

Discussion Paper on a Northern Ireland Climate Change Bill – Energy Saving Trust response

Question 1: Which of the following high level options do you think is appropriate for Northern Ireland to take forward?

Option 2,

The climate emergency is urgent, and swift action is needed to progress towards a decarbonised future. We recognise the desire to set ambitious targets (such as net zero by or before 2050), and we support the delivery of decarbonisation at pace (which we describe in more detail in Question 3). It is our view that as far as possible climate targets and budgets should be evidence-based, this favours Option 2. In addition, we support Option 2 over Option 1 because we are concerned that achieving the targets proposed as part of Option 1 would prove extremely challenging given the unique nature of Northern Irish emissions, as highlighted by the Committee on Climate Change (CCC).

Question 2: Do you have any opinions on what would be the most important criteria to be considered when setting or updating long term and interim emission reduction targets?

In our view, the latest scientific evidence should inform the most important criteria (e.g. the rate of emission reductions, the optimal balance of renewable technologies etc.) alongside an assessment of what is possible in the Northern Ireland context (in terms of impacts on the economy and society and the limits of available technology etc.). These are similar considerations to those for setting UK, Scottish, and Welsh climate targets and respective carbon budgets (where applicable).

Our response includes insight from the climate governance regimes of both Scotland and Wales. Our view is that Wales' climate change governance regime represents a strong model for Northern Ireland to draw on. Both Wales and Northern Ireland have some similar challenges to address in reaching net zero, such as: high shares of national emissions coming from agriculture, a greater degree of rurality and reliance on personal car transport coupled with poorer public transport infrastructure, relatively energy inefficient housing and large numbers of homes not connected to the gas grid.

Until December 2020 the Climate Change Committee had considered that neither Wales nor Northern Ireland would be able to reach net zero by 2050. Five years ago Wales was considered to be in the position Northern Ireland is now (in terms of reasonable levels of emission reductions) with the CCC recommending an 80% reduction by 2050. However, recent analysis has identified a narrow pathway through which Wales can reach net zero by 2050

even though the same challenges remain. The Welsh climate governance structure explicitly calls for 5-yearly carbon budgets, something which we believe should be considered in Northern Ireland because this allows for medium- to long-term planning for both the public and private sector and can be implemented in way that encourages early and deep action to reduce emissions (See our response to questions 3 and 4 for further detail on carbon budgets).

In both the Scottish and Welsh climate target legislation, the criteria for setting or amending targets include any significant changes in climate science, technology, or law. This includes if the changes in question have been recommended by the relevant advisory body (e.g. the CCC). The Scottish legislation goes into more depth, particularly regarding the economic impact changes may have on particular sectors as well as social impacts or impacts felt by those living in particular regions. While the Welsh legislation is less prescriptive, it does make clear that the setting of targets or budgets, or any changes to these, must have regard to the Future Trends report from the Well-Being of Future Generations Act (WBFGA). This seeks to achieve the same goal as the Scottish criteria by taking account of wider socio-economic, cultural, and environmental considerations.

When drafting Northern Irish climate legislation it is our view that the important criteria of adhering to the latest climate science and taking account of what is feasible in Northern Ireland while having regard to socioeconomic impacts and the effect on future generations will be essential, with the advisory body (e.g. the CCC) analysing and advising on the most appropriate targets.

Question 3: Do you think flexibility should be built into the Bill, to allow consideration of new emerging evidence and science on climate change (such as for example on long lived and short lived pollutants) when setting emission reduction targets?

Yes, we agree it is important that flexibility is built into the Bill to account for any emerging evidence or change in circumstances. However, it is also important that Members of the Legislative Assembly (MLA) are accountable and that the reasoning for altering targets or budgets is sound, we believe Wales and Scotland provide good models for Northern Ireland in this area. We have touched on the criteria required to set or amend targets in Scotland and Wales in our previous answer but provide more detail here on the flexibility given to interim targets and budgets in the case of Wales.

Scottish Ministers can modify an interim target up or down but only if this aligns with the most up-to-date advice and scientific understanding (as discussed in the previous question). Following any modification Scottish Ministers must publish a statement as soon as reasonably practicable setting out the reasons for the change, the extent to which the proposed modification takes account of the target-setting criteria and whether the proposed

modification is consistent with the most up-to-date advice they have received from the relevant body.

