



**Association
for the
Conservation
of Energy**

**Association for the
Conservation of Energy**
5 Rose Street
Edinburgh EH2 2PR
Tel: 0131 243 2701
Web: www.ukace.org

25 April 2008

Consultation on proposals for a Scottish Climate Change Bill

A response from the Association for the Conservation of Energy

Introduction

The Association for the Conservation of Energy (ACE) is a lobbying, campaigning and policy research organisation, and has worked in the field of energy efficiency since 1981. Our lobbying and campaigning work represents the interests of our membership: major manufacturers and distributors of energy saving equipment in the United Kingdom. Our policy research is funded independently, and is focused on four key themes: policies and programmes to encourage increased energy efficiency; the environmental benefits of increased energy efficiency; the social impacts of energy use and of investment in energy efficiency measures; and organisational roles in the process of implementing energy efficiency policy. We welcome this opportunity to offer our views on the proposals set out in the consultation paper.

Summary

ACE welcomes the Scottish Government's ambition in introducing a Climate Change Bill which sets statutory targets for reductions in greenhouse gas emissions and which supports the delivery of those targets. We also welcome the overall target of an 80% reduction in emissions by 2050 on 1990 levels, which is broadly in line with the current scientific consensus. However, we

believe the detailed proposals fall short of what is needed to achieve a fair and equitable reduction in Scotland's emissions and will not give business and industry the certainty they need to invest for emissions cuts.

There are in our view a number of conspicuous shortcomings in the proposals that will hamper the Bill's effectiveness. Principle among these is the lack of any limit on the number of carbon credits that can be purchased from abroad. The Scottish Government should be aiming for 100 percent internal provision to achieve the Scottish target. This would allow the Scottish economy to benefit from early action to reduce emissions, and, if investment is suitably targeted, would also help to achieve existing Scottish Government targets on fuel poverty.

ACE believes strongly in the effectiveness of statutory targets, with a variety of incentives and sanctions including the option of affordable legal challenge. Statutory targets will not only give direction to Government, but are vital to give business the certainty it needs to make the appropriate investment decisions. For building materials (including energy efficiency materials), the investment required to increase production is immense, and local workforces must be trained up and retained. This is not a business where imports can be relied upon to make good a shortfall in domestic production – imports are more expensive because of the bulky nature of the materials. For this reason and several others, ACE supports sectoral targets, as set out below.

In addition, the three year "budget cycle" proposed is too long and lacks adequate accountability to make the Bill effective. A cycle of annual reports to Parliament on progress towards meeting annual targets, ideally given by the First Minister, would deliver the required level of accountability.

Finally, it is essential that all greenhouse gas emissions, including those from aviation and shipping, are included in the Bill.

Questions not asked in the consultation document

While the consultation raises many important issues, it fails to raise a number of others. Before answering the questions set out in the consultation document, we would like to set out our views on a number of important issues that were not directly raised in the consultation.

a) Sectoral targets

We believe that it is essential for the Bill to require Government to consider emissions at the sectoral level. If each sector is not given specific targets upon which they must report, individual companies and businesses will present excuses as to why they should not have to reduce their emissions. Businesses will state that Government needs to concentrate instead on heavy industry, transport or aviation, and may try to demonstrate that any cuts they make will be negligible. Each sector will try to pass the responsibility for reducing emissions on to other sectors: the problem of 'free riders' will develop.

This is particularly important in the case of the commercial and public services sector. This sector emits around 15 million tonnes of carbon per year UK-wide, with 13 percent of total UK carbon emissions arising from energy use in buildings in the service sectorⁱ. Electricity consumption in this sector is especially high, due to excessive lighting, air conditioning and ventilation systems. Commercial sector energy use is growing fast and is projected to grow faster than any other sector under business as usual, apart from transport. According to the Carbon Trust, Scottish business wastes £100 million per year in lost energyⁱⁱ.

