

Department for Environment, Food and Rural Affairs

Consultation on the draft Climate Change Bill

Response proforma

Please use this proforma to answer the questions in the above document. The closing date for the submission of responses is **12 June 2007**.

Responses should be clearly marked in the subject field "**Consultation on draft Climate Change Bill**", and should be sent:

- by email to: climatechangeconsultation@defra.gsi.gov.uk
- or by post to: Patrick Erwin / James Hardy, Climate Change Legislation Team, Area 4/F5, Ashdown House, 123 Victoria Street, London SW1E 6DE

The email address may also be used for general queries relating to this consultation. Please mark the subject field **Consultation on the draft Climate Change Bill**.

To help us analyse responses, please provide details of yourself or your organisation (* if appropriate) below.

In line with Defra's policy of openness, at the end of the consultation period copies of the responses we receive may be made publicly available through the Defra Information Resource Centre, Lower Ground Floor, Ergon House, 17 Smith Square, London SW1P 3JR. The information they contain may also be published in a summary of responses.

If you do not consent to this, you must clearly request that your response be treated confidentially. Any confidentiality disclaimer generated by your IT system in e-mail responses will not be treated as such a request.

You should also be aware that there may be circumstances in which Defra will be required to communicate information to third parties on request, in order to comply with its obligations under the Freedom of Information Act 2000 and the Environmental Information Regulations.

Defra's confidentiality statement in full can be found at

www.defra.gov.uk/corporate/consult/climatechange-bill/letter.htm

Name	Nigel Yaxley
Organisation / company *	Coallmp - Association of UK Coal Importers
Job title *	Managing Director
Department *	
Address	
Email *	nigelyaxley@coalimp.org.uk
Telephone *	0207 1936108
Fax *	
Website *	www.coalimp.org.uk

Organisation Type	Please mark/give details as appropriate	
Non Governmental Organisation (NGO)	<input type="checkbox"/>	
Public sector (e.g. local / central government, hospitals, universities) <i>(please give details)</i>	<input type="checkbox"/>	
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Other <i>(please give details)</i>	<input checked="" type="checkbox"/>	Trade Association

NB: on the form below, please leave the response box blank for any questions that you do not wish to answer. Any other comments can be recorded in the box at the end of this form. All boxes may be expanded as required.

Targets and Budgets

Setting statutory targets

1. Is the Government right to set unilaterally a long-term legal target for reducing CO₂ emissions through domestic and international action by 60% by 2050 and a further interim legal target for 2020 of 26-32%?

Coallmp recognises the necessity of taking steps on a precautionary basis to mitigate the potential effects of climate change. This must be done, however, with full awareness of the global context.

The international use of coal is set to grow dramatically, especially in developing economies such as China, and it is therefore essential that cleaner coal technologies and 'sustainable coal' with carbon capture and storage (CCS) are deployed as quickly as possible. It is unlikely that this will happen extensively in developing nations without an appropriate level of commitment from the West, including the UK.

Greater certainty in the regulatory framework going forward, as may be provided by longer term targets, can help bring forward investment in cleaner coal and CCS, if appropriately structured. Whilst unilateral targets may be necessary as a first step, it is important to continue urging the EU and international community to move together on climate change measures. Otherwise, UK competitiveness will suffer, and both jobs and emissions will be exported to the developing world.

2. Is the Government right to keep under review the question of moving to a broader system of greenhouse gas targets and budgets, and to maintain the focus at this stage on CO₂?

Given that all greenhouse gases contribute to climate change it is illogical to single out CO₂. This means that there are no incentives for businesses to reduce emissions of other gases many of which have a significantly greater global warming potential.

There is also a potential market distortion, given that the Kyoto mechanisms (JI/CDM) can already generate credits for non-CO₂ schemes. This means that businesses can be rewarded for investing in, for example, methane reduction schemes in the developing world, but not at home in the UK.

Carbon budgeting

3. Should the UK move to a system of carbon management based upon statutory five-year carbon budgets set in secondary legislation?

Five-year periods are generally compatible with the business planning cycle and would appear sensible. It would be desirable, however, for periods to coincide with those for the EUETS and any Kyoto Protocol.

4. Do you agree there should be at least three budget periods in statute at any one time?

For the type of long term investments associated with cleaner coal and CCS it is necessary to be able to look forward for periods of fifteen years or more with as much certainty as possible. Targets need to be realistic however, and geared to bring forward investments to reduce carbon rather than to stunt economic growth.

Reviewing targets and budgets

5. Do you agree there should be a power to review targets through secondary legislation, to ensure there is sufficient flexibility in the system?

