



2030 EU CLIMATE TARGETS

IMPLICATIONS FOR BRITAIN

The Global Warming Policy Foundation
Parliamentary Briefing Paper

2030 EU Climate Targets

OVERVIEW

The outgoing European Commission (EC) has proposed new EU-wide CO₂ emissions and renewables targets for 2030, which will be discussed by the European Council in the next 12 months. If agreed by the European Council, the CO₂ emissions target would be offered as a conditional pledge during the 2015 international negotiations on climate change in Paris.

In its press release, the Commission states:

The Commission invites the Council and the European Parliament to agree by the end of 2014 that the EU should pledge the 40% reduction in early 2015 as part of the international negotiations on a new global climate agreement due to be concluded in Paris at the end of 2015.¹

In light of deep splits among EU member states, there are considerable uncertainties about what will happen to these proposals:

- (i) There is no certainty that the targets will remain as stringent as currently proposed.
- (ii) There is no guarantee of a final EU agreement before the UN climate summit in Paris in 2015.
- (iii) In the event that no global CO₂ emissions treaty is agreed in 2015, the EU's conditional pledge may not be enacted.

This uncertainty has significant implications for the UK's climate policy, with a real prospect of UK emissions targets being scaled back significantly in line with EU targets.

2030 Proposed Targets

Emissions Target

The European Commission is proposing that the EU should pledge a 40% reduction in CO₂ emissions by 2030 compared to the 1990 levels, and that this should be used as part of the EU's negotiations at the UN climate summit in Paris in 2015. This would represent a doubling of the 2020 EU CO₂ emissions reduction target of 20%.²

To achieve the EU's target for 2020, Member States are required to limit their greenhouse gas emissions by meeting "binding annual limits".³ Member States have different annual emission allocations, with some EU member states required to cut their emissions whilst others are permitted to increase them at restricted rates.⁴ The EU Commission can impose various penalties on Member States where national targets are not met.⁵

The European Council – made up of the heads of state or government of all EU member states – is expected to discuss the 2030 EU-wide emissions proposal in the next 12 months. The European

1 2030 climate and energy goals for a competitive, secure and low-carbon EU economy http://europa.eu/rapid/press-release_IP-14-54_en.htm

2 Europa – The EU climate and Energy Package (2020) <http://ec.europa.eu/clima/policies/package/>

3 Europa – Annual Emission Allocations http://ec.europa.eu/clima/policies/effort/framework/index_en.htm

4 European Commission decision determining Member States' annual emission allocations for 2013 to 2020 http://ec.europa.eu/clima/policies/effort/framework/docs/draft_decision_aeas_esd_en.pdf

5 Europa – Annual emission allocations Q&A http://ec.europa.eu/clima/policies/effort/framework/faq_en.htm

Council would only be able to agree a legally binding 40% emissions reduction target for 2030 if all Member States accepted new, nationally binding CO₂ targets. Such an agreement would have to be done under an 'Effort Sharing Decision',⁶ where each Member State has to take on nationally binding CO₂ emission targets. Furthermore, the Commission is only proposing that the EU should pledge a conditional 40% target as part of the global negotiations in Paris, meaning that the target may be dropped if no global agreement is made in 2015.

Renewables Target

The European Commission has proposed an EU-wide binding target that would require at least 27% of the EU's energy generation to come from renewables by 2030⁷, increasing from the 2020 target of 20%.⁸

Under the Renewable Energy Directive Member States took on legally binding national targets for renewable generation by 2020. The individual Member States' starting points and potential increases in renewable energy production were accounted for when setting the national targets.⁹ The UK, for example, was set a legally binding target of 15% renewable energy generation by 2020. Member States who do not satisfy their commitments will be liable to fines and other punishments from the EU Commission.

No such domestic binding renewable energy targets will be set from 2020 onwards, making it the first time in nearly two decades that the UK will not need to adopt national targets on renewable energy.¹⁰ This makes it theoretically possible for the UK to rely on shale gas and nuclear construction, rather than expanding renewable energy.¹¹ A senior EU official has also admitted that the "binding" 27% EU-wide renewables target by 2030 is unenforceable in its current form. This is due to there being no provision to force any country to pledge a certain level of renewable energy and countries would not be punished for failing to meet its pledge.¹²

What next for the Proposed Targets?