For the above reasons, ACE supports the inclusion of sectoral targets on the face of the Bill. Specifically, we would advocate the following targets:

- By 2020 the general level of energy efficiency of residential accommodation has been increased by at least 20 percent compared with the general level of such energy efficiency in 2010.
- By the end of 2010 the general level of energy usage in the commercial and public services sector has reduced by at least 10 percent compared with the general level of such energy usage in 2005 and by the end of 2020 by at least 10 percent compared with the general level of such energy usage in 2010.
- 1 gigawatt of combined heat and power shall be installed in Scotland by 2010.
- By the end of 2016 so far as practicable all existing homes shall be low carbonⁱⁱⁱ.

The above are all targets or Scottish equivalents of UK targets to which the UK Government has committed itself but which are currently non-binding. By including them in the Scottish Bill, the Scottish Government would demonstrate clear leadership over the UK Government on this important issue. By failing to include them, the Scottish Government would in our view be effectively ceding leadership on this issue to Westminster and demonstrating a lack of ambition for Scotland.

In addition to the above, we would advocate the following targets, which would also demonstrate clear leadership from the Scottish Government:

- Emissions reductions from the public sector as a whole, and in particular from the Government's own estate, of at least 5 percent per annum.
- Carbon emissions from the built environment in Scotland should be reduced by a minimum of 3 percent per annum.

b) Emissions from international aviation and shipping

It is essential that the Scottish Climate Change Bill covers all Scottish greenhouse gas emissions from all sources, including from international aviation and shipping (IAS). The stated aims of the Bill, as set out in the consultation document, are to play our part in global action and to provide a strong example to other countries showing what can be done. Neither of

these objectives will be achieved if IAS emissions are ignored: we will effectively be ignoring a growing percentage of “our part” of emissions, and global leadership will only be shown if the Bill is effective. Ignoring a proportion of our emissions will render the Bill ineffective.

The analogy has been made to going on a diet but continuing to eat chocolate or setting a drink-drive law that ignores the effect of vodka: both are inconsistent, and undermine the overall effectiveness of the effort. The same would be true if IAS emissions are not covered by the Bill.

The arguments most frequently used for their exclusion from the Bill is that there is no international agreement on how they should be calculated; and that policy levers over IAS do not lie at Holyrood. Neither of these arguments hold water: the UK’s share of IAS emissions are already reported to the UNFCCC as memo items and are listed as ‘bunker fuels’^{iv}. Meanwhile, responsibility for planning decisions on expansion of airports lies with Holyrood, as does decisions over subsidies for airlines operating international routes, in the form of the Air Route Development Fund. Besides, the Scottish Government does not have full control of the policy levers on teenage pregnancy, yet is happy to set a target in this regard.

In Scotland, the contribution of international aviation rose from 5 percent of all greenhouse gases in 1990 to 13 percent in 2004. The Tyndall Centre for Climate Change has predicted that unless government policy changes, CO₂ emissions from UK aviation will have more than doubled by 2030 and trebled by 2050.^v By 2040, aviation would still be responsible for over 100 million tonnes of CO₂ a year, meaning that to deliver an 80 percent reduction every other sector would have to reduce emissions to zero. Clearly the exclusion of aviation and shipping emissions renders the overall framework practically unworkable.

Finally, it is simply not equitable to expect increased emissions cuts from other sectors of the economy, but to allow IAS a free ride. This would create a feeling of inconsistency, which, as Futerra Communications have made clear^{vi}, would undermine public confidence Government efforts to reduce emissions.

c) Point targets or cumulative targets

The consultation paper raises this issue, and correctly identifies that it is the total amount of greenhouse gases emitted which cause climate change, rather than the amount of emissions in any one particular year. However, it shies away from asking whether cumulative targets rather than point targets should be set in the Scottish Bill. We believe that both are needed.

To stand even a 50 percent chance of staying below two degrees of global warming it will be necessary to stabilise global atmospheric CO₂ concentrations below 450ppm and probably nearer 400ppm^{vii}. More recent estimates suggest even 350ppm may have to be the stabilisation target^{viii}.

Current atmospheric concentrations are already at 385ppm and are increasing at approximately 2ppm per year.

