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UK at forefront of a low carbon economic revolution

A comprehensive plan to move the UK onto a permanent low carbon footing and to maximise economic opportunities, growth and jobs was published by the Government today.

The UK Low Carbon Transition Plan plots out how the UK will meet the cut in emissions set out in the budget of 34% on 1990 levels by 2020. A 21% reduction already been delivered – equivalent to cutting emissions entirely from four cities the size of London.

Transforming the country into a cleaner, greener and more prosperous place to live is at the heart of our economic plans for Building Britain's Future and ensuring the UK is ready to take advantage of the opportunities ahead. By 2020:

- More than 1.2 million people will be in green jobs
- 7 million homes will have benefited from whole house makeovers, and more than 1.5 million households will be supported to produce their own clean energy
- 40% of electricity will be from low carbon sources, from renewables, nuclear and clean coal
- We will be importing half the amount of gas that we otherwise would.
- The average new car will emit 40% less carbon than now.

The Transition Plan takes a cost effective route to reducing carbon and keeps the overall impact on the consumer to a minimum. Today's plan will not increase average energy bills by 2015, compared to now. By 2020, the impact of ALL climate change policies, both existing and new, will be to add, on average, an additional 8% - or £92 - to today's household bills. Since 2000 £20 billion has been spent tackling fuel poverty, assisting millions of households in the UK. The Plan includes greater powers for the regulator Ofgem to protect the consumer and, following new legislation, new resources for discounts off the bills of some of the most vulnerable households.

The Transition Plan is the most systematic response to climate change of any major developed economy, and sets the standard for others in the run up to global climate talks in Copenhagen in December.

The UK Low Carbon Industrial Strategy, published alongside, sets out a series of active government interventions to support industries critical to tackling climate change. It puts workers and businesses in the UK at the forefront of massive global opportunity by targeting key industries and regions where the UK has competitive or commercial advantage, including offshore wind, marine power and carbon capture and storage. This includes the first allocations from the £40 funding for green industry and technology announced in the Budget.

Also published today are the Renewable Energy Strategy which maps out how we will deliver the UK's target of getting 15% of all energy (electricity, heat and transport) from renewables by 2020, and the Government's Low Carbon Transport Plan which sets out how to reduce carbon emissions from domestic transport to 14% over the next decade.

Energy and Climate Change Secretary Ed Miliband said:

"The UK was the first country in the world to legislate for carbon budgets. It was a dramatic change in approach. This is a transition plan for Britain, a route to 2020, with carbon savings expected across every sector and a carbon budget assigned to every government department alongside its financial budget.

"Renewables, nuclear and clean fossil fuels are the trinity of low carbon and the future of energy in Britain. Under our plans we will get 40% of our electricity from low carbon energy by 2020 and more in the years afterwards.

"Our plan will strengthen our energy security, it seeks to be fair to the most vulnerable, it seizes industrial opportunity and it rises to the moral challenge of climate change.

"In five months, the world must come together at Copenhagen and follow through on the commitment of world leaders last week to stop dangerous climate change. Today we have shown how Britain will play its part."

Business Secretary Lord Mandelson said:

"The strategies we are launching today outline the government's vision for achieving a low carbon future for the UK, reshaping the way we live and work in every element of our lives. This is a challenge that every economy is facing, and we are determined that by setting clear policy now Britain positions itself to benefit economically and environmentally from the transition.

"The UK is already the sixth largest economy for low carbon goods and services, globally worth £3 trillion and growing, and today the government is outlining its support for the economy will ensure our businesses and our workforce continue to lead the way. We must combine the dynamism of the private sector with strategic role for government to deliver the benefits of innovation, growth and job creation in the UK."

Transport Secretary Andrew Adonis said:

"Transport accounts for a significant amount of our domestic emissions. Therefore decarbonising this sector has to be front and centre of efforts to meet our obligations and commitments to tackle climate change. Our strategy sets out a long-term vision for a fundamentally different transport system in our country, carbon reduction is a central consideration in the way we do business.

"If we are to safeguard the future of transport then we must also safeguard the environment that it impacts upon – I am determined to do that."

The UK is the first country in the world to set itself legally binding 'carbon budgets'. Under the Climate Change Act 2008 emissions of greenhouse gases are constrained in each successive five year period. The Transition Plan sets out how we will cut emissions by 34% on 1990 levels by 2020 from the main emitting sectors – power, homes, workplaces, transport and agriculture – on the way to achieving a reduction of at least 80% by 2050. Every government department today been allocated its own carbon budget, as the Government pilots a new system to run alongside financial budgets.

Departments will have to live within these when taking major policy decisions and managing their buildings. Failure could have real financial implications for Government.

An outline of announcements contained in the documents published today:

THE POWER SECTOR

Around 50% of the annual emissions cuts between now and 2020 will be achieved by further greening of the electricity mix. We expect 40% of the electricity in 2020 to come from low carbon sources – 30% from renewables, the rest from nuclear (including new build) and clean coal. We need to all-but eliminate carbon from electricity by 2050.

New today:

- Up to £6m to start development of a 'smart grid', including a policy road map next spring.
- DECC to take direct responsibility from Ofgem for establishing a new grid access regime within 12 months.
- Launch of the new Office for Renewable Energy Deployment in DECC to speed up the growth of renewables in the UK.
- £11.2m to help regions and local authorities prepare for and speed up planning decisions on renewable and low carbon energy whilst protecting legitimate environmental and local concerns.
- The final shortlist of the schemes for the Severn Tidal Power feasibility study is confirmed as three barrages (including the Cardiff-Weston barrage) and two lagoons. Three innovative schemes have also won funding to support their development.

