

## **UK Response to Commission's consultation on the EU's updated Long-Term Climate Strategy**

We welcome the opportunity to engage with the update of the Commission's EU Long-Term Climate Strategy (LTS). The strategy will provide an important long-term strategic framework and evidence base to inform ongoing discussions on climate action within the EU and the opportunities and challenges of decarbonisation. The comments below build on our own experience of developing our Clean Growth Strategy which we submitted to the UNFCCC as our long-term strategy in April 2018.

### **Summary of key UK priorities:**

- It is important the strategy incorporates the latest scientific evidence including the IPCC special report on global warming of 1.5C and up-to-date assumptions and analysis (e.g. incorporates reforms to the ETS)
- We support the inclusion of a range of targets, including carbon neutral by 2050 and for the analysis to be extended as far as is possible beyond 2050. We would welcome a diverse range of pathways to net zero emissions which reflect the different national conditions across the EU.
- As well as looking at costs, it is important to include the wider benefits of climate action and avoided impacts of different global ambition scenarios, including, if possible, the costs and benefits of each scenario compared with a business as usual scenario
- The strategy should include as much detail on the assumed country and sector level action as possible but should not propose any sectoral or Member State level targets.
- The strategy should consider the strategic importance of sectors such as land use, land use change and forestry and carbon capture, usage and storage in hitting the Paris Agreement goals through the contribution of negative emissions.

### **Evidence and Analysis**

The UK would like to see the strategy incorporate the best available scientific evidence such as the IPCC Special Report on global warming of 1.5C, the UNEP Gap Report and the World Energy Outlook. References should also be made to future reports, such as the IPCC 6<sup>th</sup> Assessment Report and its special reports on Land Use and Terrestrial Ecosystems and on Oceans and Cryosphere, to highlight how the EU will revisit policies in light of new science.

As well consideration of the costs of going beyond current EU commitments, we would like to see the wider benefits of climate action, including the health benefits and avoided impacts, included in the analysis. Where possible we would like these benefits to be given a monetary value. The strategy should summarise the wider evidence around avoided impacts in the context of different global ambition scenarios i.e. consider increased EU ambition in the context of wider action. The costs and benefits of climate action should also be compared with a 'business as usual' scenario and alongside a 'current policies' scenario so that the incremental costs and benefits can be fully captured.

## Scenarios

The strategy should include a range of different scenarios to provide a robust evidence base to inform discussions about how the EU can most cost effectively meet the long-term temperature goals of the Paris Agreement. At least one of the scenarios should show a pathway to carbon neutral by 2050 and they should explore different scenarios for how to reach these pathways including the role of demand side and behavior change.

The deliverability of each different pathway needs to be an important consideration, including the infrastructure, investment and long-term planning needed for them. The UK would like to see the key sector and infrastructure investments for each pathway that either enable or rule out the pathway, including any crucial near-term elements.

Ideally the strategy will have a focus beyond 2050 to fully incorporate scenarios compatible with limiting global warming to 1.5 degrees and well below 2 degrees. The IPCC report on 1.5 degrees will include scenarios up to 2100 and we would encourage the Commission to go as far as possible towards 2100. The strategy should also set out how any target would be met (e.g. which technologies and sectors) without proposing targets for individual Member States. A focus should be given to more difficult to decarbonise sectors including the role of carbon prices and other interventions.

We would like the scenarios in the strategy to focus on the role of significant EU policies after 2030, including the role and scope of the EU ETS in the long-term and successor policies for non-traded emissions at the end of the ESR period. It should help ensure the consistency of climate and energy policy and targets, identifying complementarities as well as negative interactions between policies.

## Challenges and Opportunities

Any EU long-term objective needs to be achievable and therefore must consider areas where rapid technological innovation may occur. We have identified some potential future trends and sectoral priorities which we would like included in the strategy. However, we feel that the strategy should not propose any sectoral targets or reduce Member State flexibility to decarbonise cost-effectively.

**Land use, land use change and forestry (LULUCF)** is an important sector and we would welcome its inclusion in the strategy. We would like at least two LULUCF scenarios to be considered, one which shows a strong contribution of biomass for energy (coupled with CCS to achieve negative emissions in the energy sector) and another where the priority is on stocking carbon in ecosystems/wood products in order to maximise the removals from the land sector.

The UK would also welcome a discussion on how accounting for the LULUCF sector can be brought in line with the objectives of the Paris Agreement to achieve a balance between anthropogenic emissions and the removal of greenhouse gases by sinks in the second half of this century. Robust and appropriate accounting methods would help incentivise practices such as afforestation.

There is broad international consensus, for example from the IPCC and International Energy Agency, that **carbon capture usage and storage (CCUS)** has a potentially vital role in meeting our Paris Agreement commitments. As set out in our Clean Growth Strategy, the UK recognises the potential value CCUS has in supporting industrial decarbonisation, low carbon hydrogen production (for example to decarbonise heat and transport), decarbonisation of natural gas (for example natural gas fired power generation), supporting negative emissions through bio-energy with CCS and/or direct air capture, and creating new markets for the utilisation of carbon dioxide.

We would like to see the inclusion of CCUS within the strategy and a review of CCUS' potential role in supporting industrial and power decarbonisation as well as enabling negative emissions to meet Paris Agreement ambitions.

Industrial decarbonisation is a vital element of meeting EU targets. We welcome the formal agreement on the reform of the **European carbon market** as it strikes an effective balance between climate ambition and protecting the competitiveness of industry. This will result in a more meaningful carbon price and stimulate investment in low-carbon technology. In the future, the UK would like to see strengthening measures kept under review to ensure the EU ETS continues to provide a robust carbon price signal. We would like the strategy to consider the impact of a stronger ETS on carbon price and innovation.

Measures in the transport sector have a significant role to play in meeting ambitious national and EU emissions reductions targets and fulfilling commitments under the Paris Agreement. The strategy should ensure that any future EU level approaches or measures complement future international action. The UK would like to see a high level of ambition when setting future carbon emission performance standards and measures to necessitate the shift to zero tailpipe emission vehicles. The UK would also like to see references to shifting to zero emissions vehicles in the strategy and incorporated in the scenarios. This should be complemented by ensuring the transition to low carbon fuels is fully realized in the scenarios.

There is uncertainty over how **aviation emissions** should be captured and treated by the EU given the overlap of responsibility and action between EU and ICAO for international aviation emissions, and the uncertainty over the future of the aviation EU Emissions Trading System and its interaction with CORSIA. This uncertainty should be addressed in the strategy. We would like to see clear explanations of how emissions will be factored into any future targets or calculations and of the challenges involved.

It is also difficult to predict which **renewables** and low carbon technology will be commercially available and cheaper in the long-term. We therefore encourage the Commission to review the potential of all low carbon and renewable technology as well as energy efficiency and the demand side and behaviour change options in the Strategy.

After exiting the EU, whatever the shape of the future UK-EU relationship, working with our European partners will remain very important. As set out in UK's Future Relationship White Paper we recognise the UK's and EU's shared interest in global

action on climate change and the mutual benefits of a broad agreement on climate change cooperation. The UK is a world leader on climate ambition, as set out in our domestic law. The UK will maintain these high standards after withdrawal. The comments in this submission are made without prejudice to ongoing negotiations regarding our future relationship with the EU.