Research by the Tyndall centre has identified a safe UK carbon budget of 4.6 Gt-Ceq between 2000 and 2050. Crudely divided on a population basis, this suggests a fair Scottish budget for that period is in the order of 0.46 Gt-Ceq. The Scottish Bill should take the opportunity to take genuine world leadership and set a cumulative emissions target as well as point targets for emissions reductions.

Now we turn to the **specific questions** posed in the consultation paper:

1. Should a Scottish target be based on carbon dioxide only or the basket of six greenhouse gases?

ACE believes that the targets should be based not just on CO₂ but on the full basket of greenhouse gases defined by the UN Framework Convention on Climate Change. Basing the target only on CO₂ would give the Bill only a partial coverage, and therefore would hamper the chances of the Bill being effective at delivering our ‘fair share’ of efforts to limit global temperature increases to two degrees Celsius. Indeed, the same arguments we have used elsewhere to argue for inclusion of emissions from international aviation and shipping apply here.

The consultation suggests that setting the target based on a ‘basket of gases’ approach would be more costly. We believe the opposite is more likely to be true: that to achieve the same reduction in global warming potential (GWP), it will be more cost effective to take the basket approach, as then emissions cuts can be prioritised according to the lowest marginal cost across gases as well as across industries or sectors.

Moreover, inclusion of other gases in a ‘basket’ approach would demonstrate Scottish leadership within the UK, and would ensure our efforts were directly comparable with others under the UN Framework Convention on Climate Change.

Concerns about quality of data are insufficient to reject a ‘basket’ approach.

2. Should the Bill contain provisions to alter which gases are included, for example if the reliability of data for a particular gas improves or if science changes in the future about which gases cause climate change?

If the Government chooses not to include all gases now, then it should enable the inclusion of additional gases in the future, based on scientific advice. However this is clearly a second best approach compared with adopting a ‘basket’ approach now. Also it should not enable the removal of gases from the framework without recourse to Parliament as a whole.

3. The Scottish Government wishes to ensure that the Bill gives sufficient incentives to invest in energy efficiency and renewable electricity. Should the targets be based on source emissions; an end-user inventory; or on individual targets for energy efficiency and renewable electricity? Do you have any other suggestions?

The targets in the Bill should be based on source emissions, as is the international convention. As mentioned above, these source emissions targets should also be based on specific sectors to guard against ‘free riders’. However, in order to ensure maximum transparency, the Scottish Government should also develop one or more consumption-based indices, which should also be reported on annually.

While the figures for Scotland’s source-based and consumption-based emissions are not currently far apart, it is important that this is closely monitored, to ensure that we are not simply exporting our emissions.

The Scottish Government is right to want to give incentives to invest in energy efficiency and renewable energy, and we would welcome targets in this regard, in addition to overall point targets and cumulative emissions targets. As mentioned at a) above, we would urge the Scottish Government to set the following targets:

- By 2020 the general level of energy efficiency of residential accommodation has been increased by at least 20 percent compared with the general level of such energy efficiency in 2010.
- By the end of 2010 the general level of energy usage in the commercial and public services sector has reduced by at least 10 percent compared with the general level of such energy usage in 2005 and by the end of 2020 by at least 10 percent compared with the general level of such energy usage in 2010.
- 1 gigawatt of combined heat and power shall be installed in Scotland by 2010.
- By the end of 2016 so far as practicable all existing homes shall be low carbon^{ix}.
- Emissions reductions from the public sector as a whole, and in particular from the Government’s own estate, of at least 5 percent per annum.
- Carbon emissions from the built environment in Scotland should be reduced by a minimum of 3 percent per annum.

4. Do you agree that the Bill should allow the means of measuring the target to be changed through secondary legislation to reflect international developments or unforeseen consequences of the Bill?

No, this would not usually be appropriate since it would effectively be allowing successive Governments to ‘move the goalposts’. However, under certain circumstances it may be appropriate. The circumstances where it may be appropriate are where the independent Scottish Climate Change

Committee agrees unanimously that such a move is warranted. Any secondary legislation should then be subject to affirmative procedure.

5. Should the emissions reduction target take account of the abatement effort made by companies under emissions trading schemes? If so, how?

