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Net Zero, Energy and Transport Committee
The Scottish Parliament
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26 September 2024

Dear Edward,

Further to my recent letter of 20 September, which laid out details of the intended timescales for the production of carbon budgets and the next Climate Change Plan (CCP), I would also like to provide members of the committee with further information regarding the development of the next Climate Change Plan.

As discussed during the recent evidence session on the Climate Change (Emissions Reduction Targets) (Scotland) Bill on 17 September, work is ongoing on development of the next CCP, which will cover the period of 2026 to 2040. The plan will be supported by new sectoral Just Transition Plans, reflecting our ongoing commitment to a fair transition to net zero for all, and will set out the costs and benefits of the policies to reduce emissions, as well as the impact on different sectors of the Scottish economy and regions in Scotland.

The CCP is a significant and long-term plan for Scotland and involves a substantial body of work to draw together the evidence of all existing actions across Scotland that might reduce emissions including existing Scottish Government policies, as well as identifying and developing new policies and assessing their impact. A summary of the stages of work that my officials have initiated to progress this work is included below.

Development of the Climate Change Plan

For the upcoming CCP, officials across government have worked to collate all existing policies – capturing those included in the 2020 Climate Change Plan Update and those subsequently announced, such as the revisions to the Emissions Trading Scheme. These policies formed the initial stages of the Scottish Government's work to draw together evidence and assess the impact of the existing CCP's policy package and this work is ongoing. Work has also been done to review and update the TIMES model to provide insight on the options for achieving emission reductions from the various sectors of the economy

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and society. The scope for new technologies and UK Government policies to contribute to future reduction of emissions in Scotland has also been considered.

Other underpinning work has included seeking input from the First Minister's Environmental Council and the Scottish Science Advisory Council on possible approaches for the next CCP. Scottish Government has worked with partners and contractors to develop the evidence base over the last few years including through our centre of expertise, [ClimateXChange](#).

This current policy package and evidence base has been used as a foundation to identify new and enhanced policies. All proposals are being tested against the feasibility of implementation, considering the potential for Scottish Government funding, the scope for private financing and any complementary or supporting action that would be required from the UK Government, as well as the economic, social and individual impacts such policies might have.

Officials have also considered proposals received from environmental NGOs and the Scottish Green Party, in order to further strengthen the policy package presented in the upcoming CCP. This work has so far contributed to the development of new climate policies that was announced on 18 April 2024. These and other new policies have been undergoing an assessment of their impact on different sectors of Scottish society. The assessment of the policies proposed for inclusion in the next CCP will be finalised as decisions are taken on the final content of the draft CCP and the assessment will be published alongside the CCP in due course.

As my predecessor, Mairi McAllan informed Parliament on 18 April, this analysis alongside the challenging context of cuts and backtracking of the previous UK Government, and the expert advice from the Climate Change Committee, were the basis of the decision making regarding the achievability of the 2030 target in the existing Climate Change (Emissions Reductions Targets) (Scotland) Act 2019.

Engagement

Engagement and consultation with key stakeholders continue to be a fundamental element of work on development of the next CCP. The work of the Climate Change Plan Advisory Group (CCPAG) played an important part in the development of the CCP before the delay of the plan announced in late 2023. The CCPAG last met in August, and we intend to return to engaging this group more formally to inform the continuing development of the CCP. I am enclosing several papers and presentations from CCPAG meetings which have been used as a basis for seeking views of the group in order to guide work by my officials on development of the next CCP.

In addition to consultation with key non-governmental organisations and representatives of other stakeholders, officials have also continued to engage with the UK Government at various junctures as part of the development of the CCP. This collaboration aids understanding of latest UK Government policy and their impacts on Scotland's journey to net zero and provides an opportunity to press for further action in areas of decarbonisation which rely on UKG action.

We will continue to regularly engage with the UK Government and other devolved administrations through the Net Zero, Energy and Climate Change Interministerial Group to

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discuss interdependencies between all four nations and opportunities to work collaboratively.

Yours sincerely,

GILLIAN MARTIN

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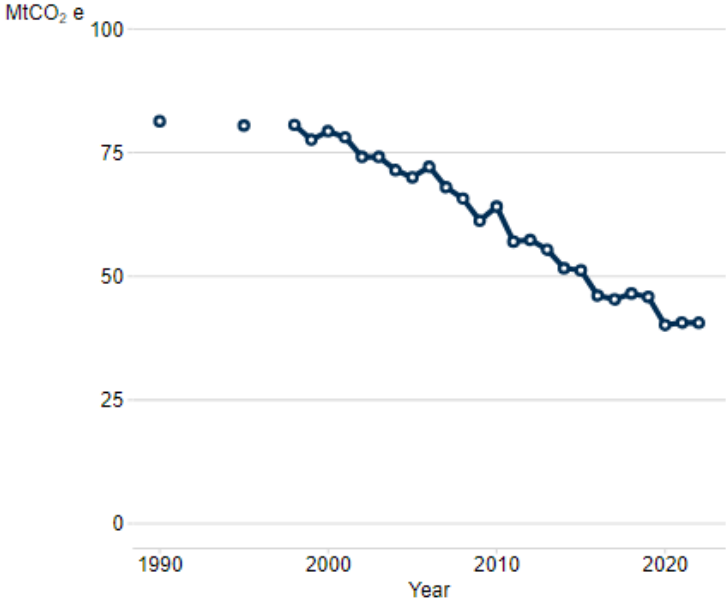
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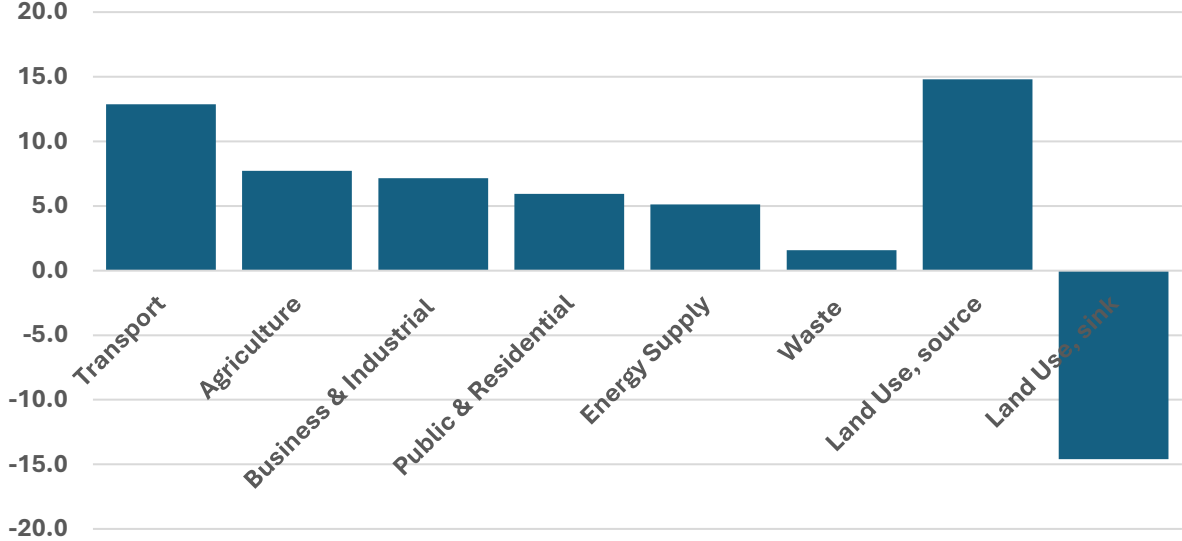
Where we are Today