Similar processes must be undertaken by Welsh Ministers when revising budgets or targets up or down. Welsh Ministers may not make regulations changing the 2050 emissions target, interim emission targets or a carbon budget unless at least one of the following conditions is met:

“(a) they are satisfied that it is appropriate to make the change as a result of significant developments in—

- (i) scientific knowledge about climate change, or
- (ii) EU or international law or policy relating to climate change;

(b) the change has been recommended by the advisory body...”

Welsh Ministers can are able borrow a portion of a future carbon budget to be used in the current budget (meaning they are able to emit more in the current budget), though this is capped at 1% of the future budget. Conversely, they are also able to move unspent budget forward (meaning they have a reduced volume of ‘allowable’ emissions in the current budget). There is no limit on this process – with the intention being that this will encourage early action and front-loading of emission reductions. The front-loading of emission reductions was strongly advised by the Climate Change Committee in their recent UK ‘Sixth Carbon Budget’ and ‘Progress Report’ to the Welsh Government on their 2016-2020 carbon budget because of to the cumulative nature of long-lived greenhouse gases. Before deciding to carry an amount backwards or forwards the Welsh Ministers must consult the CCC. Ultimately, what is required is emission reductions at pace from across the economy if we are to limit the negative consequences of runaway climate change. The interim climate target and carbon budgeting approaches described above are designed to help facilitate this.

After a budgetary period Welsh Ministers must produce a statement no more than 2 years after the end of the budgetary period. This must discuss the reductions that have been made, how policy has contributed, what was carried forward or backward, and must cover the areas of responsibility of each of the Welsh Ministers. A Final Statement along similar lines must also be produced for interim and final targets.

In both the Scottish and Welsh cases there is a considerable degree of flexibility, provided that the proposed changes to targets or budgets meet the criteria set out in the Acts, that this aligns with the most up-to-date advice and that Ministers are held accountable through the statements they produce after the fact. A similar degree of accountable flexibility would be an effective approach for Northern Ireland to take.

Question 4: Do you agree that a Northern Ireland Climate Change Bill should include a duty for 5 yearly carbon budgets to set a statutory cap (interim emission reduction targets) on total greenhouse gases that can be emitted in Northern Ireland?

Yes, regular carbon budgets alongside interim targets are an effective and widely used climate governance approach.

The UK was the first country to set legally binding carbon budgets in 2008 as part of the Climate Change Act and on an international level carbon budgets and interim targets form an integral part of the Paris Climate Accord and the projections of the Intergovernmental Panel on Climate Change (<https://www.ipcc.ch/sr15/chapter/chapter-2/>).

We think that the Welsh carbon budget structure is a model that could be readily adapted for the Northern Irish context. It draws on the most up-to-date advice and scientific evidence, is set long in advance of the commencement of the budget period, and has accountability as a central part of the process. In Wales these carbon budgets give guidance on 'safe' levels of emissions for a given five year period while the headline interim targets in 2030, 2040 and 2050 indicate the long-term trajectory allowing the public and private sector to better plan ahead. If they are designed well they can encourage the front-loading of climate action in earlier periods.

We think this is important for driving decarbonisation at pace. The CCC argued strongly in favour of this front-loading approach in their Sixth Carbon Budget because of the cumulative nature of long-lived greenhouse gases. Carbon budgets are also able to give clear, long-term signals to businesses and society on the direction of travel, allowing for investment and tailored support, making achieving a 'just transition' more likely. Engaging early and effectively with a range of stakeholders, and the people of Northern Ireland more generally, will also help to facilitate a just transition.

Welsh Ministers must prepare and publish a report for each budgetary period setting out their proposals and policies for meeting the carbon budget in question. The second of these reports is due in November 2021 under the title 'Low Carbon Delivery Plan'. The report must set out proposals and policies covering the areas of responsibility of each of the Welsh Ministers. In creating the level of emissions allowed within a budgetary period the report must also draw on advice from the CCC. The Welsh Ministers have to publish the report for the first budgetary period as soon as reasonably possible after setting the carbon budget while for subsequent budgetary periods the report must be published before the end of the first year of the period in question.

In our response to the previous question we discussed the flexibility that is built into the carbon budget system, the structure of which encourages the front-loading of action in earlier budgetary periods. This is an approach that we feel the Northern Irish Executive should consider adopting as part of any future carbon budget regime.