In our view the Government should aim to deliver the Scottish target solely through domestic emissions reductions, thus maximising the benefit to Scottish business of preparing for the opportunities of a low-carbon economy. Such an approach would also reflect the moral position noted in the consultation paper: namely that cumulative per capita emissions since 1751 are higher in the UK (and, we presume, in Scotland) than anywhere else in the world, including the US and China, due to the fact that we industrialised before the rest of the world^x.

6. Do you agree that international credits should be counted towards Scottish targets? Should there be limits on credits counted towards Scottish targets?

As mentioned in answer to question 5 above, we believe the Scottish Government should aim to deliver the Scottish target solely through domestic emissions reductions, thus maximising the benefit to Scottish business of preparing for the opportunities of a low-carbon economy.

Domestic action is fundamental to making international action possible and Scotland should set a strong example to the rest of the world on our commitment and ability to achieve real carbon reductions. It is alarming that the consultation does not propose setting *any* limit in carbon reductions achieved outside Scotland that can be bought from abroad to count towards Scottish targets.

There has been some concern that Scotland could act in a colonial way and strip developing countries of their existing “carbon reduction assets”, leaving those countries with the difficult carbon savings to be made later. In addition, the transparency, verifiability and credibility of carbon reductions achieved in and purchased from other countries have also been the subject of controversy in the media.

Scotland should set out to achieve its entire savings from within its borders (plus its share of international aviation and shipping, mentioned above). ACE considers it possible and desirable to maximise efforts at home. Therefore, Scotland should avoid buying carbon credits from abroad.

7. Should the Bill allow the level of the 2050 target to be changed through secondary legislation? If so, should this only be allowed on the basis of independent, expert advice, to reflect international developments or unforeseen consequences of the Bill? Should any changes to the target be limited to an increase in the target?

We believe that targets should be reviewed only in the light of climate science, where this demonstrates that targets need to be changed to ensure that Scotland plays its fair share in keeping average global temperature rises below two degrees Celsius. In any event, any power to review targets should only give the possibility of the targets being revised upwards. Any change in the targets should be on the unanimous recommendation of the independent Scottish Climate Change Committee.

8. What factors should be taken into account when setting the level of budgets?

The following factors should be taken into account when setting the level of budgets: the current climate science; the need to send clear signals to industry to allow them to invest; equity; international leadership; cumulative targets and trajectory and delivery of at least 3 percent cuts per year.

9. How long should interim budget periods be?

Budget periods should be for one year. Any longer would fail to deliver the political accountability that is required, and would allow politicians to blame preceding governments for missed targets. Ministers cannot be allowed to avoid taking tough decisions on large new emissions sources. Shorter periods make impacts of poor decisions obvious sooner, and provide a clear link between the Minister or administration that makes any poor decision and the emissions implications of that decision. Allowing a longer budget period would let Ministers ‘off the hook’ for the emissions implications of their decisions, and would therefore create an incentive for Ministers to make bad decisions. Increasing accountability would also increase the public confidence in Ministerial decisions and increase the credibility of Government action.

The annual budgets would fit within longer 5-year and 15-year budgets. These longer-term budgets, along with a 2050 target and an interim 2020 target, would help deliver the certainty that business needs in order to plan ahead and ensure the required investment.

We also note the SNP manifesto commitment to deliver 3 percent per annum statutory emissions reduction targets. Including any less than this in the Bill would be to renege on a central manifesto commitment.

For all the reasons above, we believe it is essential that the Bill include statutory emissions reduction targets of at least 3 percent per year.

10. How many years in advance should emissions budget periods be set in order to provide sufficient time to develop infrastructure?

Emissions budgets should be set in advance for a period of 15 years, with indicative outline budgets right out to 2050 to meet cumulative budgets. A

rolling review process is needed to ensure that future budgets can be adjusted in line with improved data and new scientific evidence. The horizon of 10-15 years will be adequate for most investment and infrastructure decisions, but some areas will benefit significantly from the greater certainty offered by indicative budgets up to 40 years ahead. As mentioned above, however, both long- and short-term targets are needed to give business the certainty we need.

