

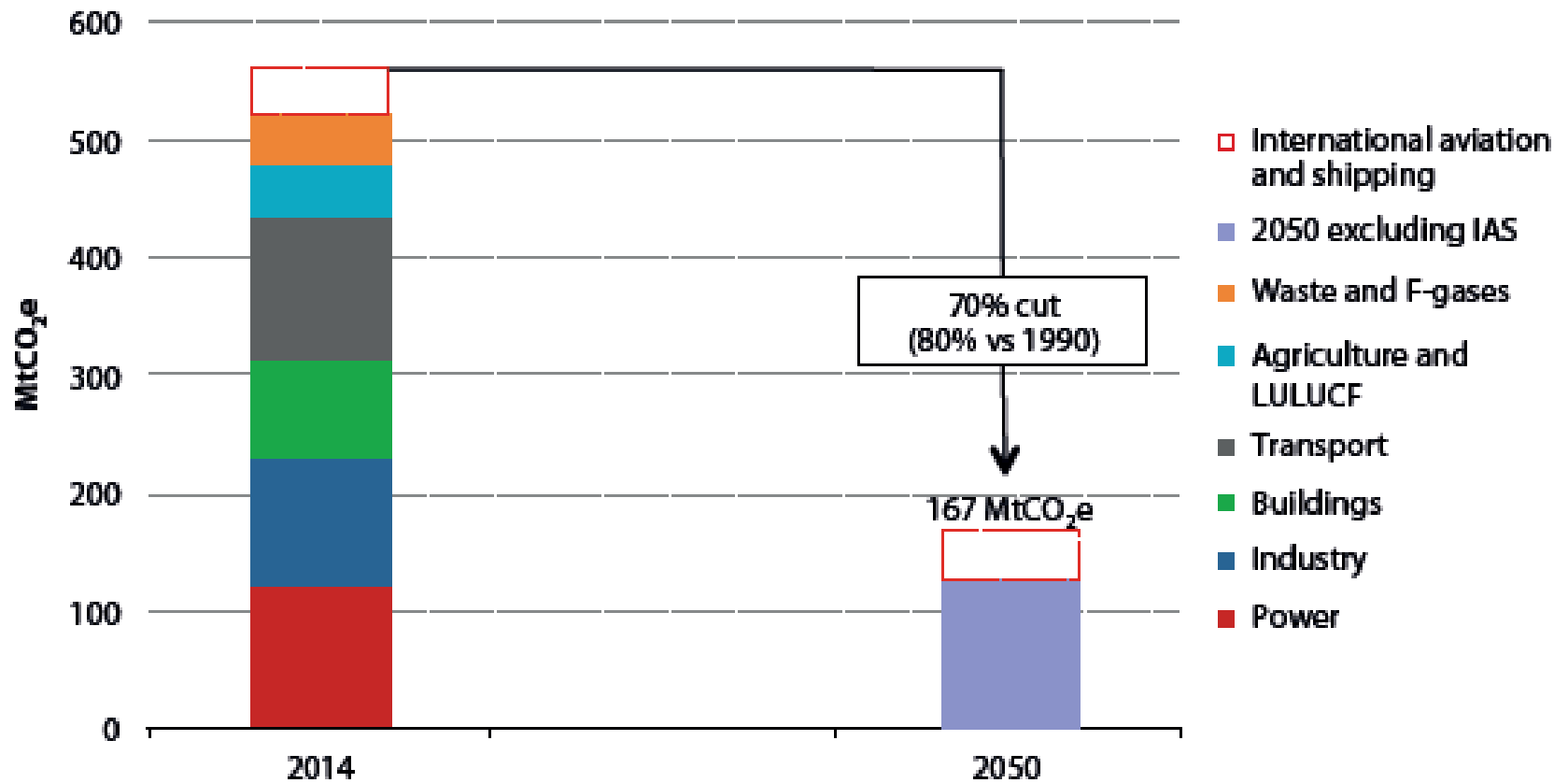


# The Next Step for climate policy: The Fifth Carbon Budget

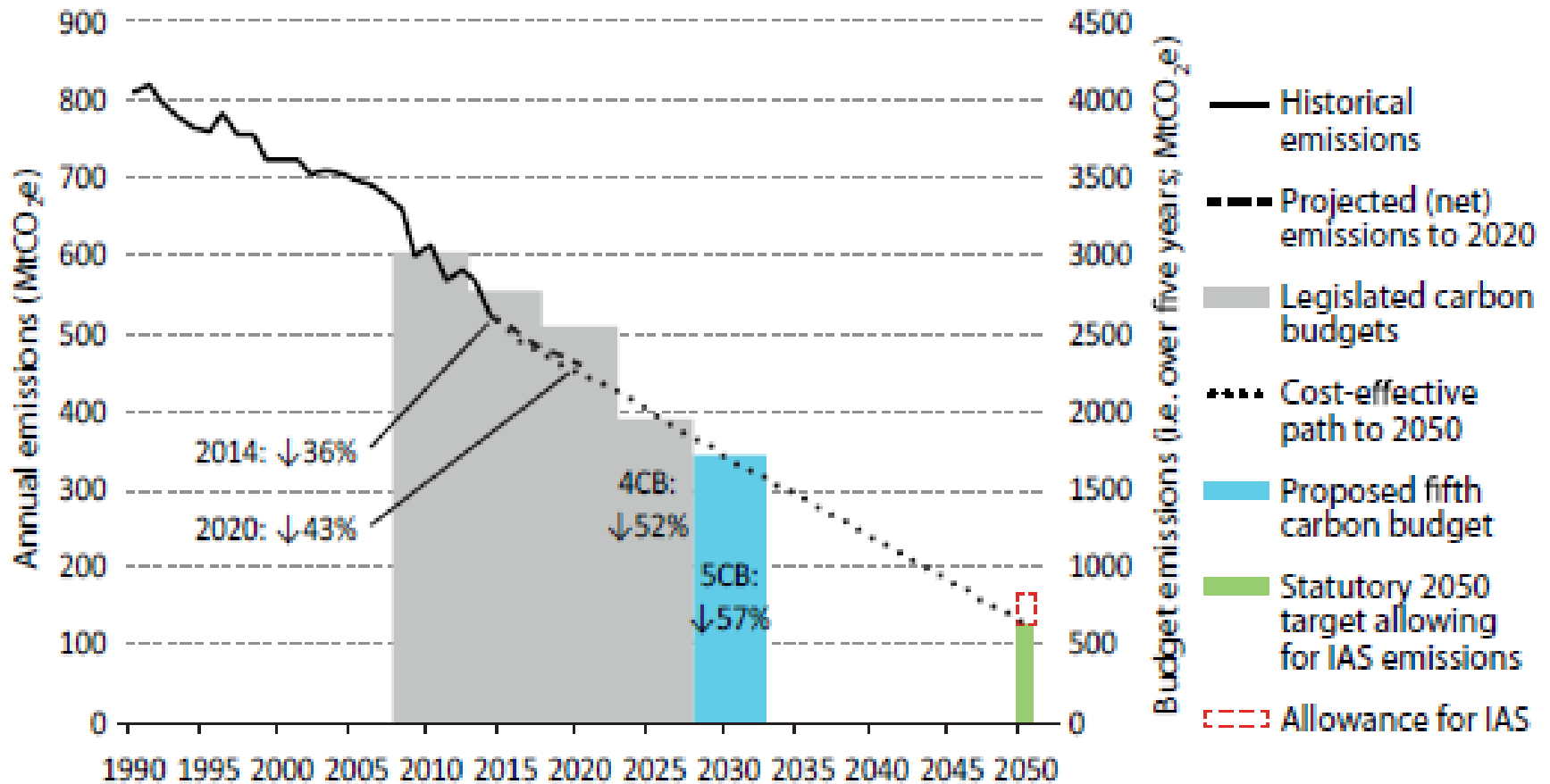
Mike Thompson, Head of Carbon Budgets

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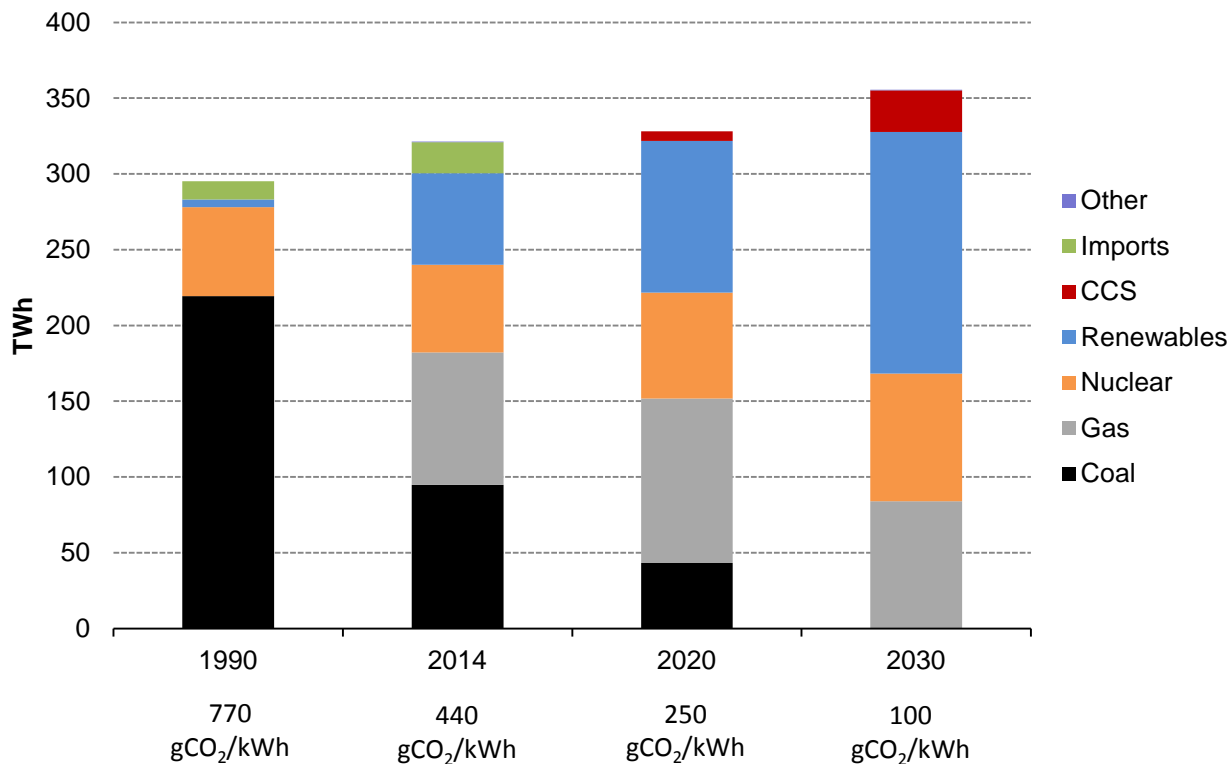
# The 2050 challenge



# Fifth carbon budget: reduce emissions 57% versus 1990 levels by 2028-2032.



# Power sector scenarios – continue low-carbon investment in the 2020s



# The 5<sup>th</sup> budget will require action by government, businesses and households – action that is easier the earlier it starts.



- ☪ Heat networks, heat pumps, etc
- ☪ Insulation, efficiency & behaviour change
- ☪ By 2030: 1 in 7 homes, half of public and commercial use, low-carbon heat



- ☪ Further conventional fuel efficiency improvement
- ☪ By 2030 around 60% new cars & vans electric (hybrid or full)