Scottish Greenhouse Gas Emissions, 1990 to 2022



- Emissions have fallen by a half since 1990
- Around 41 % of total emissions reductions 1990-2022 have come from Energy Supply
- We have missed five of the last six annual targets

Emissions by Sector 2022, MTCO₂e



Top Ten Emissions Sources	MT CO ₂ e, 2022	% of positive emissions
Peat	6.26	11%
Cropland	5.81	11%
Cars	5.02	9%
Livestock	4.76	9%
Residential heating	4.75	9%
Industrial Combustion	2.44	4%
Chemical industry	2.14	4%
Oil refining and terminal	2.09	4%
Maritime transport	1.99	4%
Light Good Vehicles	1.87	3%
Total	37.13	67%

Why the Targets Need to Change

March 2024 advice from CCC:

- Scotland's 2030 climate goal is unreachable
- 75% by 2030 would require a nine-fold increase in decarbonisation
- "the required acceleration in emissions reduction in Scotland is now beyond what is credible"

CCC advice confirms SG's own assessment:

- Even the best-case most-optimistic scenario with current and planned policies cannot meet targets 2025-2030
- Assessment of likely UKG policies made little impact on expected shortfall, made worse by UKG rowbacks
- Assessment of SGP and SCCS proposals indicates some areas for further exploration for longer term

It is clear that:

- Existing targets cannot not be met
- Having unreachable targets is counterproductive and disrupts meaningful planning
- Five-year budgets provide a more useful planning tool that is better aligned with the real world of decarbonisation

Climate Change (Emissions Reduction Targets) (Scotland) Bill: Background

- Earlier this year, the Climate Change Committee advised that Scotland's interim emissions target for 2030 is beyond what can be achieved.
- This built upon repeated advice from the CCC that our 2030 target will be extremely challenging.
- In April, we announced that we will bring forward legislation in response to this advice.
- We are seeking to amend our target framework and introduce five-yearly carbon budgets. The CCC have advised that carbon budgets can provide a more reliable indicator of long-term emissions reduction progress.
- We are also seeking to adjust the timing of the next Climate Change Plan so that the Plan can reflect these carbon budgets, once set in response to latest CCC advice.
- The amendments planned to the Climate Change Act will be strictly limited to the changes needed to achieve these objectives.
- The Bill will not change our ultimate target of net zero by 2045, and it will maintain annual reporting and our commitment to the just transition principles.

Climate Change (Emissions Reduction Targets) (Scotland) Bill: Carbon Budgets

- Annual emissions targets are highly vulnerable to year-to-year fluctuations.
- Multi-year carbon budgets can provide a more reliable framework for sustained emissions reduction progress
- Carbon budgets are already established in other nations, including the UK, France and Japan.
- The CCC have recommended five-yearly carbon budgets.
- Our carbon budgets will include emissions from aviation and shipping, and there will be no provision to "carry over" emissions between budgets.
- The level of our carbon budgets will be set once we have received the latest advice from independent advisers, including the CCC.
- This Bill will not set carbon budget levels, but will enable these to be set through secondary legislation once we have this advice.

Carbon budget
2026-2030

Carbon budget
2031-2035

Carbon budget
2036-2040

Carbon budget
2041-2045

Climate Change (Emissions Reduction Targets) (Scotland) Bill: Indicative Timeline

September/October: Bill introduced to Parliament

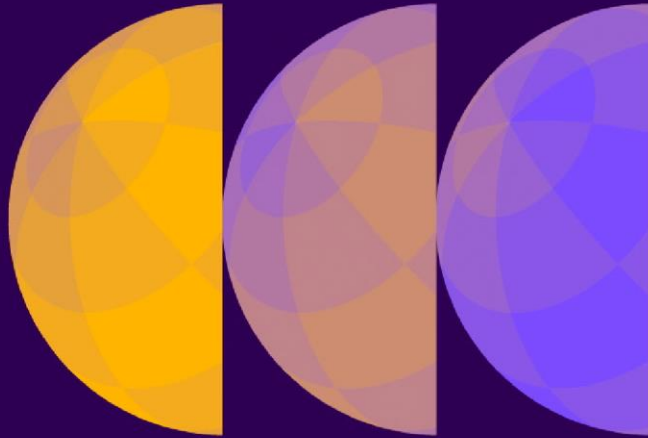
October: Bill completes passage through Parliament

November: Bill passes into law

Spring 2025: advice on carbon budget levels received from the
CCC

Spring 2025: carbon budgets set in secondary legislation

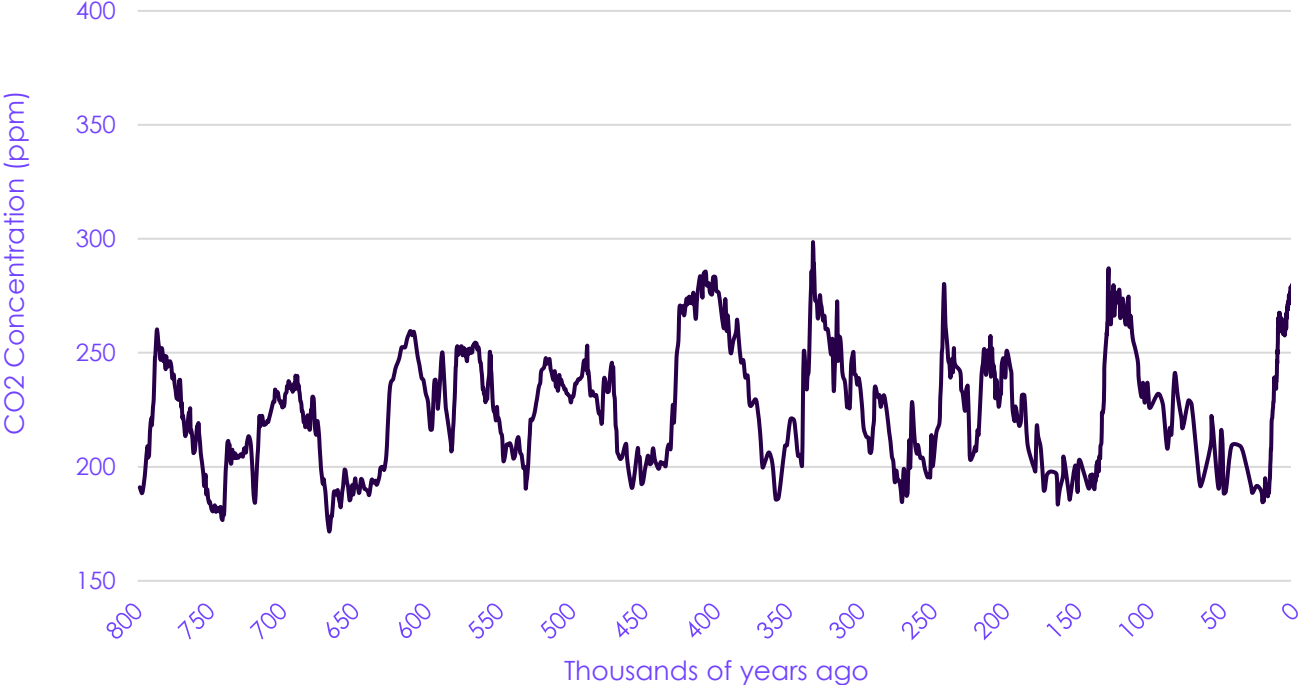
Summer 2025: Draft Climate Change Plan developed to reflect
carbon budget levels.