It is always in the interests of Governments to maximise their room to manoeuvre on issues but it is vital for business to have as much certainty as possible to enable it to make the appropriate investment decisions. For building materials (including energy efficiency materials), building technologies (such as micro-renewables) and construction industries, the capital investment required to increase production is immense, and workforces must be trained up and retained to manufacture and install these materials. Building materials is one of the few examples of commerce where it is not cheaper or easier to import from abroad, as many of the materials have either a high weight or a large bulk that makes transportation undesirable in carbon emissions and costly in financial terms.

11. What should be the limit (in terms of absolute quantity or as a percentage of the budget period) on the amount of emissions which the Government can borrow from a following budget period?

The UK Bill restricts borrowing between five year budgets to just 1 percent. If the Scottish Government decides to adopt shorter budget periods of one year, a higher level of borrowing can be justified, perhaps even as great as 5 percent of the annual budget (but on a non-cumulative basis – i.e. once that level of borrowing had been reached, no further borrowing would be permitted until some of the debt had been repaid).

If longer budget periods are adopted ACE believes that no borrowing should be permitted above levels already banked. This would establish an incentive for early banking of emissions reductions over and above target levels. An additional way of stimulating early action would be to establish a real interest rate for emissions borrowing, such that borrowed emissions were paid back with interest (i.e. at a higher level to reflect the real time cost of later emissions cuts). This would reflect the scientific advice, which has been noted in the consultation paper, that urgent action is required and therefore early emissions cuts are more valuable than later cuts. Advice on an appropriate real interest rate could be requested from the climate change committee(s).

12. Should the Bill include an interim point target? If so, what year (or years) should it be for (2020, 2025, 2030, etc.)? How should the level be chosen?

The Bill should include an interim point target for 2020. It should also include a cumulative target for 2050.

The level of the interim target should be set to ensure that early action to cut emissions is stimulated, as scientists recommend. We would suggest a 2020 target of a 50 percent cut on 1990 emissions levels.

Without an overall cumulative budget the Bill will not guarantee keeping within a fair contribution to a two degrees Celsius target. A cumulative target would show global leadership and is consistent with a comprehensive definition of targets in line with the outcomes we want to influence.

13. Should the Scottish Ministers be required to report on any other issues related to climate change in addition to the requirements already set out? If so, what and how often?

Scottish Ministers should be required to report annually on the following:

- emissions by sector and by greenhouse gas - this would ensure that any sector which is effectively a ‘free rider’ is publicly recognised as such;
- gross and net emissions taking account of changes in estimated carbon sinks;
- any deviations from the emissions budgets, explaining the reasons for them, and the new measures to be introduced to rectify them;
- forecasts of the emissions expected in the following year, and any measures needed to keep emissions within budget.
- the cumulative total emissions against a fair cumulative budget to 2050;
- longer term projections (on a 10-15 year horizon) for future emissions;
- consumption account figures and any implications of Scottish activities for international emissions not otherwise covered (eg from carbon fund expenditure or technology support);
- the impacts and risks of current emissions levels;
- public sector emissions, including emissions from the Government’s own estate and activities.

The First Minister should be required to make the annual report to Parliament.

In addition, Ministers should be under an immediate reporting duty to report the emissions implications of any significant Ministerial decisions, or new spending plans, and in particular to provide an explanation to Parliament for any decision to allow increases in emissions – or emissions incompatible with budgets and targets – identified in a strategic environmental assessment.

14. Is a process of Parliamentary scrutiny the appropriate way of holding the Scottish Government to account if targets or budgets are not met?

Parliamentary scrutiny is certainly essential and, as set out in answer to question 13 above, this should be on an annual basis.

Speaking to a meeting of the Scottish National Party conference in October 2007, John Swinney MSP, Cabinet Secretary for Finance and Sustainable Growth, described his aspiration that the process of parliamentary scrutiny set out in the Climate Change Bill should be as terrifying for Ministers as “going to the dentist to have all your teeth pulled out, without anaesthetic”. His vision will only become reality if an effective system of annual reporting to Parliament against annual targets is set out. This effective system is set out in our response to question 13 above.

