



Briefing

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Miliband's Low Carb Diet

In a statement to Parliament, Ed Miliband, the new Secretary of State for Energy and Climate Change, accepted the recommendations of the Committee on Climate Change's interim report on the 2050 emissions target to be established under the Climate Change Bill. Promising significant new amendments to the Bill, Miliband committed Government to an even more radical policy for the decarbonisation of Britain

Emissions Targets

The recommendations of the Committee of Climate Change, endorsed by the Minister, include:

- an increase in the current target of 60% emissions reductions on 1990 levels by 2050 to **80%**
- extension of the target from CO2 to embrace all six **Kyoto Greenhouse Gases**
- inclusion of emissions from **shipping** and **aviation** in the target

The Committee indicated that obstacles to achieving 80% savings in the **shipping** and **aviation** sectors implied that other sectors would have to achieve even greater cuts.

Renewables

Miliband signalled changes to the Energy Bill to provide for a **feed-in tariff** for small scale electricity generation from renewable sources. **Feed-in tariffs** guarantee fixed rate payments for exports to the Grid. The Secretary of State also promised further announcements on renewable heat production.

Energy Prices

It is difficult to reconcile the Government's low carb regime with some of the Department of Energy and Climate Change's other key objectives - **affordable energy** and **security of supply**.

The Minister threatened legislation if energy suppliers fail to address certain differentials in energy pricing identified as being unjustifiable in Ofgem's recent "Energy Market Probe". However, he was silent of the impact of the revision in the Government's emissions targets on the overall **cost** of energy supply.

The Government's emissions reductions targets will make it increasingly difficult, particularly once the Planning Bill and Climate Change Bills are enacted, to obtain **consent** for fossil fuel powered generation needed to plug a looming **shortfall** in electricity production, unless new projects are supported by realistic proposals for carbon capture and storage - a hard ask given the current state of technology and infrastructure development.

Carbon Budgets

The next milestone in the development of UK Energy Policy will be publication of the Climate Change Committee's first full report on the 2050 target and the level of the UK's first three carbon budgets, due on 1st December 2008. The carbon budgets, which cover five year periods, the first commencing in 2008, must be set with a view to achieving the 2050 target. In the light of the Minister's statement they will presumably now cover all six **Kyoto Greenhouse Gases**.

The Climate Change Bill has been criticised for being largely unenforceable. However, its impact on the **planning process** and other **consents** will be considerable. Generators and industry ignore it at their peril.

More information

For further information on the impact of forthcoming legislation on Energy, Planning and Climate Change, contact Paul Brennan on 0118 955 3004 or at paul.brennan@morgan-cole.com.



Paul Brennan
Consultant

T: 0118 955 3004

E: paul.brennan@morgan-cole.com

Paul specialises in work for clients in the energy and utilities sectors. He has worked on a number of major projects both in the UK and overseas, and advises on the construction, financing, operation and use of generation and transportation infrastructure, energy and emissions trading, competition law and state aid, water, waste management, and environmental law. Paul leads the firm's Energy and Environment Group.

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