There is a focus on accountability at the beginning of each period where each Welsh Ministers responsibilities are laid out and at the end of the period as part of the Final Statement (discussed in the previous question). If a carbon budget is not met “no later than three months after laying the statement, the Welsh Ministers must lay before the National Assembly for Wales [now the ‘Senedd’ or ‘Welsh Parliament’] a report setting out proposals and policies to compensate for the excess emissions in later budgetary periods.” A similar approach is taken in Scotland for any missed annual targets. These budgets (and targets) are legally binding and provide a reputational incentive.

Question 5. Should provision for reporting on adaptation measures by ‘major player’ public bodies be included in a Northern Ireland Climate Change Bill?

Yes, we are in support of this approach provided that it is well-designed and suitable flexibility is incorporated into the structure of the requirement. This is important both so the designation of eligible adaptation measures can be altered and so that an unnecessary burden is not placed upon small organisations without adequate support. It will be important to consider and make clear which actions will count as ‘adaptation’ with suitable metrics also applied.

We consider it to be important that this requirement for ‘major player’ public bodies to report on adaptation is included despite these challenges because otherwise these bodies may not take adaptive measures which look increasingly likely to be required as the climate continues to change. In their recent Adaptation Gap Report (wedocs.unep.org/bitstream/handle/20.500.11822/34727/AGR_KM.pdf?sequence=3&isAllowed=y) the UN Environment Programme makes clear that the effects of climate change are already evident and that every nation must invest in adaptive measures as soon as possible. There were similar views during the recent international Climate Adaptation Summit (www.cas2021.com/).

Question 6. Should provision for reporting on mitigation measures by ‘major player’ public bodies be included in a Northern Ireland Climate Change Bill?

Yes, measures to mitigate emissions are much more easily assessed and accounted for than adaptation so implementing these requirements is likely to involve fewer hurdles. ‘Major player’ public bodies can have high emissions from buildings, procurement etc. addressing these emissions can have a significant impact on meeting the emission reduction targets of local areas, can send a strong signal to other stakeholders that emission reductions are important and achievable, and can create significant employment opportunities (an important consideration for adaptation measures as well).

There is strong precedent in the other devolved nations for 'major player' public bodies to undertake mitigation efforts as part of the relevant climate legislation. "The Climate Change (Scotland) Act 2009 as amended through its secondary legislation, requires public bodies to prepare and publish annual reports on compliance with 'climate change duties'". In practice this means that public sector bodies in Scotland are legally required to reduce greenhouse gas emissions and support Scotland's adaptation to a changing climate. Scottish Ministers, in turn, are legally required to provide guidance to public sector bodies to help them with this. Public sector bodies are also legally required to report annually on their greenhouse gas emissions and what they are doing to help adapt to a changing climate.

While the Environment (Wales) Act 2016 does not explicitly make provision for 'major player' public bodies to report on their mitigation measures, subsequent Welsh Government ambition has been that the entire public sector will decarbonise by 2030 (gov.wales/sites/default/files/publications/2019-04/decarbonisation-of-the-public-sector-call-for-evidence-2017.pdf) with Welsh Government support provided to help facilitate this. The Welsh Government's rationale for setting out this emission reduction ambition encapsulates why the Northern Ireland Executive should consider provision for reporting both adaptation and mitigation by 'major player' public bodies:

"Although the Public Sector only accounts for a small amount of Wales' emissions (currently only around 1%), leadership is needed at both the national and local level to achieve the depth of decarbonisation required. The Public Sector is uniquely placed to not only ensure their buildings are efficient, but also influence emissions far more widely through the delivery of their services, procurement of goods and services and influencing action through our local communities."

'Major player' public bodies are often central features of local communities (e.g. hospitals, schools, council buildings) and the effect of these institutions visibly investing in decarbonisation can be significant and can help to distribute the benefits of decarbonisation around communities. For example, promoting Power Purchase Agreements between public bodies and community energy groups can help public bodies meet their mitigation requirements whilst providing the community group in question with a reliable source of income to be spent on local projects or on further renewable assets.

To help 'major players' meet mitigation requirements the provision of impartial and expert advice should be a priority. Energy Saving Trust works across the UK advising both the public and private sector on a range of sustainability issues including renewable energy, low carbon fleet procurement and sustainable transport more generally and the improvement of energy efficiency. Our experiences have shown us the importance of impartial and expert advice for galvanising action. Support in the form of impartial and expert advice and public engagement should be priority areas in helping public bodies meet any future requirements on actions and reporting.