It is important to build in flexibility so that the system can react to events, new knowledge and international developments. All targets should be managed within market mechanisms such as the EUETS so that the most cost-effective means of emissions reduction emerge from the market as a whole, and individual companies are not driven to make sub-optimal decisions on mitigation.

6. Are there any factors in addition to, or instead of, those already set out that should enable a review of targets and budgets?

Counting overseas credits towards the budgets and targets

7. Do you agree that, in line with the analysis in the Stern Review and with the operation of the Kyoto Protocol and EU ETS, effort purchased by the UK from other countries should be eligible in contributing towards UK emissions reductions, within the limits set under international law?

The most cost-effective emissions reduction will emerge from the widest possible market with the greatest possible liquidity. It is therefore essential that credits purchased from elsewhere should be eligible.

This also provides one of the best ways of kick-starting mitigation projects in developing countries.

Banking

8. Do you agree it should be permissible to carry over any surplus in the budget? Are there any specific circumstances where you consider this provision should be withdrawn?

Banking should be permitted to encourage early action and to avoid distortions at the beginning and end of budget periods.

Borrowing

9. Do you agree that limited borrowing between budget periods should be allowed?

Borrowing should also be permitted.

Compliance with carbon budgets and targets

10. Is it right that the Government should have a legal duty to stay within the limits of its carbon budgets?

Yes, but the Government should also have an obligation to ensure that UK action is as closely mirrored as possible by the rest of Europe, and indeed the rest of the world. UK business can suffer badly from Government failure in this area.

The Committee on Climate Change

The need for an independent analytical organisation

11. Do you agree that establishing an independent body will improve the institutional framework for managing carbon in the economy?

This needs to be considered in the context of overall developments in the structure of Government departments and institutions dealing with climate change policy. Clarity and transparency is needed and a new body should not duplicate, or be duplicated by, activity elsewhere.

Effectiveness will be crucially determined by its terms of reference and composition.

Functions of the Committee on Climate Change

12. Do you agree that the Committee on Climate Change should have an advisory function regarding the pathway to 2050?

In principle, yes.

13. Do you agree with the proposal that the Committee on Climate Change should have a strongly analytical role?

This is a hugely complex area, with many bodies worldwide already carrying out analysis. There needs to be avoidance of 're-inventing the wheel'. There should be as much reliance as possible on analysis already carried out by reputable organisations, and new analysis should be limited to factors which are not covered elsewhere.

Factors for the Committee on Climate Change to consider

14. Are these the right factors for the Committee on Climate Change to take into account in assessing the emissions reduction pathway? Do you consider there are further factors that the Committee should take into account?

These factors seem to cover the right areas. It is important that this process is driven by good science and long term thinking rather than fashion, public opinion and political spin.

Membership and composition

15. Do you agree the Committee on Climate Change should be comprised of technical experts rather than representatives of stakeholder groups?

Yes, but 'technical experts' needs to have a wide interpretation, including industry as well as academia. If stakeholders are not to be involved, which is probably right, they need to be assured that the Committee's composition is well balanced and there are not 'blind spots' regarding particular areas: experts can also be infected with 'political correctness' - it took many years of lobbying to see clean coal and CCS recognised as a key component of climate change mitigation.

16. Are these the appropriate areas of expertise which should be considered? Do you consider there are further areas that should be considered or any areas that are less important?

Enabling powers

Extending the suite of domestic trading schemes

17. Do you agree with the principle of taking enabling powers to introduce new trading schemes?

It is acceptable in principle to take enabling powers, but this must not be used to create confusion and to dilute the longer term regulatory certainty which should arise from implementation of this Bill.

Any new trading schemes must be as consistent as possible with international policies, and potential effectiveness must be considered in a global context.

Benefits and structure of enabling powers

18. Do you consider that these powers are sufficient to introduce effective new policies via secondary legislation? If not, what changes would you make?

Reporting

The need for regular, independent monitoring of the UK's progress

19. Do you agree that the Committee on Climate Change should be responsible for an independent annual report on the UK's progress towards its targets which would incorporate reporting on a completed budget period every five years?

The Committee should provide the analytical basis, but it remains the Government's responsibility to report, and to be accountable, on success in delivering its policies.

Adaptation

20. Is statutory reporting the best way to drive forward progress on adaptation while at the same time ensuring Government is able to develop flexible and appropriate measures reflecting developments in key policy areas?

Actual impacts of such a long-term process as climate change are difficult to measure. Any reporting should be scientifically based in a long term context and not driven by knee-jerk reactions to individual climate events.

Other responses or comments

(Please use the following space for any other responses or comments)