



AEA marks a decade of advising government on Climate Change policies

The last ten years has seen a massive shift in how society has started to understand climate change, the impacts it is causing and those it will continue to cause around the world as we progress through the coming century. Coupled with an increased urgency on the policy side, there has been a real increase in efforts to help tackle this global problem that, if neglected, will affect us all. AEA Technology, the leading climate change and energy consultancy, has been at the heart of the step change in action and advises the UK government on climate change policies.

The most recent Intergovernmental Panel on Climate Change (IPCC) Report published in 2007, which AEA's team contributed to, was the most comprehensive scientific analysis on climate change. The report received over 4,000 contributions from the world's top scientists. With 90% certainty, the report concluded that temperatures will continue to rise, with average global temperature projected to increase by between 1.4 and 5.8C above 1990 levels by 2100. This was the urgent call to governments and business that action is really needed immediately - and on a global scale. Much of the evidence in the report will ultimately shape negotiations in the run up to and during the UN Conference of the Parties in Copenhagen in December 2009.

The UK has been at the forefront of action on climate change for a number of years from the establishment of climate change agreements in March 1999 to the creation of the Committee on Climate Change last year. Ten years ago this March, the UK Government recognised the need for a tax on business energy – the Climate Change Levy - to stimulate improvement in energy efficiency. Special consideration was given to the energy intensive industries, given their high energy usage and their exposure to international competition. Consequently, the Government provided an 80% discount from the Climate Change Levyⁱ for those industry sectors that agree challenging targets for improving their energy efficiency or reducing carbon emissions.

The mechanism for Government and industry to agree targets and for companies to claim the levy reduction are the Climate Change Agreements (CCAs). From the start, AEA were advisers on these agreements and started to work with the Government on developing and operating the agreements. AEA has continued that role ever since, providing technical, policy and audit support to DECC (the Department of Energy and Climate Change).

The current Climate Change Agreements were due to expire in 2013. However, in the 2007 Pre Budget Report, the Government announced that “the scheme will continue until 2017, subject to State aid approval, and would discuss with business the most effective way of taking this forward”. The Government has recognised that simplifying the Climate Change Agreements would benefit business and government, and would also help to achieve greater coherence with other relevant climate change policy. As part of its support to DECC, AEA has worked on the current consultation document for the next phase of CCAs.

As The 2003 Energy White Paper: Our Energy Future - Creating a Low Carbon Economy, stated, a long-term strategic vision for energy policy combined with environmental, security of supply, competitiveness and social goal factors was needed to ensure a sustainable framework for the UK’s energy policy. As a consequence, this was the first White Paper to make a climate change declaration to reduce emissions by 60% by 2050.

Following the 2003 Energy White Paper, AEA also advised the government during the 2006 Energy Review and the 2007 Energy White Paper. The 2007 White Paper: “Meeting the Energy Challenge” set out the Government’s international and domestic energy strategy to address the long term energy challenges faced by the UK, and to deliver four key policy goals:

- To put the UK on a path to cut carbon dioxide emissions by some 60% by about 2050, with real progress by 2020.
- To maintain reliable energy supplies.
- To promote competitive markets in the UK and beyond, helping to raise the rate of sustainable economic growth and to improve productivity; and,

- To ensure that every home is adequately and affordably heated.

Following this White Paper, the UK set out to guarantee a mechanism existed to ensure we could put ourselves on a trajectory to reduce our emissions by at least 60% by 2050. As part of the climate change bill and subsequent Act, the Committee on Climate Change was established tasked with the following priorities:

- Provide independent advice to Government on setting and meeting carbon budgets and targets.
- Monitor progress in reducing emissions and achieving carbon budgets.
- Conduct independent research and analysis into climate change.
- Engage with representatives interested in climate change from across the UK in order to share research and information on climate change and gain input into our analysis

AEA is one of the leading advisers to the Committee on Climate Change and worked on the seminal report “Building a low-carbon economy - the UK's contribution to tackling climate change” which was published last December. The Committee on Climate Change (CCC) urged the Government to commit unilaterally to reducing emissions of all greenhouse gases (GHGs) in the UK by at least 34% in 2020 relative to 1990 levels (21% relative to 2005). And that this should be increased to 42% relative to 1990 levels (31% relative to 2005) once a global deal to reduce emissions is achieved.

For the past decade, AEA has been at the very heart of helping governments, companies and organisations translate environmental thinking into action., What is more, AEA has helped the public and private sectors respond to the environmental challenges, and opportunities, presented by climate change.,. Climate change, and the challenges that it presents us, is one of the most serious issues facing the world in the 21st century. But with a global vision driven by evidence based policy development governments, companies and organisations can help build a low carbon economy.

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NOTES TO EDITOR

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About AEA

AEA is one of the world's leaders in the field of climate change and energy consultancy - operating in the UK, Europe, the US and China. It is the leading provider of advisory services to the UK Government and works extensively with the EU and major private sector organisations. With internationally renowned expertise in air quality and climate change, carbon management, resource efficiency and the environmental impacts of transport, AEA employs many world leading experts and provides a high-level of policy consultancy and a range of technical services to its public and private sector clients.

AEA manages for the UK government's Envirowise project, one of the world's largest resource efficiency programmes and provides carbon management expertise to many of the UK's largest private sector organisations.

AEA is voted Number One Consultancy for Climate Change and Renewables by industry consultants (Edie surveys 2006, 2007 and 2008).

For further information please visit www.aeat.co.uk.

ⁱ The Climate Change Levy (CCL) is a tax on the use of energy in industry, commerce and the public sector. There are offsetting cuts in employers' National Insurance Contributions and additional support for energy efficiency schemes and renewable sources of energy.