Question 7. In addition to continuing to avail of the expertise of the UK Climate Change Committee, should we also include provision in the Bill, for an independent Northern Ireland advisory body on climate change?

No, our view is that this would represent an unnecessary duplication of effort. The Executive already draws on advice from the UK Climate Change Committee, Irish Climate Change Advisory Council, and local sources of expertise such as that from the System Operator for Northern Ireland.

We do however recognise concerns about the depth of knowledge and understanding currently within the CCC when it comes to the unique situation in NI and would argue that there is a case for more funding and dedicated staff to focus on the needs of Northern Ireland.

A body tasked with analysing how the Executive's policies and proposals align with the need for a 'just transition' and ensuring that this is accounted for in decision-making across departments would be worthwhile considering. On this point, we welcome the recent publication of the 'Programme for Government: Draft Outcomes Framework' which will help to guide the Executive's future work and align policy with a just transition. In Scotland the 'Just Transition Commission' (www.gov.scot/groups/just-transition-commission/) has been created "to advise Scottish Ministers on how to apply Just Transition principles to Scotland." Just Transition principles are identified in this report:

http://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/documents/publication/wcms_432859.pdf from the International Labour Organisation. The Commission is tasked with producing a written report to Scottish Ministers with "practical, realistic, affordable recommendations for action". The Commission has recently published an analysis report of the responses received as part of its call for evidence (see: <https://www.gov.scot/binaries/content/documents/govscot/publications/consultation-analysis/2021/01/transition-commission-call-evidence-analysis-report/documents/transition-commission-call-evidence-analysis-report/transition-commission-call-evidence-analysis-report/govscot%3Adocument/transition-commission-call-evidence-analysis-report.pdf>) and is due to produce its final report later this year.

A similar framework is employed in Wales where Welsh Ministers must have regard to the Future Trends report which must be produced ahead of each Senedd election and is published as a provision of the Well-Being of Future Generations Act (WBFGA). The Future Trends reports are a core component of the WBFGA which "requires public bodies in Wales to think about the long-term impact of their decisions, to work better with people, communities and each other, and to prevent persistent problems such as poverty, health inequalities and climate change". By adhering to the seven overarching Well-being Goals the WBFGA stipulates, policymakers in Wales are better able to craft policy and invest in a future that will

spread the benefits of the transition more equitably. To support this work, a Future Generations Commissioner is employed to maintain focus and drive positive change. They play a crucial role in making sure the recommendations made in the Future Trends report are acted on by all branches of government and other public bodies.

A joined-up approach to delivery on climate issues is essential. We understand that work is underway in Northern Ireland on this issue with both the energy strategy and this consultation document referring to the Northern Ireland Civil Service-wide response to climate change being implemented through the DAERA-led cross-departmental working group – the ‘Future Generations Working Group on Climate Change’. We understand this group’s work encompasses: (a) agriculture; (b) energy and energy use; (c) transport; (d) business and investment; (e) buildings and housing; and (f) education. This is a welcome development and we hope that the role of this working group can be expanded and the group’s powers enhanced so that it is able to advise on a just transition and hold departments and the Executive to account to the fullest extent.

Question 8. Do you have any other comments in respect of the issues raised in this discussion document?

Support in the form of impartial and expert advice and public engagement should be priority areas in helping people to decarbonise their homes, which is essential to meeting carbon targets for Northern Ireland. There are things to learn here from the Home Energy Scotland advice network the Energy Saving Trust delivers, which supports more than 90,000 households each year in Scotland. This support delivers significant outcomes towards decarbonisation. As an example, the lifetime carbon savings by those using the network in 2017-18 are estimated to be more than 300,000 tonnes CO₂. Home Energy Scotland also provides specialist in-home advice on more complex measures such as small-scale renewables and solid wall insulation: around 85% of customers who received this support and took action attributed that action, at least in part, to the support they received. In 2017/18, the specialist advice service provided advice to 3,807 customers. Of these 1,718 (45%) were provided with a home visit, 1,631 (43%) were provided with remote advice and 458 (12%) received both. Customers supported by the advice service in 2017/18 will deliver total attributed lifetime savings of 63,500 tonnes CO₂.