Climate
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Climate crisis?

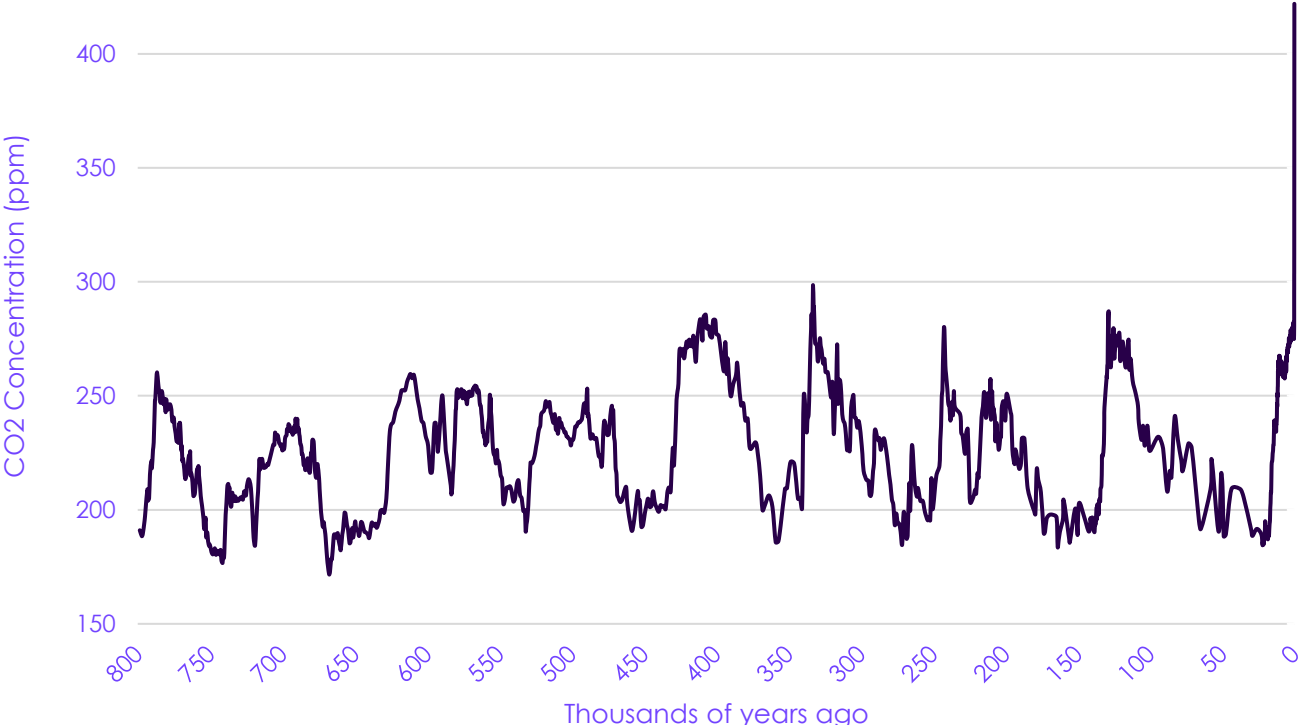
CO₂ concentration – 800,000 years



Source
Scripps Institution of Oceanography

Climate crisis?

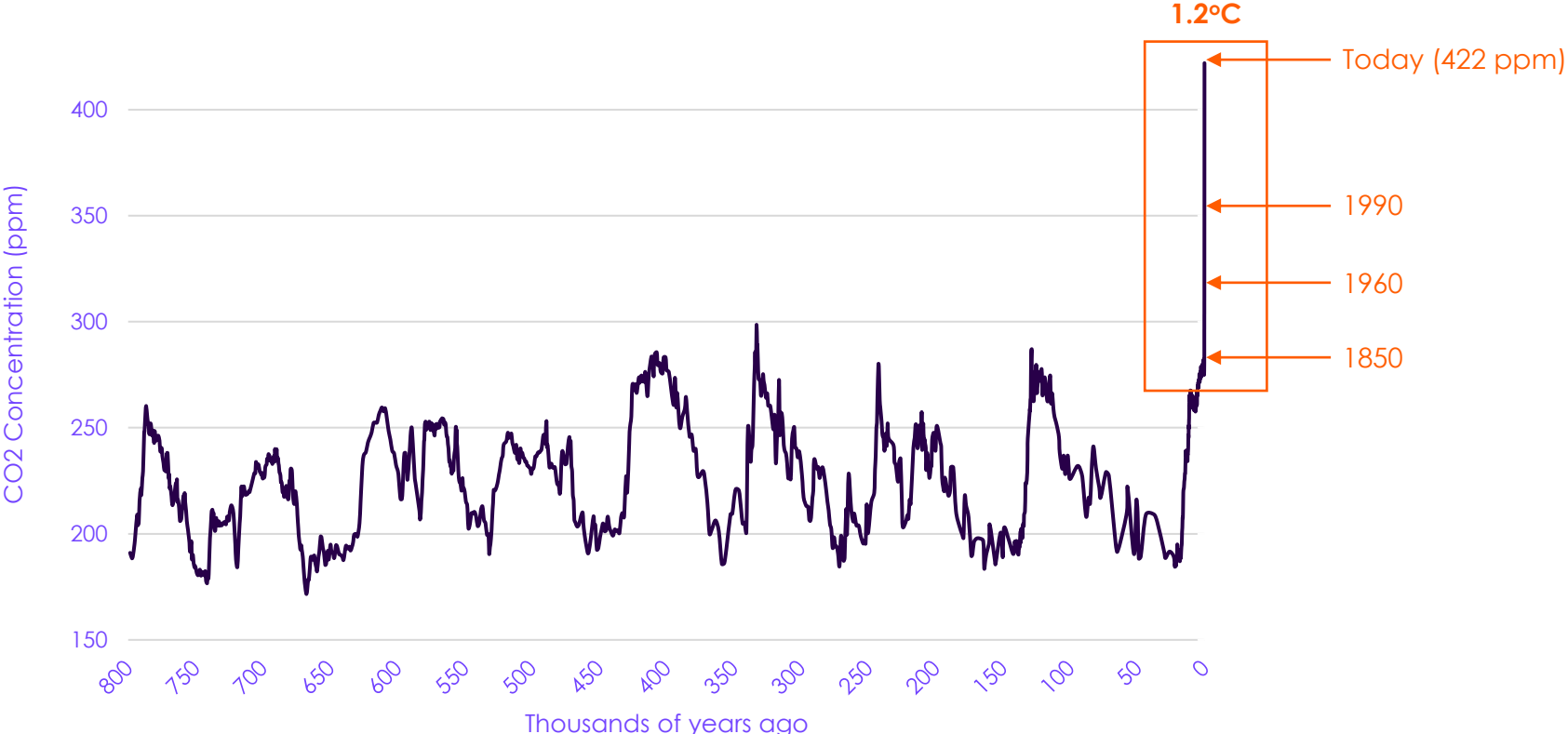
CO₂ concentration – 800,000 years



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Climate crisis?

