



**Friends of
the Earth
Scotland**

Evidence Submitted to the UK Committee on Climate Change

16 January 2015

- **Future targets require a transformation in ambition and approach and the Scottish Government should focus on exhausting all policy options to achieve them.**
 - **The RPP2, while comprehensive in intent, is not fit for purpose as a guide to necessary climate policy action and needs to be revised.**
 - **Additional policy effort is required in key sectors including renewable heat, transport and home energy efficiency.**
1. WWF Scotland and Friends of the Earth Scotland (FoES) welcome the opportunity to provide evidence to the Committee on Climate Change on Scotland's Climate Act, which is a core area of focus for both organisations and for Stop Climate Chaos Scotland, a diverse coalition representing around 60 organisations, of which we are both members.
 2. WWF and FoES were disappointed to learn of the third missed climate target in June 2014, particularly given the emissions increase recorded between 2011 and 2012. Scotland's cumulative emissions are now around 8Mt higher than legislated and compensatory action is required to ensure that Scotland meets future targets and remains within the cumulative emissions budget of 1250MtCO₂e advised by the CCC. Despite the missed targets themselves, the annual scrutiny cycle continues to concentrate minds on necessary policy development and helps to red flag areas for action at an early point.
 3. While a welcome package of measures was introduced by the Scottish Government as a first step to getting back on track, it committed in June 2014 to bringing forward more substantial compensatory action, as is required by the Climate Change Act, to hit future targets. The detail of this compensatory action, which we understand is being discussed at the newly established Cabinet Sub Committee and the Carbon Emissions Reduction Board, is overdue and we believe that the Scottish Government should bring forward more detailed proposals at the earliest opportunity.
 4. Changes to the inventory have increased the emissions reductions required in order to meet the annual targets. We recognise that this may continue in future, as accounting methodologies are further refined. A significant uncertainty is also created by the

ongoing lack of clarity about the impact of ETS Phase III allocation on Scotland's targets between 2013 and 2020. Regardless of the detail of accounting methodologies, future targets continue to require a significant transformation in ambition and approach. For example, targets to 2020 require a steady reduction of around 1Mt/year, which comes after a more significant reduction in emissions between 2012 and 2013.

5. The CCC raised two options to address the issues arising from inventory changes in its 2014 progress report – amend the annual targets or redouble policy effort by introducing policies that go beyond the current RPP2. We strongly advocate that the Scottish Government focus their attention on exhausting all policy options in order to hit future targets, particularly given the need to maintain the integrity of the Scottish Act in the run up to the critical Paris UNFCCC talks later this year. This position is supported by the Scottish Parliament's Rural Affairs, Climate Change and Environment Committee, who emphasised in a recent letter to the Climate Minister that *“revising the annual targets at this time would not send the right message globally about Scotland's commitment to achieving [those] targets and significantly reducing its emissions”* and called for *“every effort possible to try and achieve each annual target.”*
6. We welcome the excellent progress in reducing emissions in the electricity sector. It is worth noting that Scotland would have hit its 2011 and 2012 targets had unadjusted (real) emissions been counted instead of adjusted emissions.
7. However, we do not yet see a commensurate level of policy effort to reduce emissions in other sectors. For instance, space and hot water heating still accounts for around half of all Scotland's emissions, while only 3% of these needs are currently met by renewables. Equally, transport emissions remain at 1990 levels, and there is not a single Scottish level transport policy provided in the RPP2, although active travel funding was increased slightly in 2014-15.
8. Previous CCC reports have advised that further effort is needed in the renewable heat, transport and energy efficiency sectors, but it is not evident that this advice has been adequately implemented by the Scottish Government. The CCC may wish to consider cross-referencing its annual advice against policy developments in the intervening year to establish the extent to which this advice is implemented.
9. For example, all three progress reports called for action to address non-financial barriers to renewable heat deployment and the most recent report flagged that the renewable heat pipeline is inadequate to meet the 11% target for 2020. However, progress on regulation of district heating is slow – presently being considered by a working group – while opportunities to build on the current district heating loan fund – through loan guarantees, an expansion of the fund or raising of the cap on loan values – have not been taken in the 2015-16 Draft Budget. On transport, all three reports have also flagged the need to accelerate effort on demand management through the Smarter Choices, Smarter Places programme. While £5m has been allocated to this in the 2015-16 Draft Budget, clearly far more will be needed to roll the programme out at a national scale and tackle demand management in transport more widely. On energy efficiency, the most recent report advised that additional funding may be necessary to address the reduction in the ambition of ECO. However, the 2015-16 Draft Budget maintains the same level of energy

efficiency funding as the previous year, despite an increase in fuel poverty rates in Scotland to 940,000 homes.

10. The RPP2, while comprehensive in its intention, is no longer fit for purpose as a live guide to required action. It needs revision to address the inventory changes and some outdated assumptions; notably that the EU would move to a 30% climate target by 2020. It is worth recalling that, irrespective of the inventory changes, Scotland will miss every annual target to 2020 even if all policies and proposals are implemented to schedule because it relies on the EU moving to 30%. The RPP2 also assumes strong development of CCS in the power sector and the phase out of coal by 2020. Unless the Scottish Government changes the way in which RPP2 delays effort to the post 2020 period, by accelerating proposals into policies now, and implementing new interventions where sectors are underperforming, Scotland will continue to miss its annual targets.
11. It remains challenging to read across between the RPP2, its Carbon Assessment and the Scottish Budget, and understand whether the Scottish Government is actually investing to deliver on RPP2 policies and meet climate targets. The Scottish Parliament's Infrastructure and Capital Investment Committee scrutiny of the draft Scottish Budget 2015-16 recently concluded that the *“present approach to carbon assessment results in an absence of important information and evidence during the budget scrutiny period, which severely curtails the effectiveness of this important Parliamentary process”* and recommended: *“that the Scottish Government review the effectiveness of its method of Carbon Assessment of the draft budget.”*
12. Scotland also lacks robust independent assessment of policy impact. While the publication of the Climate Change Delivery Board's check point monitoring report is welcome, this tends to describe what is happening rather than unpicking why it is happening and what barriers need to be addressed when policies are underperforming. As such, its utility for policymakers is limited. Moreover, it is often not clear what assumptions underpin the abatement attributed to individual policies in the monitoring framework or the wider RPP2.