



Department
of Energy &
Climate Change

Mr Mark Goldring
Chief Executive, Oxfam



The Rt Hon Amber Rudd MP
Secretary of State

Department of Energy & Climate Change
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20th July 2015

Dear Mark,

Thank you for your letter dated 2 July, regarding the Climate Coalition's 'Speak Up...' campaign.

I would like to reassure you that the Government is committed to meeting its climate change target of an 80% emissions reduction by 2050. The UK's framework for meeting our 2050 climate target is provided by carbon budgets, which set a limit on UK emissions over each five-year period. We have set the first four carbon budgets covering the period from 2008 to 2027. We have met our first carbon budget, and the last projections (published in September 2014) showed that we are on track to achieve the second and third. We must set the fifth carbon budget (2028-2032) in law by June 2016 with the Committee on Climate Change having a statutory role in advising the Government on the level of that budget by the end of 2015.

UK emissions are already down by around 30% since 1990, and according to provisional estimates, last year (2014) alone we cut emissions by 8.4%. This would be one of the largest reductions on record against the backdrop of a growing economy. This includes a drop in power sector emissions of 18% in 2014 – the largest single annual emissions reduction in the power sector since reporting began in 1990.

The framework set by Government for the electricity market is one that delivers on our decarbonisation objectives, but also ensures our electricity supplies are secure and affordable. The Government's planning policy prevents the building of new coal power plants unless equipped with carbon capture and storage and this is backed up by the Emissions Performance Standard which sets a limit on the carbon dioxide emissions from new fossil fuel plants.

A number of factors will impact on the future role of existing UK coal fired power stations. These facilities are ageing and will require considerable investment to meet environmental pollution standards and, importantly they are being displaced in the electricity market by our success in stimulating investment in low carbon alternatives. Fossil fuel plants also have to meet the cost of the UK's Carbon Price Support scheme which impacts twice as hard on coal as on gas. Evidence shows that these policies are leading to the progressive decline in unabated coal generation. Coal accounted for 40% of total UK generation in 2012 falling to 29% in 2014. My Department's analysis shows that unabated coal is

expected to account for around 1% of total UK generation by 2025 based on current policies.

So whilst we can expect to see a proportion of existing coal capacity remaining available in the next decade it will account for a small fraction of our electricity with its role predominantly being one of providing important capacity at times of higher demand. Using existing assets in this way will help to ensure that we meet our energy objectives, including our decarbonisation plans, at lowest cost to the consumer. However, I note the points you make in respect of this analysis.

The UK is acting fast on climate change, we are playing a leading role globally in pushing for an ambitious deal in Paris that will not only help create confidence and a level playing field for business to thrive while helping to combat climate change, whilst also being at the forefront of developing efficient, clean technologies such as offshore wind.

Great progress is being made – In June, G7 leaders prioritised an ambitious climate package, and agreed language on the need for a deal in Paris, finance and future ambition. To further demonstrate the UK government's commitment to acting on Climate Change on an international level, and to show itself as a leader in dealing with the issue, the UK is providing £3.87 billion through the International Climate Fund (ICF) from 2011 to 2016 to reduce poverty by helping developing countries adapt to the impacts of climate change, to take up low carbon growth and address deforestation.

We know that there is still much work to do, and we will continue to power our move to a low-carbon economy.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Amber Rudd', written in a cursive style.

AMBER RUDD