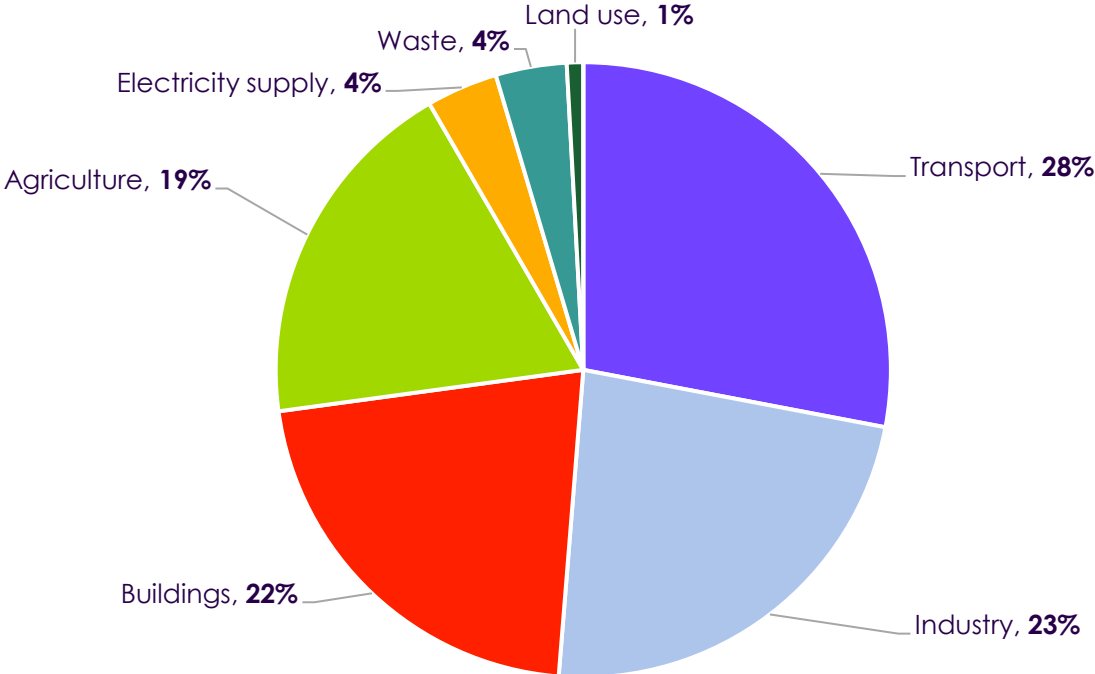
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The path to Net Zero Scotland

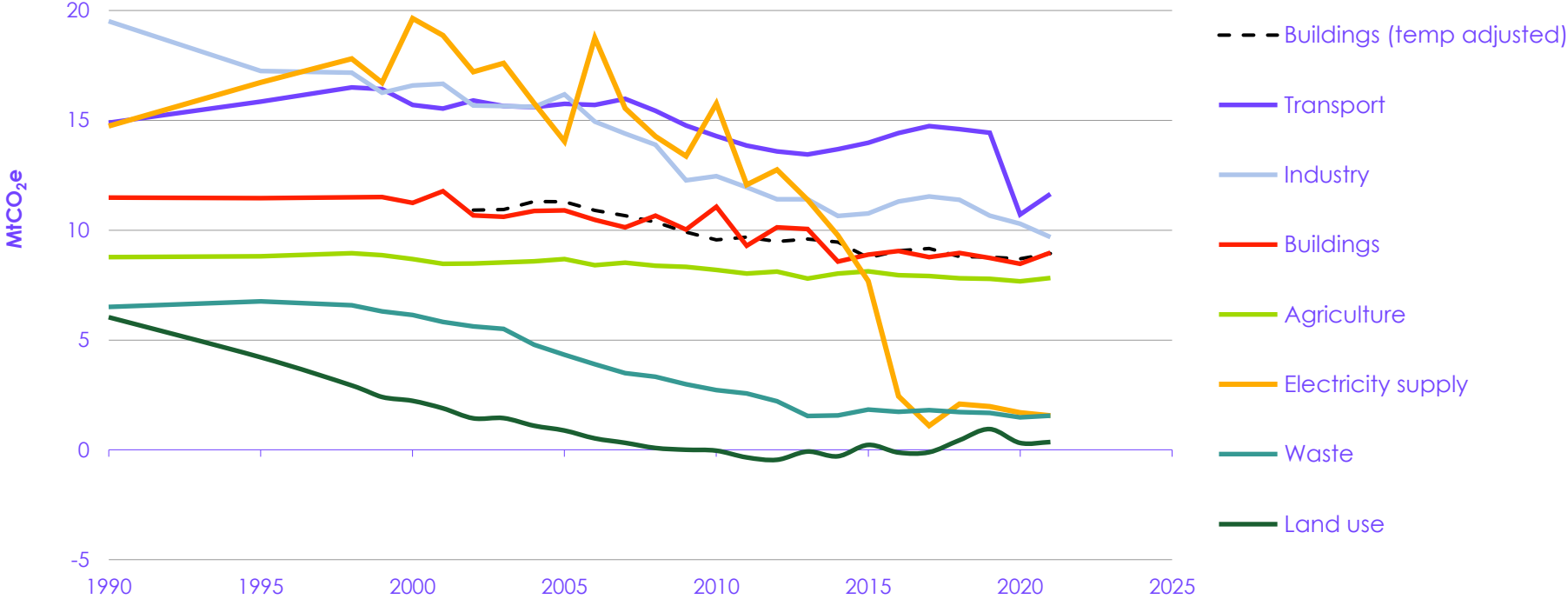
Scotland's 2021 emissions



Source
NAEI (2021); CCC analysis.