There has been considerable disagreement amongst member states about the level of targets, which could prove to be a stumbling block when the European Council considers these proposals. It has been reported, for example, that at least 5 commissioners along with many EU member states had been pushing for a lower emissions target of 35%.¹³ Moreover, Poland and other member states are opposed to unilateral EU energy and climate targets until there is a global legally binding agreement on climate targets. However, over the course of the last few years, the likelihood of a global climate agreement has been further reduced by a number of western countries rolling back on their decarbonisation commitments, including Australia^{14 15}, Japan¹⁶ and

6 Europa – October 2013 – Q & A http://ec.europa.eu/clima/policies/effort/faq_en.htm

7 Europa – October 2013 – Q & A http://ec.europa.eu/clima/policies/effort/faq_en.htm

8 Europa – The EU climate and Energy Package (2020) <http://ec.europa.eu/clima/policies/package/>

9 Europa – The EU climate and Energy Package (2020) <http://ec.europa.eu/clima/policies/package/>

10 Guardian – 22 Jan 2014 <http://www.theguardian.com/environment/2014/jan/22/no-renewable-target-climate-change>

11 City AM – 23 Jan 2014 <http://www.cityam.com/article/1390441203/industry-welcomes-eu-green-targets-2030>

12 The Independent – 22 Jan 2014 <http://www.independent.co.uk/news/world/europe/eu-admits-it-has-no-power-to-enforce-its-binding-2030-renewable-energy-targets-9078390.html>

13 Guardian – 21 Jan 2014 <http://www.theguardian.com/environment/2014/jan/21/row-renewables-energy-targets-eu-greenhouse-gas>

14 The Australian - <http://www.theaustralian.com.au/national-affairs/policy/climate-tax-aid-and-fees-off-table-as-cabinet-toughens-stance/story-e6frg6xf-1226756955449>

15 The Australian – 16 Oct 2013 <http://www.theaustralian.com.au/national-affairs/policy/tony-abbott-locks-in-death-of-carbon-tax/story-e6frg6xf-1226740606857>

16 Reuters – 15 Nov 2013 <http://www.reuters.com/article/2013/11/15/us-climate-japan-idUSBRE9AE00P20131115>

Canada.¹⁷

Implications on UK Climate Policy: UK's Fourth Carbon Budget & Climate Change Act

In 2011, in line with legal commitments under the UK's Climate Change Act 2008, the Government set its fourth carbon budget to cover the period 2023 to 2027, which agreed to a conditional CO₂ emissions target of a 50% reduction compared to 1990 levels by 2025¹⁸ – a target that is far more ambitious than the EU-wide target of 40% by 2030 proposed by the EU Commission. According to the Climate Change Act, the Government may amend the UK's emissions target if there have been significant developments in European law or policy that make it appropriate to do so.¹⁹

The Government has been clear that the UK may revise the 50% target in the fourth carbon budget at some stage in light of developments and commitments in the European Union.²⁰ The uncertainty about EU emissions targets may therefore lead to the UK's fourth carbon budget being revised to a more modest set of commitments.

The Global Warming Policy Foundation will be happy to provide further information on request. Please contact the GWPF on 0207 006 5827 or at info@thegwpf.org

¹⁷ BBC News – 13 Dec 2011 <http://www.bbc.co.uk/news/world-us-canada-16151310>

¹⁸ Daily Telegraph, 28 Sep 2013 <http://www.telegraph.co.uk/earth/environment/climatechange/10341130/George-Osborne-Britain-should-not-be-in-front-of-world-in-tackling-climate-change.html>

¹⁹ Climate Change Act 2008 <http://www.legislation.gov.uk/ukpga/2008/27/part/1/crossheading/alteration-of-budgets-or-budgetary-periods>

²⁰ Reuters – 8 Jan 2014 <http://uk.reuters.com/article/2014/01/08/uk-britain-emissions-idUKBREA070RK20140108>

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Our main focus is to analyse global warming policies and their economic and other implications. Our aim is to provide the most robust and reliable economic analysis and advice.

Above all we seek to inform the media, politicians and the public, in a newsworthy way, on the subject in general and on the misinformation to which they are all too frequently being subjected at the present time.

The key to the success of the GWPF is the trust and credibility that we have earned in the eyes of a growing number of policy makers, journalists and the interested public.

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