

Building a Low-Carbon Economy – The UK's Contribution to Tackling Climate Change

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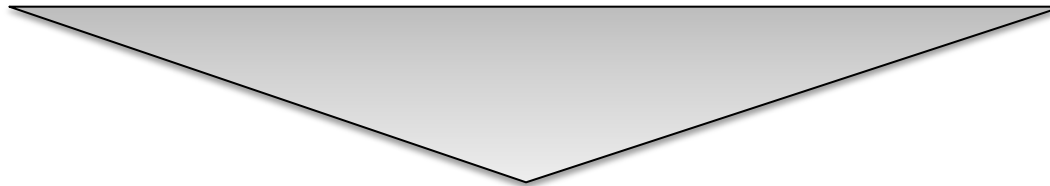
Recap setting and meeting carbon budgets: level of budgets

Intended budget

- To apply once a global deal has been agreed

Interim budget

- To apply before there is a global deal
- Should prepare for the Intended budget



Intended: 42% below 1990 in 2020
(31% % below 2005)

Interim: 34% below 1990 in 2020
(21% below 2005)

Recap setting and meeting carbon budgets: Opportunities for emissions reductions in 2020



Sector	Emissions reduction (MtCO2 2020)
Power	50
Residential Buildings	32
Non-residential buildings and industry	17
Transport	30
Agriculture	11
Total	140

Macroeconomic impacts for carbon budgets - Impacts on the recession for carbon budgets



Impact of GDP on cost



Still less than 1% of GDP IN 2020.
Should be accepted

Impact of GDP on
emissions



Focus on implementations of measures
rather than emissions. Outperform and
don't bank

Impact of GDP on
carbon price



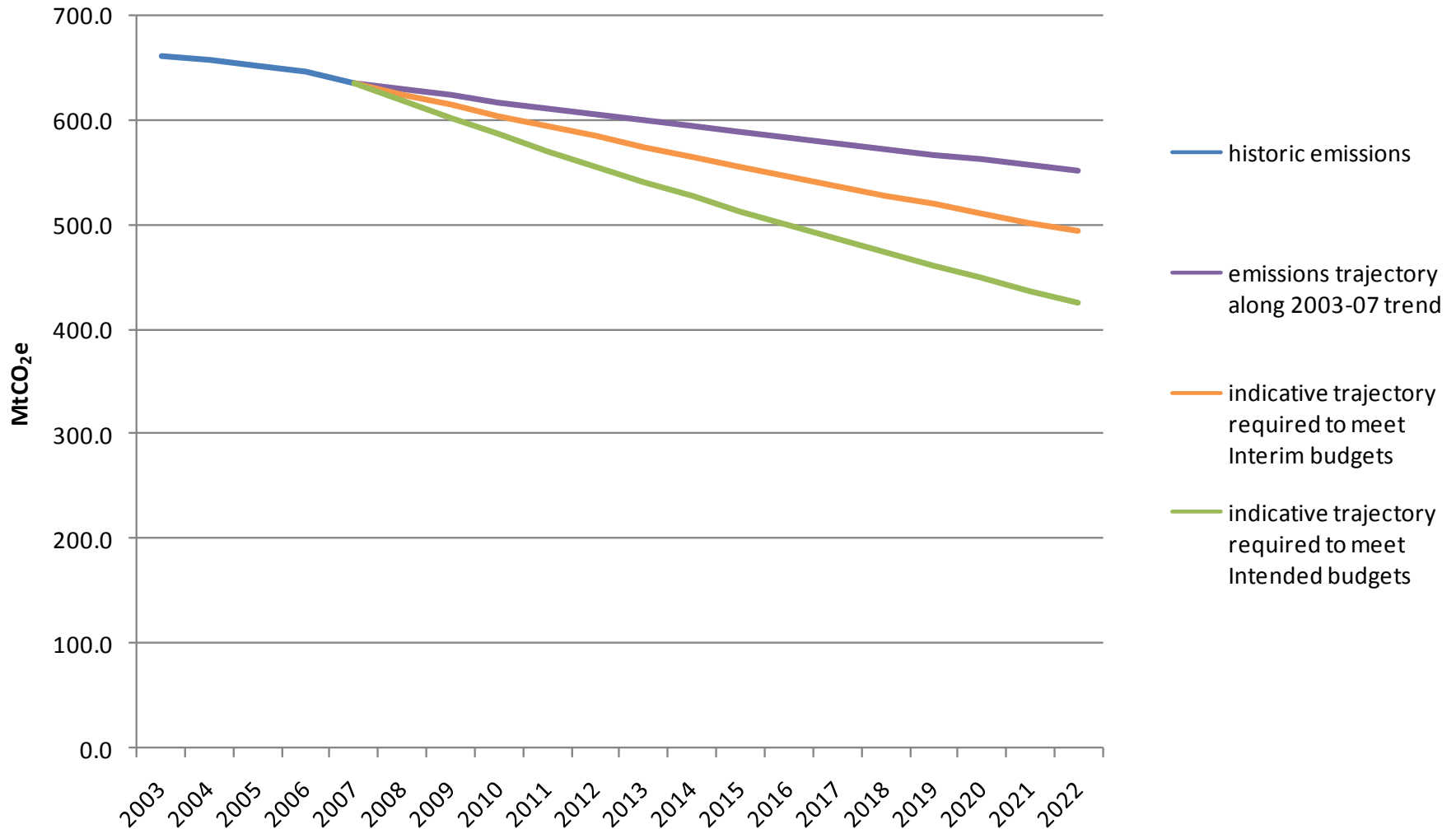
Carbon price projection €20-30. Need for
power market intervention

Impact of credit crunch
for financing



Measures to improve
economics/mitigate risks for renewable
projects

A strategy for meeting carbon budgets: The need for a step change



A strategy for meeting carbon budgets: Strengthening key policies for meeting carbon budgets



Residential buildings

Overcome barriers: Lack of information, hassle, procrastination, engagement ...

Power markets

Address ----- between private and social risks under current market arrangements

Meeting carbon budgets

Electric Cars

Interim price support strategy for changing information, addressing planning barriers