Scotland's progress

Greenhouse gas emissions by sector in Scotland

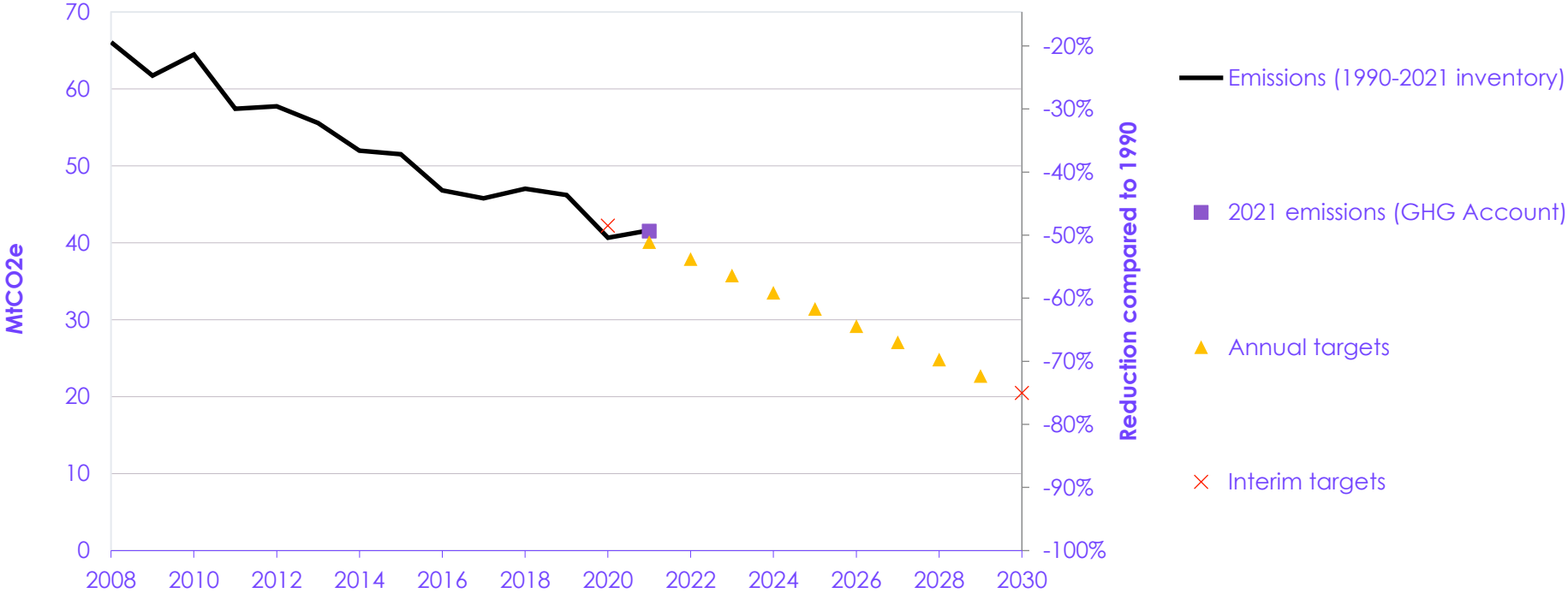


Source
ONS (2021); NAEI (2021); CCC analysis

Looking forward

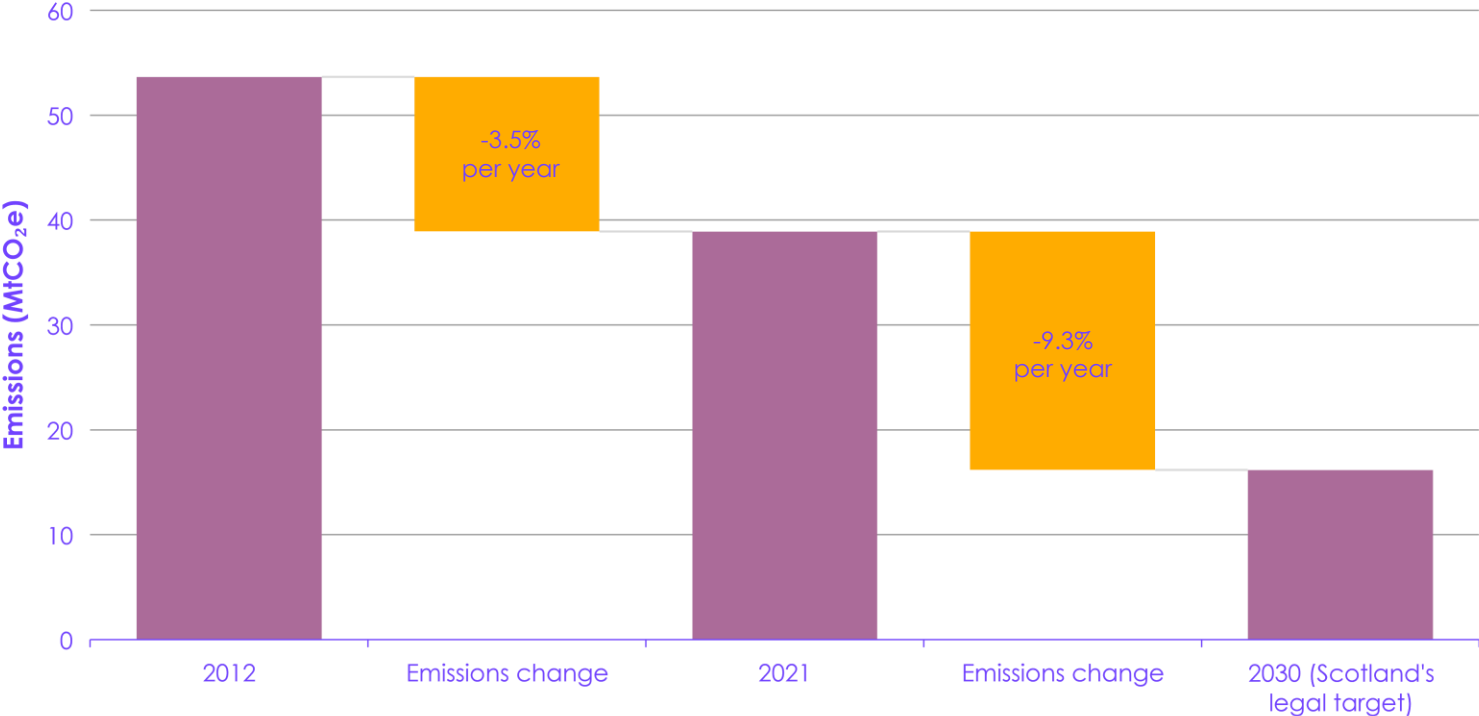
Emissions under the Climate Change Act

2020 target achieved due to pandemic, 2021 annual target missed again