However, while parliamentary scrutiny should be the primary means of holding the government to account, it should not be the only means.

The UK Government’s draft Climate Change Bill provides for sanctions for failing to meet targets through judicial review. In addition, in the event of failure to meet targets, Ministers will be required to bring forward new policies to Parliament.

ACE believes that alongside tough parliamentary scrutiny, there must be strong incentives and effective sanctions. In addition we believe that a regime of financial incentives and penalties for government departments and other public bodies would prove an efficient way to promote compliance.

We propose that as in Westminster, in the event of a failure to meet a target or budget the responsible minister must come forward with new policies designed to compensate for any shortfall, regardless of its cause.

We also propose that by amendment of Strategic Environmental Assessment rules Parliament establishes a “call in” mechanism for new plans, programmes or strategies that would increase greenhouse gas emissions, so that both the Minister responsible for the plan, programme or strategy and the Climate Change Minister would have to justify approval of such a plan programme or strategy to parliament in advance of giving approval.

In addition to the measures set out above, we suggest a rolling ‘Climate Fund’ mechanism. The fund would be used to pay for mitigation and adaptation in Scotland and overseas, and would be open to be bid into by all Government Departments and public bodies (amongst others). It would be replenished through direct Government funding, and through fines levied against Government Departments and public bodies for failure to meet relevant climate emissions targets. This fund should be additional to, and not a replacement of, existing funds to promote energy efficiency and tackle fuel poverty.

15. What should be the primary source of advice to the Scottish Government for setting emissions targets or budgets and why? Options include: the proposed UK Committee on Climate Change, a new

Scottish Committee on Climate Change, an existing public body in Scotland, or the Scottish Government itself.

The Scottish Government should establish a new Scottish Committee on Climate Change to advise it on emissions targets and budgets.

It is essential that the specific Scottish circumstances which have led to Scotland setting a higher 2050 target are also reflected in the advice that the Scottish Government receives. Only a separate Scottish committee will deliver this. It has also become clear that the UK Committee on Climate Change is not appropriate for this role.

It is also important that the advisory body is separate from the Scottish Government and existing public bodies so that it can provide truly impartial, unbiased advice.

16. If it were to be an existing Scottish public body, which public body is most suited to carrying out this task and why?

Not applicable: see response to question 15 above.

17. Which organisation should be tasked with monitoring the progress of the Scottish Government on reducing emissions and why? Options include: the proposed UK Committee on Climate Change, a new Scottish Committee on Climate Change, an existing public body in Scotland, or the Scottish Government itself.

The new Scottish Committee on Climate Change, mentioned in question 15 above, should be tasked with monitoring the progress of the Scottish Government on reducing emissions, for the same reasons set out in answer to question 15.

18. If it were to be an existing Scottish public body, which public body is most suited to carrying out this task and why?

Not applicable: see response to question 15 above.

19. Should additional independent mechanisms for scrutinising the effectiveness of the Scottish Government's policies in reducing emissions be created by the Bill (in addition to any scrutiny already provided by the Scottish Parliament)?

Yes, see answers to questions 14 and 15 above.

20. If so, which organisation is best placed to carry out this function and why? Options include a new Scottish Committee on Climate Change or an existing public body in Scotland.

This function should be served by a new Scottish Climate Change body (see answer to question 15 above).

21. If it were to be an existing Scottish public body, which public body is most suited to carrying out this task and why?

Not applicable: see response to question 15 above.

22. Are there any other functions related to climate change, existing or new, which should be carried out at arm's length from the Scottish Government and why?

Setting any interest rate for emissions borrowing should be an arms-length function.

23. Should the Bill contain enabling powers to introduce a duty on certain parts of the public sector (i.e. local authorities and large public bodies) to take specified actions on climate change or other specified environmental issues? Why?

