



Energy and Climate Change Committee

Oral evidence: Outcomes of Paris COP21, HC 614

Wednesday 16 December 2015

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Members present: Mr Angus Brendan MacNeil (Chair), Rushanara Ali, Mr Alistair Carmichael, Glyn Davies, James Heappey, Matthew Pennycook, Antoinette Sandbach, Julian Sturdy

Questions 1 - 84

Witnesses: **Rt Hon Amber Rudd MP**, Secretary of State for Energy and Climate Change, **Peter Betts CBE**, Director, International Climate Change, Department of Energy and Climate Change, and **Ben Lyon**, Head of International Negotiations, Department of Energy and Climate Change, gave evidence.

Q1 Chair: Good morning, Secretary of State, Mr Betts and Mr Lyon. Thank you for appearing before us, as we requested, at the earliest possible opportunity after the Paris Summit. We felt it was important to discuss the outcome of the negotiations as soon as we could and, with Christmas almost upon us, this was the one opportunity we had, so welcome and thank you very much for coming.

First, on behalf of the Committee, can I offer you our congratulations on reaching an agreement over the weekend? I know you and your officials have worked tirelessly over the past fortnight. I think I heard you talking about a 4.00 am meeting and a two-hour meeting that ensued, right into the night. To come up with a text that was acceptable to as many as possible was quite an achievement. We should acknowledge the work that was achieved. It is an unprecedented agreement—indeed, among almost all of the countries of the world—to work together to limit the harm that man-made temperature increases are doing, and may continue to do, to people in developing and developed countries, over the course of the coming century.

Considering where we were six years ago—especially after the disappointment of Copenhagen—this is indeed an historic achievement. I think that has been an overused phrase; it probably has been a well overused phrase. As the euphoria subsides of course, we want to explore with you, Secretary of State, and your officials, some of the detail within the text of temperature limits, greenhouse gas emissions, climate finance, and the implications of the agreement for the UK domestic policy especially, given this summer's policy

announcement and, more recently, new carbon budgets as proposed by the Committee on Climate Change.

Before we begin our questions, Secretary of State, would you give us a brief overview of your reaction to the agreement reached in Paris last weekend?

Amber Rudd: Thank you very much, Mr Chairman, and thank you for the opportunity to come here and share the views that I have following the extraordinary weekend and the weeks and months leading up to it. Can I start by introducing my two colleagues, the Director, International Climate Change, Pete Betts, and Ben Lyon who is Head of International Negotiations? They both worked incredibly hard with our teams over the past week or so and in the years running up to it. I would also like to take the opportunity to praise the work of previous Secretaries of State in arriving at this final agreement last weekend. It did not happen overnight. It happened after years, months and then in the final days of work.

My initial impressions following the weekend are that it is an extraordinary agreement to have made in its breadth, so to have nearly 200 countries agree to this agreement is why it is so extraordinary. Some people question how legally binding it is, what is included in terms of the compulsion or the aspirations, but to get 200 countries to agree to jointly address dangerous climate change, with different paths to do so, is what is potentially—only time will tell—historic about this agreement. I think it is rather extraordinary that it actually was signed up and agreed and I hope that it will indeed set us on a new global low carbon future.

Q2 Antoinette Sandbach: Professor Stephan Harrison of the University of Exeter said, “However, we should also be cautious. It is clear that the 1 centigrade temperature rise over pre-industrial levels that we have seen so far has triggered a whole range of effects including melting of mountain glaciers, significant sea-level rise, devastating droughts, and flooding. These effects are likely to get much worse with even modest future increases”. Do you agree with his analysis of those effects and, in the light of that, how do you say that the INDCs, which have put us on a path to a 2.7 centigrade temperature rise, will change and be limited to below the 2 centigrade?

Amber Rudd: Well, the honourable Lady is absolutely right that the aspirations that we have at the moment, through the INDCs, is 2.7 degrees, and one of the significant benefits I feel, because of this deal, is that we are going to have regular reviews. There is an awareness that 2.7 degrees is not going to be sufficient to address the dangerous potential outcomes as has been set out in your question. Increases in temperature will cause more dangerous weather events. That is the key reason for needing to address climate change, but more needs to be done in order to try to reach that. But let’s not be under any illusion about the achievement of this weekend, which is to have every country agree to a plan in order to target 2 degrees. Currently we are at 2.7. We need to do better, and I believe the review cycle will enable us to do that.

Q3 Antoinette Sandbach: Given your accepted need to do better, why is your 1.5 degree target only aspirational?

Amber Rudd: Because we have to deal within the possible for now; 1.5 would be a fantastic achievement but it is at the moment aspirational. Given that we are at 2.7, if

everybody tried to make 1.5 operational I don't believe we would have got the agreement that we got. This is a long-term plan that we are looking at over the next decades and to have 2.7 now is progress. We need to move to 2 degrees and the UK's Climate Change Act makes 2 degrees operational, but 1.5 is aspirational going forward.