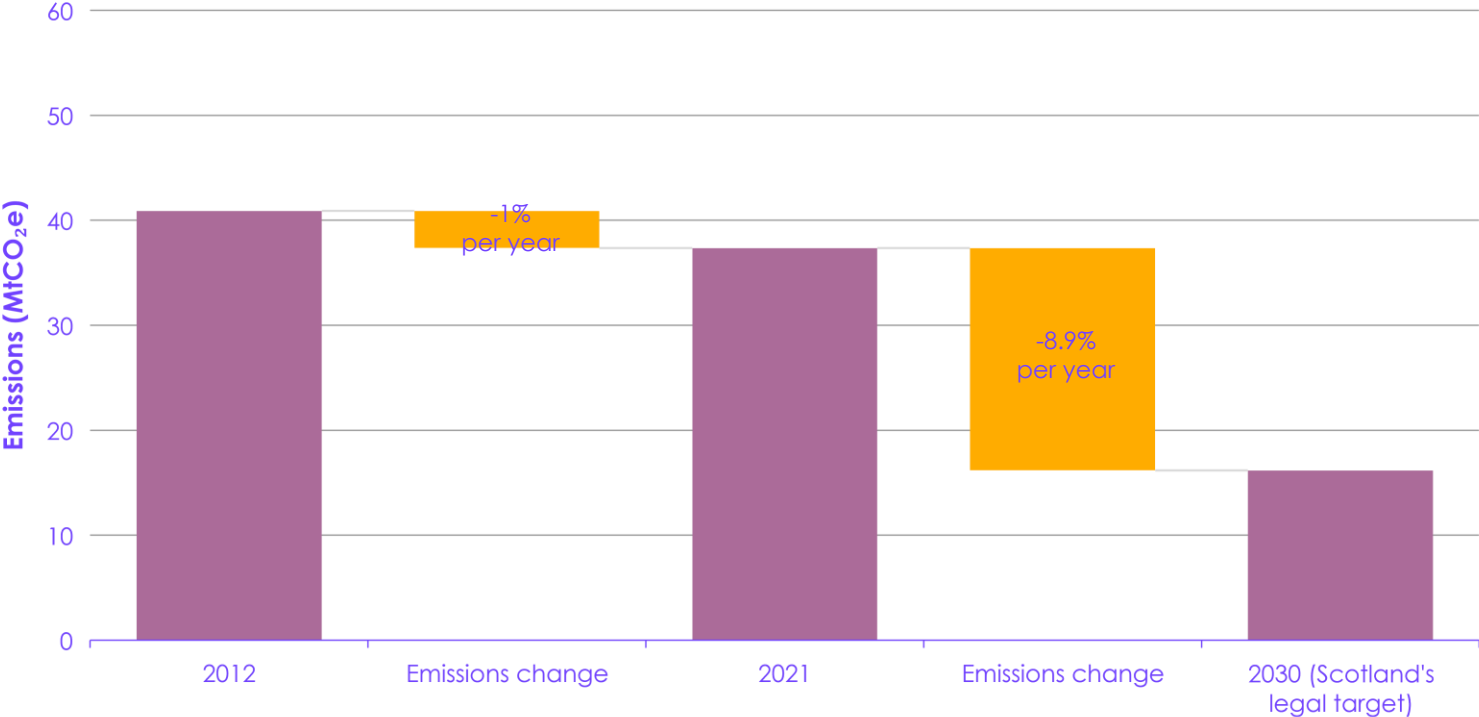
2030 goal – looking back 9 years and forward 9 years

Scotland's rate of emissions reduction (excluding shipping and aviation)



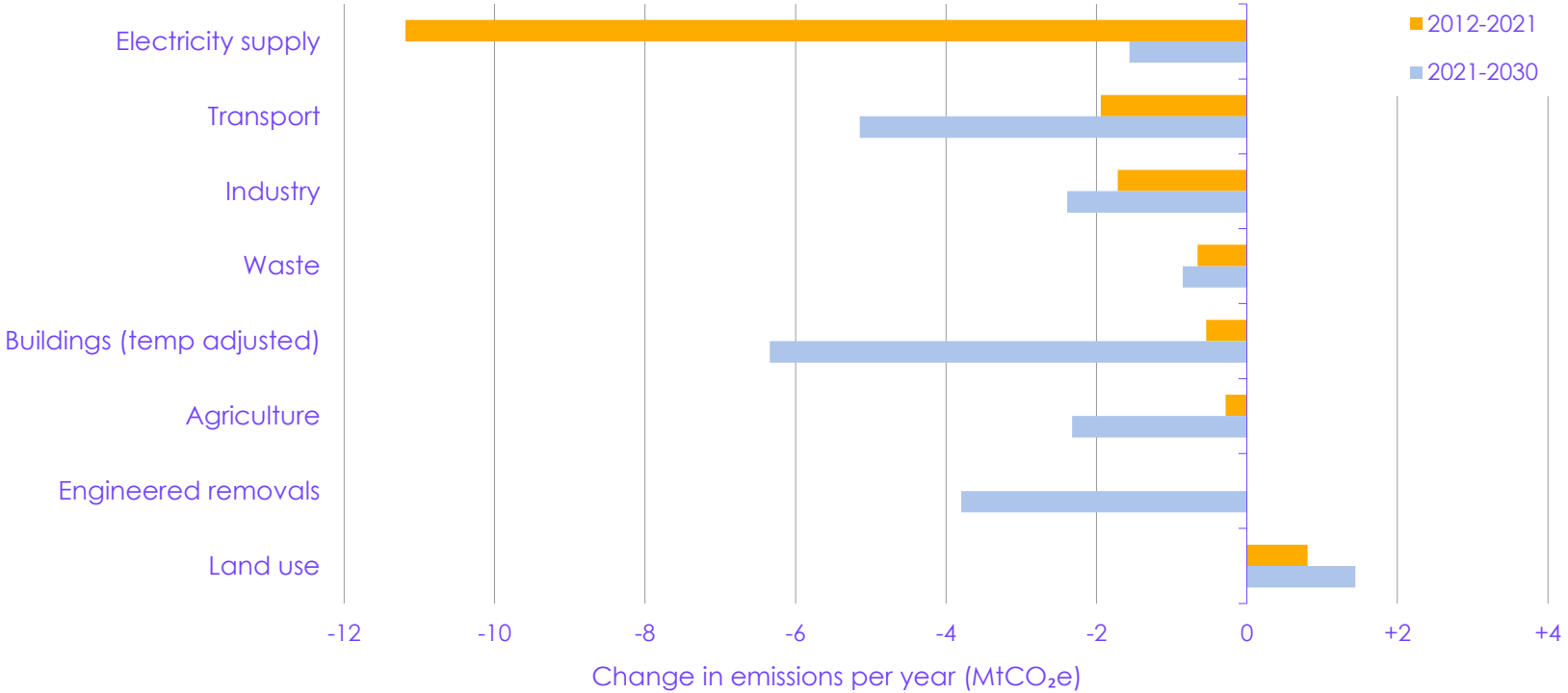
2030 goal – looking back 9 years and forward 9 years

Scotland's rate of emissions reduction (excluding electricity generation, shipping and aviation)