In the 2007 SNP manifesto, a clear commitment was given to ensure that the public sector sets an example on environmental matters. In the section headed 'A Greener Scotland', the manifesto states:

“Government, its agencies and other public bodies including the NHS and Local Authorities have a responsibility to take a lead.”^{xi}

The Government can deliver on this pledge by ensuring that public bodies procure only buildings in the top quartile of energy performance, and that the public sector as a whole, and the Government estate in particular, delivers emissions reductions of at least 5 percent per annum and reports annually to parliament on progress towards making those reductions.

In our view the Bill must contain enabling powers to introduce duties on public bodies. Those duties should include a duty for public bodies to follow best practice in reducing emissions from their own estate and activities, as set out above. This will ensure consistency between public sector rhetoric and public sector action. As Futerra Communications have found, the credibility of communications from the public sector on climate change and sustainability is undermined unless the public sees consistency between words and deeds^{xii}. Setting a requirement that all public sector buildings are in the top quartile of energy performance would help to show that consistency.

Lastly, public bodies should be subject to a financial regime of incentives and sanctions as set out in answer to question 14 above.

24. What should such a duty (or duties) include?

See answer to question 23 above.

25. Should the Bill contain enabling powers to introduce statutory guidance for certain public sector bodies (i.e. local authorities and large public bodies) on specified climate change or other environmental measures? Why? Are there gaps in any existing guidance?

See answer to question 23 above.

26. What should this guidance include?

See answer to question 23 above.

27. Should the Bill contain enabling powers to create a requirement for certain public sector bodies (i.e. local authorities and large public bodies) to make regular reports on specific measures they are taking to tackle climate change (whether mitigation or adaptation) or other environmental issues? Why? What should be included in such reports?

See answer to question 23 above.

28. As a potential non-legislative measure, should current Best Value guidance be amended to take specific account of climate change mitigation and adaptation? If so, how should Best Value guidance be amended?

Yes, Best Value guidance should be amended to ensure that decisions reflect both the current carbon price and the risks that come from the irreversibility of climate change.

29. Are there any amendments to existing legislation or any enabling powers needed to allow for variable charging (for example by local authorities) to incentivise action or eliminate perverse incentives?

Personal carbon allowances or domestic tradable quotas may become necessary (and desirable for equity reasons) – powers to establish a pilot or trial scheme might be desirable at this point.

Legislation should be amended to allow local authorities to vary local taxation in line with environmentally beneficial behavior (such as improving home insulation and installing micro-generation).

30. Are there any provisions to help Scotland adapt to the impacts of climate change which should be included in the Scottish Climate Change Bill?

The Government should be required to establish a Scottish Climate Change

adaptation strategy, and report to parliament annually on progress towards implementing that strategy.

31. Should provisions within the Environmental Assessment (Scotland) Act 2005, be amended in order to provide clearer links with emissions reduction? If so, how should this be done?

As mentioned in answer to question 14 above, we would welcome amendments to SEA legislation to create a ‘call-in’ whereby any Minister approving any programme, plan or strategy which would lead to an increase in emissions or was not consistent with climate change budgets would have to give a statement to parliament or a relevant committee explaining why they intend to approve the proposal.

32. What are the equalities implications of the measures in the proposals for the Scottish Climate Change Bill?

There are no direct equalities implications so far as we can see, but there may be indirect implications depending on how reductions in emissions are achieved.

It is in our view essential that emissions reductions ensure that the most vulnerable in our society are not further disadvantaged. For example, it is essential that those living in fuel poverty are given additional assistance, over and above the existing Government and private sector schemes, to ensure their homes are sufficiently insulated.

33. Is there any existing legislation within the competence of the Scottish Parliament (devolved) which needs to be amended so that appropriate action on climate change can be taken by sectors in society?

Yes. We would suggest the following:

- Legislation governing landlords should be amended to allow Scottish Ministers to set minimum energy efficiency standards in private rented accommodation. This would initially apply to Houses of Multiple Occupation, but could very quickly be rolled out to apply to other private rented buildings, both domestic and non-domestic. The standard could initially be set at NHER 5 for domestic buildings, which would be in line with the current requirement in the Scottish Housing Quality Standards, and an equivalent SBEM rating for non-domestic buildings. Alternatively, the standard could be set in terms of an energy performance certificate grading: initially grade D might be set as a standard. We would expect that this standard should be swiftly increased over time.
- Legislation on tenements should be amended to make it easier for those living in tenements to install energy efficiency in common areas of tenements, and to install micro-renewables.
- Legislation governing local taxation should be amended to allow local

authorities to give local tax or business rates rebates for householders or businesses that take steps to reduce their climate impact through installing energy efficiency or conservation measures, or through installing microgeneration technologies.