- A consultation covering the changes to the existing Renewables Obligation, such as extending the life-time of the RO to at least 2037 and the introduction of year limit on support, to make it capable of delivering some 30% of our electricity from renewables.

- Approval for the UK's largest biomass power station on Teesside

HOMES AND COMMUNITIES

Around 15% of the annual emissions cuts between now and 2020 will be achieved making our homes more efficient and supporting small scale renewable energy. There are massive cash savings to be made - in a poorly insulated home, up to £1 out of every £3 spent on heating is being wasted.

New today:

- We aim to place the energy suppliers' social programmes on a statutory footing with increased resources when the current voluntary agreement ends in March 2011.

- Strengthening the energy regulator Ofgem's powers to protect the consumer.

- 'Pay as you save' pilots helping people make their whole house greener by using the savings made on energy bills to repay the upfront costs, backed by up to £4m from low carbon investment funding. An eventual national roll out could create 34,000 jobs.

- Consultation on the shape and rates of a new 'clean energy cash-back' scheme (Feed in Tariff) to be in place by April next year. People and businesses that generate their own electricity from low carbon sources will be paid for doing so. A similar scheme for renewable heat will follow in April 2011.

- Extending the current CERT energy efficiency programme by a year to 2012. Alongside an uplift of 20%, total help under the scheme will total £3.2 billion.

- A new personal carbon incentive scheme to challenge people on a voluntary basis to save energy, through the Government's Act on CO2 campaign.

- Challenging 15 villages, towns or cities to be testbeds for piloting future green initiatives.

WORKPLACES AND JOBS

Around 10% of the annual emissions cuts between now and 2020 will be achieved through greater efficiencies in our workplaces. By 2050, our offices, factories, schools and hospitals need to reduce emissions to almost zero. Jobs and business opportunities will be created in new sectors outside the energy sector and will be needed to support all businesses to be more energy efficient.

New today:

- Up to £120m from low carbon investment funding to significantly advance the offshore wind industry in the UK.

- Up to £60m from low carbon investment funding announced in the Budget to cement the UK's position as a global leader in wave and tidal energy including:

- Up to £9.5m investment in the Wave Hub sub-sea socket off Cornwall and up to a further £10m funding to make the South West the UK's first Low Carbon Economic Area, a world centre for wave and tidal energy, building on business opportunities and skills.

- Up to £10m for testing facilities at the National Renewable Energy Centre in Northumberland and up to £8m for the European Marine Energy Centre in the Orkneys.

- Up to £22m for a new Marine Renewables Proving Fund for testing and demonstration of wave and tidal technologies.

- £6m of funding to explore areas of potential "hot rocks" to be used for geothermal energy. The deep geothermal resource of the South West of England also could meet 2% of annual UK electricity demand.

- A £4 million expansion of the Manufacturing Advisory Service, to provide more specialist advice to manufacturers on competing for low carbon opportunities, including support for suppliers for the civil nuclear industry.

- A new Nuclear Advanced Manufacturing Research Centre to combine the knowledge, practices and expertise of around 30 manufacturing companies with the capability of universities on manufacturing, processes and skills.

- Campaign to be launched later this year to help small and medium businesses in the shift to low carbon.

- The public sector must lead by example. Emissions have already reduced by a third between 1990 and 2007 and DECC has challenged itself to reduce emissions from its own building by 10% in 09/10 with more to follow.

TRANSPORT SYSTEM

Around 20% of the annual emissions cuts between now and 2020 will be achieved by cleaning up the way we travel. By 2050, road and rail transport will be decarbonised and aviation and shipping will have seen a significant improvement in efficiency.

New today:

- Providing proposed detail on the kinds of electric and plug-in hybrid cars that could qualify for the £2-5000 consumer incentives expected to apply from 2011. This includes the requirement for the vehicle to have maximum tailpipe emissions of 75g CO2/km. An update has also been published on the infrastructure framework which is supporting this scheme.

- A new steering group for the freight and logistics industry to find effective ways of measuring, reporting and reducing emissions across the logistics sector

- Commitment to work with our European partners to develop a robust mechanism for regulating CO2 from new vans.

FARMS AND MANAGING LAND AND WASTE SUSTAINABLY

Around 5% of the annual emissions cuts between now and 2020 will be achieved by reducing emissions from agriculture, land use and waste.

New today:

- For the first time ever, an ambition for agriculture to cut emissions. Changes to farming practices can save farmers money and contribute 6% cuts from current projections by 2020.

- Support for anaerobic digestion, a technology that turns waste and manure into renewable energy.

- Support for energy efficient and low carbon farming. Within the limits imposed by the current EU rules on state aid, the Government and the Carbon Trust will work to make farming businesses eligible for its interest-free loans for low-carbon activity.

- Agreeing an action plan with the agriculture sector to reduce emissions and developing an advisory service to help farmers.

- Encouraging private funding for woodland creation.

- Reducing the amount of waste sent to landfill, and better capture of landfill emissions.

NOTES TO EDITORS

1. An online news hub will be updated throughout the day with content from BIS, DECC and DfT. This will include photographs, videos, podcasts, core facts and links to all publications at www.hmg.gov.uk/lowcarbon
2. The UK Climate Projections published in June set out the severe weather changes the UK should expect if action is not taken at home and internationally to greenhouse gas emissions. To read more visit: www.ukcp09.defra.gov.uk
3. To limit global temperature increases to no more than two degrees and avoid the most dangerous effects of climate change, the Government is leading international efforts to achieve a new international climate agreement at Copenhagen in December. To read more visit: www.actoncopenhagen.decc.gov.uk
4. The Government has a Five Point Plan to prepare for and prevent climate change. To read more visit the "Tackling Climate Change" pages at: www.decc.gov.uk

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