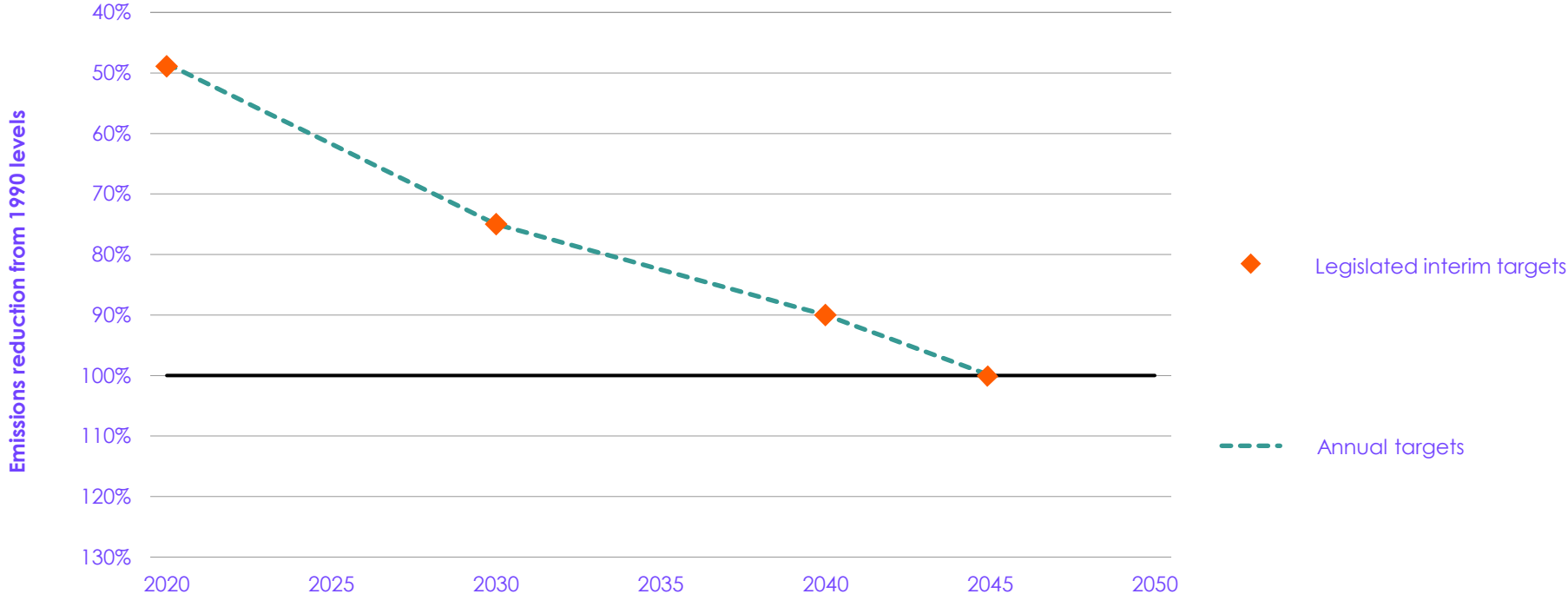
2030 goal – looking back 9 years and forward 9 years

Scotland's rate of emissions reduction under the Scottish Government pathway



CCC pathway for Scottish emissions

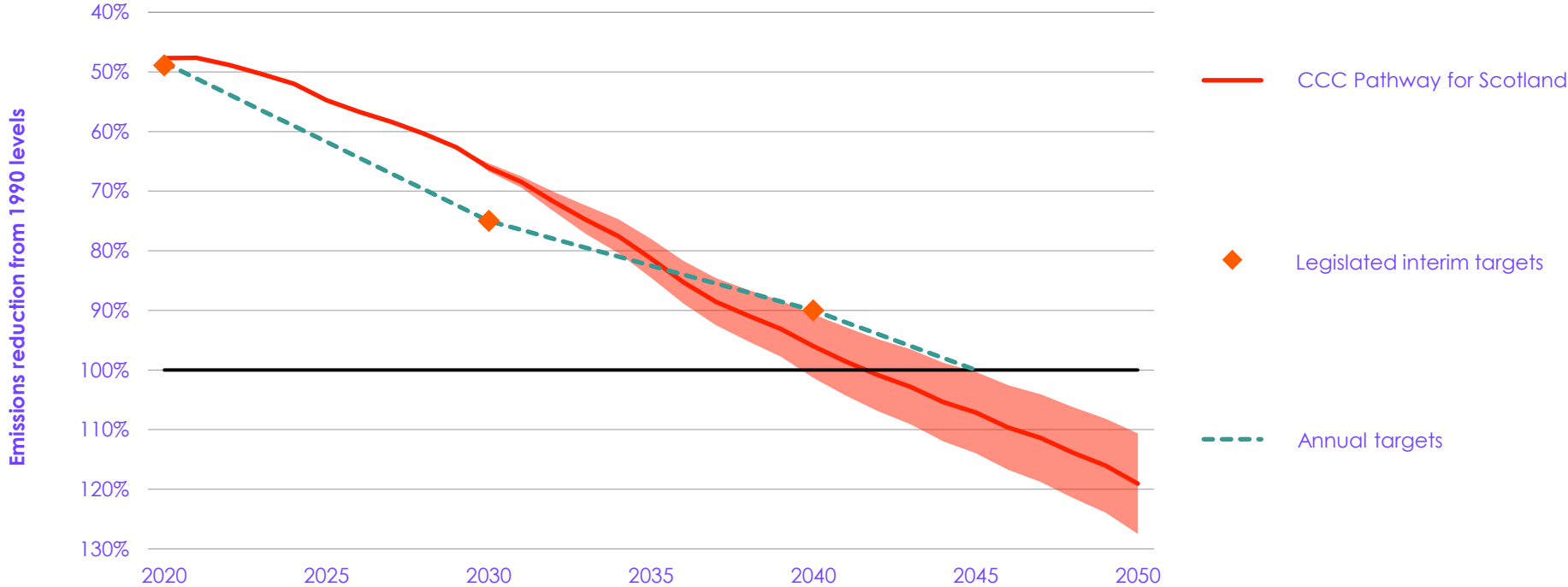
Scottish Parliament's chosen 2030 target is now beyond what is credible



Source
CCC analysis.

CCC pathway for Scottish emissions

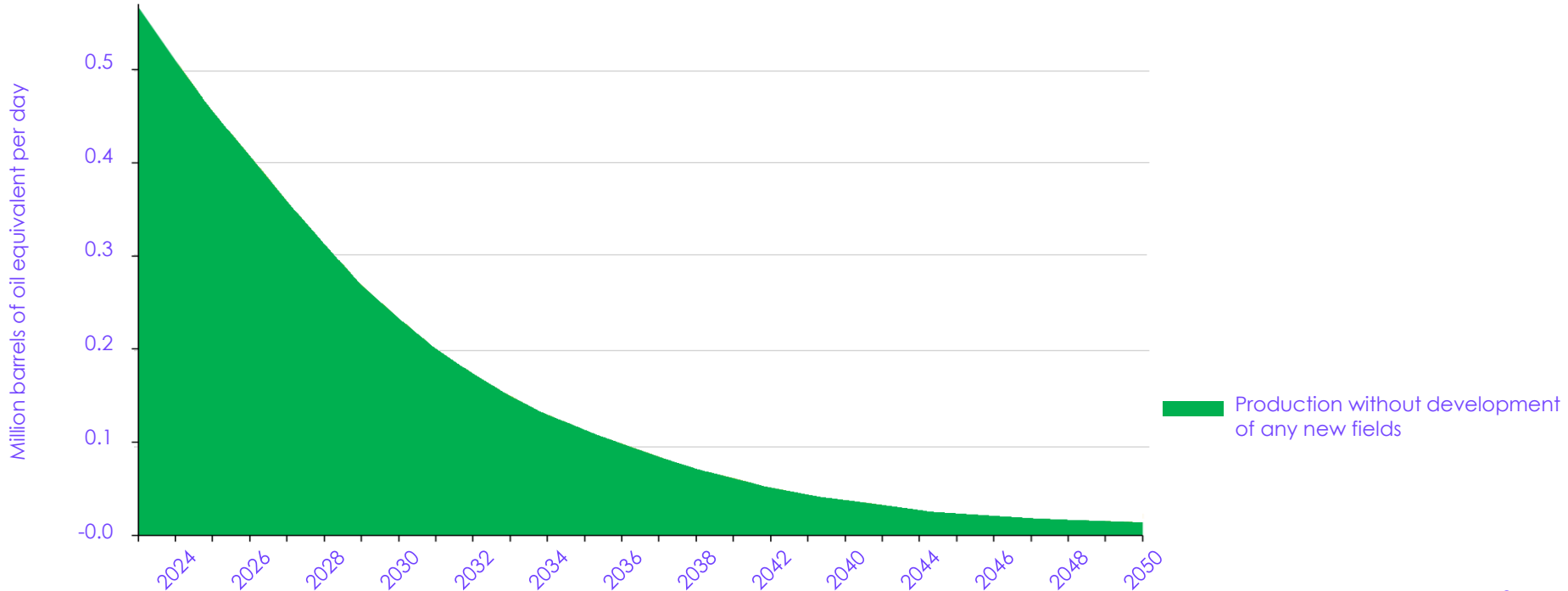
Scottish Parliament's chosen 2030 target is now beyond what is credible



