House of Commons Amendments 7feb13 ENERGY BILL](#) - including those by Yeo & Gardiner

[Lib Dem rebels \[Dr Julian Huppert, Martin Horwood and John Hemming\] signal support for decarbonisation target](#) - 01 Mar 2013 - News from BusinessGreen

[Lib Dems vote in favour of 2030 target](#) Carbon Brief 24sep12

[New Report - ‘Turn Down the Heat’ - Examines Risks of 4 Degree Hotter World by End of Century](#) 18nov12 - prepared for the World Bank by the Potsdam Institute for Climate Impact Research (PIK) and Climate Analytics

[‘Companies, charities, unions and faith groups calling for a clean power target’](#) - FoE

[‘Businesses line up to back decarbonisation target’](#) - 20 Feb 2013 - News from BusinessGreen

Photos of Davey’s letter - following 2 pages



Department
of Energy &
Climate Change

Tim Farron MP
Acland House
Yard 2
Stricklandgate
Kendal
Cumbria LA9 4ND

RECEIVED
23 JAN 2013

The Rt Hon Edward Davey MP
Secretary of State

Department of Energy & Climate Change
3 Whitehall Place
London
SW1A 2AW

www.decc.gov.uk

Our ref: MC2012/18547
Your ref: Magn002/7/ac

17 January 2013

Dear Tim,

Thank you for your letter dated 7 November, on behalf of one of your constituents, about the Energy Bill. I apologise for the lengthy delay in replying.

Decarbonisation

Careful consideration was given to the advice received by the Committee on Climate Change (CCC) and the Energy and Climate Change Select Committee (ECCC) on their recommendations about whether the Energy Bill could be more specific in setting a 2030 decarbonisation target for the power sector. The Government believes that a decarbonisation target range for the power sector is both compatible with our overall objectives and is an important signal for investors. As such we have agreed to bring forward an amendment to the Energy Bill to take a power to set a decarbonisation target range in secondary legislation. This is consistent with advice received from the CCC and the ECCC.

However, we will set the level of this target range at the right time. This will happen in 2016, when we are due to receive advice from the CCC on the Fifth Carbon Budget, which covers the 2030 period, and when the level of this carbon budget is set in law. Before then, to ensure clarity, we will be issuing guidance to National Grid consistent with the least cost approach to achieve our overall 2050 carbon target.

This agreement is part of a wider landmark agreement on energy policy that will deliver a clear, durable signal to investors. For example, this agreement includes setting the amount of market support available for low carbon electricity at £7.6 billion in 2020, which will provide the certainty to investors in all generation technologies and provide protection to consumers.

Demand reduction

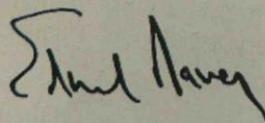
The Coalition Government is absolutely determined to help cut energy bills for consumers, reduce costs for businesses and bring down our emissions. Reducing the amount of electricity we use saves money through lower bills and also reduces the need to build new generation capacity. Improving energy efficiency is often the most cost effective way of achieving these goals. Alongside the introduction of the Energy Bill, we launched a consultation to explore what more can be done to reduce electricity demand across the UK economy. This consultation is a key part of our Energy Efficiency Strategy, published in November 2012.

Gas and coal

The Government acknowledges the point made by the Committee in respect of the application of exceptions to the Emissions Performance Standard (EPS) for Carbon Capture & Storage (CCS) demonstration projects. The Committee quite rightly points out that CCS is a special case, and recognises that the policy intent behind the option to provide exceptions to the EPS for CCS demonstration projects is to assist the swift development and early deployment of CCS. However, the Committee also points to the risk that effectively taking all or part of a new-coal fired power station outside of the EPS regime could potentially undermine the safeguards that the EPS is intended to provide and our decarbonisation objectives.

Given the current stage of the CCS Commercialisation Programme and the range of CCS projects, both in terms of maturity and design, that are competing for funding support, it is difficult to be precise now as to the impact that the EPS may have on the ongoing commercial viability of a CCS project in the event that the CCS performs poorly or fails outright. In these circumstances there could be a number of things which impact on a project, for example the carbon price, and each potentially to a greater or lesser degree than the EPS. The Government has therefore carefully considered the Committee's recommendation and the evidence provided to the Committee and decided, on balance, that the most appropriate way to manage any EPS related risk is through the CCS project contract. This provides greater flexibility to manage any EPS related risk along with others project risks on a case-by-case basis, while leaving projects within the EPS regime and the safeguards it provides. The Government will not now legislate for CCS exceptions to the EPS as part of the Energy Bill.

We recently introduced the Energy Bill and will have essential electricity market reforms up and running by 2014, as planned. These reforms are needed to provide certainty to investors to bring forward £110 billion investment in new infrastructure to keep the lights on and continue the shift to a diverse, low carbon economy as cheaply as possible.



EDWARD DAVEY