- ☪ Travel behaviour change: mobility choices, driving styles



- ☪ Options: renewables, nuclear, CCS, gas
- ☪ Demand-side behaviour, interconnection, storage
- ☪ By 2030: <100 g/kWh



- ☪ Adjusting industrial processes, energy efficiency, heat recovery
- ☪ Development of CCS
- ☪ Through 2020s: apprx. 1%/yr fall emissions from measures







- ☪ Efficient fertiliser use, animal diets, breeding, fuel efficiency
- ☪ Through 2020s: apprx. 1%/yr decrease emissions



- ☪ All main biodegradable waste diverted from landfill, alternatives to F-gases
- ☪ By 2030s: apprx. 50% decrease emissions from today

# To meet the budget and stay on track to 2050, policies will need to be strengthened and extended

	<u>Current policy</u>	<u>Future policy</u>
	<ul style="list-style-type: none"> <li>Renewable Heat Incentive</li> <li>Energy Company Obligation</li> </ul>	<ul style="list-style-type: none"> <li>Action plan for low-carbon heat and energy efficiency</li> </ul>
	<ul style="list-style-type: none"> <li>EU g/km target to 2020</li> <li>UK electric car grants, infrastructure funding, local initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Extend EU g/km targets to 2030</li> <li>Continue electric vehicle market support</li> <li><b>Approach to HGVs, buses</b></li> </ul>
	<ul style="list-style-type: none"> <li>CfD auctions &amp; negotiations</li> <li>£8bn funding by 2020</li> </ul>	<ul style="list-style-type: none"> <li>Extend CfD auctions and funding</li> <li><b>Develop CCS</b></li> <li><b>Approach to flexibility &amp; intermittency</b></li> </ul>
	<ul style="list-style-type: none"> <li>Industry 'Roadmaps'</li> </ul>	<ul style="list-style-type: none"> <li><b>Turn Roadmaps into action</b></li> <li><b>Develop CCS</b></li> </ul>