The danger of distraction

UK path to Net Zero

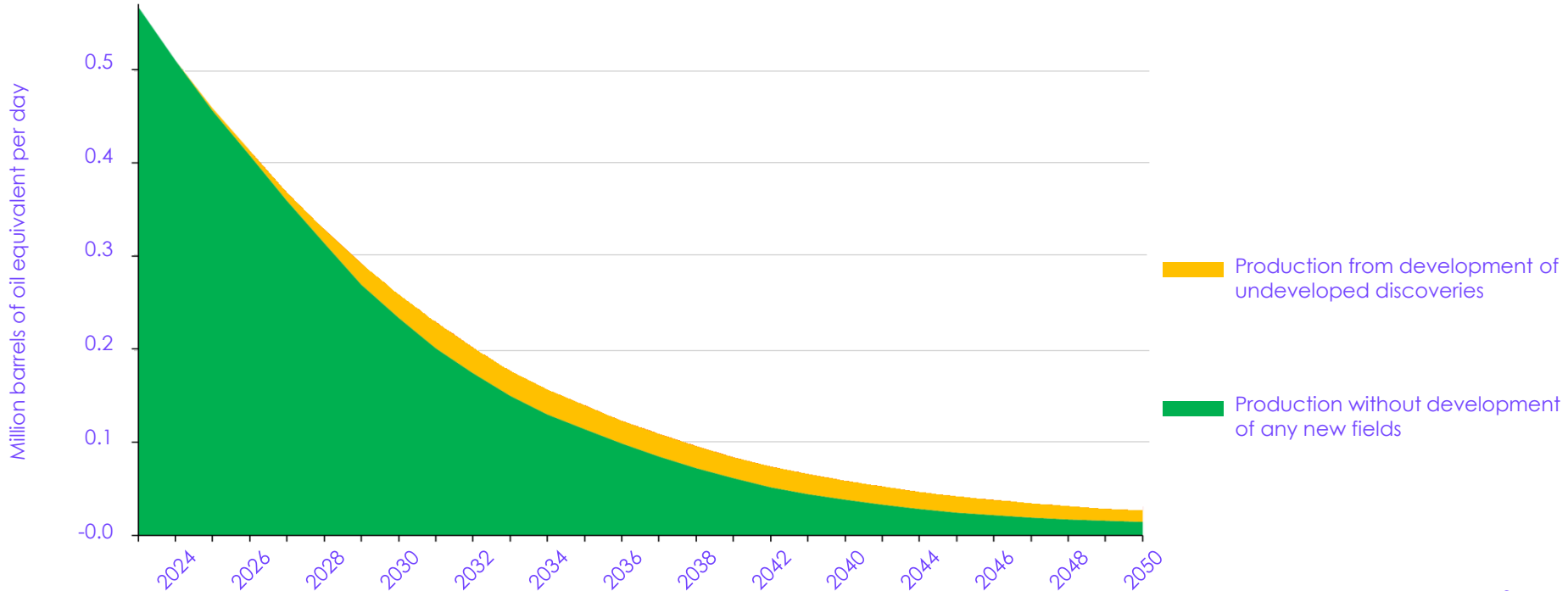
North Sea Gas Production Projections, September 2023



Source
North Sea Transition Authority

UK path to Net Zero

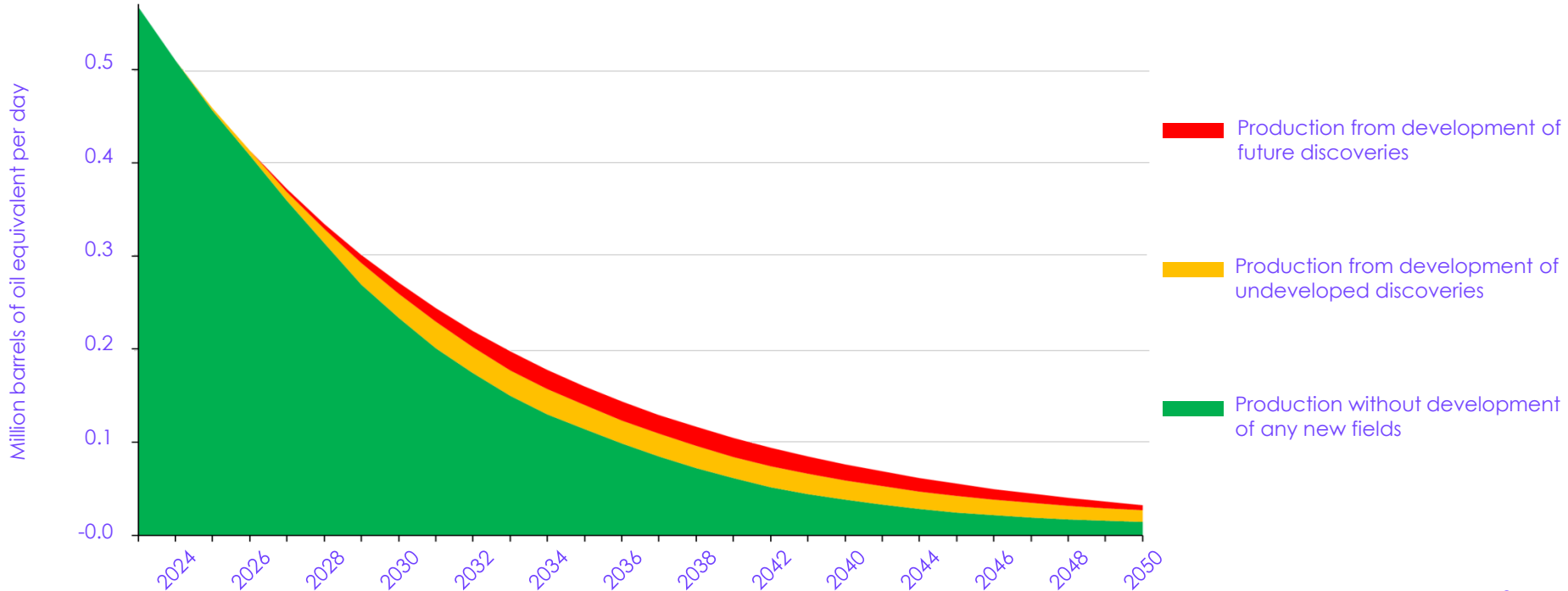
North Sea Gas Production Projections, September 2023



Source
North Sea Transition Authority

UK path to Net Zero

North Sea Gas Production Projections, September 2023



Source
North Sea Transition Authority

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