As we have argued in earlier questions, we feel that DAERA and the Executive should more explicitly be drawing lessons from the Welsh climate governance regime. Both Wales and Northern Ireland have some similar challenges to address in reaching net zero such as: high shares of national emissions coming from agriculture, a greater degree of rurality and reliance on personal car transport coupled with poorer public transport infrastructure, relatively energy inefficient housing (though levels of energy efficiency are higher in Northern Ireland), and large numbers of homes not connected to the gas grid. Until December 2020 the

Climate Change Committee (CCC) felt that neither Wales nor Northern Ireland would be able to reach net zero by 2050. Five years ago Wales was considered to be in the position Northern Ireland is now (in terms of reasonable levels of emission reductions) with the CCC recommending an 80% reduction by 2050. Recent analysis has identified a narrow pathway through which Wales can reach net zero by 2050 which offers an encouraging example despite the challenges.

Question 9. Are there any important issues you feel have not been adequately covered at this early discussion stage?

Though we recognise that this consultation is at an early stage of the deliberation process, we feel that Northern Ireland should seek to include consumer emissions in any future climate targets, budgets and estimates. Currently, emissions resulting from the consumption of products produced overseas are not accounted for in UK climate targets and emission estimates, though there is a suggestion that this may change in the future (see: www.telegraph.co.uk/environment/2021/01/13/carbon-footprint-imported-goods-could-included-emissions-target/). Both Wales and Scotland make provision in their Climate Acts to account for emissions produced by Welsh or Scottish consumption of foreign goods. This could be of particular importance for Northern Ireland given the large amount of cross-border trade with the Republic of Ireland. Taking this approach could also work in Northern Ireland's favour when accounting for Northern Irish emissions generated as a result of producing goods for the rest of the UK and Ireland. For example, a high share of agricultural emissions are produced as a result of meat and dairy exported to Great Britain and Ireland.

Again, while recognising that this is the preliminary stage of consultation, we feel it is important that consumer and citizen advice and engagement is a central pillar of the resulting climate governance regime. The UK Citizen's Assembly has been viewed as a great success and illustrates that an informed and engaged public are broadly supportive of ambitious efforts to address the climate crisis.

There is also precedent for including provision for such citizen climate assemblies in climate legislation. The Scottish Climate Act calls for Scottish Ministers to establish a panel to be known as a "citizens assembly" made up of such persons as the Scottish Ministers consider to be representative of the general populace of Scotland. The citizen's assembly will then operate in a similar manner to the UK assembly, considering the latest in climate science and the full suite of possible solutions before ultimately reporting back to Scottish Ministers with a series of recommendations. The Scottish Ministers must, within 6 months of receiving a copy of the report, publish a statement setting out how they intend to respond to the recommendations made in it. This process is ongoing with the Scottish Climate Assembly

convened and halfway through the evidence sessions at the time of writing (<https://www.climateexchange.org.uk/blog/scotlands-climate-assembly-learning-about-climate-change-causes-and-impacts/>).

A similar approach in Northern Ireland would be beneficial, giving policymakers and other stakeholders an opportunity to engage meaningfully with a representative sample of the populace, allowing policy in Northern Ireland to be guided by the priorities identified by the Assembly. An assembly could be convened, engaged with, and produce its recommendations before the Executive elections next May, allowing parties in Northern Ireland to offer an ambitious set of proposals to the electorate.

At their core both the Welsh and Scottish climate governance regimes recognise that a solid legislative foundation for carbon reduction, with regular, legally-binding targets, arrived at through collaborative scientific analysis conducted by an independent advisory body, such as the CCC, is essential to kickstart the rapid emission reductions required to ultimately reach net zero. Rather than being constraining, this policy approach, which deliberately outlasts individual parliaments, helps to give businesses and the public the certainty needed to drive investment and behaviour change. Alongside quantitative assessments of emission reduction all governments should be seeking to ensure that the dramatic societal transition required is fair and just. The transition to net zero offers all nations the opportunity to create sustainable and prosperous economies that work better for all citizens and Northern Ireland is no different. This will not be achieved automatically. The Welsh Government's Well-being of Future Generations (Wales) Act and the Scottish Government's Just Transition Commission are key to enshrining this approach and safeguarding it up to 2050 and beyond by mandating that Ministers have regard for the well-being of future generations and that policies are equitable and just. All departments will have to play a role in decarbonising Northern Ireland and so the cross-departmental working group, the 'Future Generations Working Group on Climate Change', is a welcome addition that should be built on and strengthened if at all possible.