- Legislation on housing sales and transfers should be amended to allow Ministers to impose housing improvement orders and set minimum energy efficiency standards that must be met before a sale or rental can progress. These standards could be set in terms of NHER / SBEM or in terms of an energy performance certificate, as outlined above.
- New legislation is required to establish renewable heat obligations.
- New legislation is required to enable the setting of minimum efficiency standards for sectors or practices (such as standards for thermal power generation efficiency which require heat recovery).

Conclusion

In our view the credibility and effectiveness of the Bill is paramount, and will depend on three key issues:

- Setting the right targets (80 percent reduction by 2050, with a cumulative target based on global equity; 50 percent by 2020; and at least 3 percent in any given year).
- Taking a comprehensive and inclusive approach – including all GHGs; and all sources including international aviation and shipping; and aiming for minimum leakage through international trading or inter-period borrowing.
- Ensuring strong incentives and sanctions to deliver accountability and compliance.

Despite many welcome elements, the consultation proposals fall short of a fully credible and effective package under all these headings, and we urge the Government to rectify these shortcomings before a Bill is introduced to Parliament. We trust you are able to take these views into account.

For further information please contact

Chas Booth
Parliamentary Officer
Association for the Conservation of Energy
5 Rose Street
Edinburgh EH2 2PR
Tel 0131 243 2701
chas (at) ukace.org

ⁱ Defra (2006) Consultation on measures to reduce carbon emissions in the large non-energy intensive business and public sectors

ⁱⁱ Scottish equivalent of a UK figure. See Carbon Trust press release, 28 October 2004, *Growing businesses throwing away £1 billion in wasted energy*

Available online: http://www.carbontrust.co.uk/NR/rdonlyres/EE9BAE6D-B613-4BF5-9875-F969268CAE23/0/20041028_Clocks_release_FINAL.pdf

ⁱⁱⁱ The Sullivan report recommends that the next change in Scottish building regulations, in 2010, delivers low-carbon new homes. We suggest that, so far as practicable, this level of energy performance is required from all existing homes by the end of 2016. Gordon Brown made this pledge in a speech to the Green Alliance on 12 March 2007: “Over the next decade my aim is that every home for which it is practically possible will become low carbon.”

See Scottish Building Standards Agency (2007) *A Low Carbon Building Standards Strategy For Scotland*

also <http://www.green-alliance.org.uk/grea1.aspx?id=1514>

^{iv} See for example NAEI (2008) *UK Greenhouse Gas Inventory, 1990 to 2006: Annual Report for submission under the Framework Convention on Climate Change*

Available online: <http://www.naei.org.uk/reports.php>

^v Bows, A. (2006). Produced in Cairns, S. and Newson, C. (2006). *Predict and decide: Aviation, climate change and UK policy*. Environmental Change Institute. University of Oxford.

^{vi} United Nations Environment Programme and Futerra Communications (2005) *Communicating sustainability*

Available online: <http://www.futerra.org/downloads/WebEN21.pdf>

^{vii} See for example Meinhausen 2006, the Stern Review and IPCC Summary for Policy Makers 2007

^{viii} Hansen, J et al (2008) *Target CO2: Where Should Humanity Aim?*

Available online: http://www.columbia.edu/~jeh1/2008/TargetCO2_20080407.pdf

^{ix} See note iii above on the Sullivan report.

^x Hansen, J (2007) *Letter to Prime Minister Gordon Brown*, figure 5b

Available online: http://www.columbia.edu/~jeh1/mailings/20071219_DearPrimeMinister.pdf

^{xi} Scottish National Party (2007) *Manifesto*, p. 29

^{xii} United Nations Environment Programme and Futerra Communications (2005) *ibid*