Q4 Antoinette Sandbach: Secretary of State, you said that it is a long-term plan, but it is a plan without a timeline for tackling greenhouse gas emissions or without the timeline for reducing those to zero. People have described it as “worrying” and a “blow to those that wanted the clearest possible message for investors”. How would you respond?

Amber Rudd: Who has described it as that?

Antoinette Sandbach: I can get the quote for you.

Amber Rudd: Okay. Well, I do not agree with that interpretation. Most of the responses that I have seen following the agreement have been very supportive, particularly from businesses. I could quote the CBI. Other businesses and Let's Do Business have been supportive. There have been a number of very supportive businesses that have come through and said, “This is the signal that we were waiting for in order to provoke more investment”. While we were there, there were billions committed by the private sector towards the low carbon economy, including from companies such as Unilever and M&S. We were beginning to see a real ramping up of business investment to support the targets that we are going to be going for.

Q5 Antoinette Sandbach: When do you envisage that the UK will reach net zero emissions?

Amber Rudd: The long-term goal sets it out for by the end of the century. That is what would need to be happening.

Q6 Glyn Davies: Secretary of State, at the very beginning I would like to say what a terrific achievement I think this is. It is described as “astonishing”. I have only seen one body criticising it as being a failure. Generally speaking, almost everybody is thinking this is terrific. Inevitably, in a committee like this, one is asking questions to challenge different parts of it and people can give an impression that they do not really think it is a terrific agreement but I think probably most of us do.

Amber Rudd: Thank you.

Q7 Glyn Davies: I want to ask about the future. We have figures at the moment that are not going to deliver what we want. Clearly 2.7 isn't delivering what we want, even 2 Celsius might not be. How important do you think it is for nations to feel that investment is following quality national plans? Because clearly the national plans are a key to this and the review process will be taking place over five years. We need to get to a position where investment is following that, because the only way countries will strengthen their national plans is if they are attracting investment so that it becomes economically beneficial as well. How much of an emphasis are you putting on that?

Amber Rudd: The honourable Gentleman is absolutely right, it is a sort of symbiotic move with businesses because to deliver on these targets there is going to be massive investment needed, so working with businesses to ensure that they can support it is absolutely critical.

A lot of businesses were represented at the conference. They were holding seminars. They were engaging with the politicians. All of the targets that different countries have made require Government commitment but also private sector leverage, so working closely with the private sector is going to be critical for delivering that. Each country has put forward its own intended nationally determined contribution, and that will provide the framework, I hope, for attracting business investment into individual countries. The UK has been a strong example of that. Perhaps we could use as an example offshore wind where I received a lot of inquiries from other Ministers about potentially expanding it to their countries. I think that private sector investment is absolutely critical to this and each country is trying to attract it in that way.

Q8 Glyn Davies: Very briefly, I specifically used the term “national plan” rather than the proper term, which is Intended Nationally Determined Contributions. One of the difficulties that we find is communicating what this all means to the general public. That is just a specific point. I think we need to make more of an effort—I don’t know if you would agree that this is right—to use language that communicates with the general public. Generally speaking, I find nobody quite understands exactly what this is all about. Well, not nobody understands but a lot of the public just cannot—

Amber Rudd: I did find I had to learn a new language over the past week to a certain extent, so you make a good point. We need to do better perhaps at communicating to the public what is going on and what the involvement is.

I met this morning with a number of green NGOs who were almost to a man or woman very supportive of what we are doing, and they take very seriously the responsibility that they have of trying to communicate this.

Q9 Chair: On the point of good communication there, I think people in the onshore wind sector, the solar power sector and home energy efficiency will be wondering what this means for them in this country given what has happened in the last six months. Could you spell out a little bit of that?

Amber Rudd: As far as the UK is concerned, we are operational on the 2 degree target through our Climate Change Act, so we are focused as the UK Government on delivering within the carbon budgets and making sure that we can do that. The Chairman will be referring to the changes that we have made to some of the subsidy arrangements—

Q10 Chair: Yes. Will there be any change in that in the light of Paris? I know there have been retrospective changes but will you have further retrospective changes on the retrospection because, as the honourable Lady will know, there has been quite a lot of unsettlement in the industry with the announcements that came out of the Department of Energy and Climate Change?

Amber Rudd: I would challenge that somewhat. Since making some of those changes I have set out a clear direction of travel for energy for the Government over the next few years in my “reset” speech. I have made announcements, I hope, to clarify some of the areas that there have been some questions on. For instance, we have set out that there will be three offshore wind auctions in this Parliament. We have set out the terms for taking coal off the grid by 2023, and we will be consulting on that at the beginning of next year. I

have made clear that we need to have a future that involves gas and we have also signed the first nuclear deal going forward, so I believe that we are making it very clear that the future is going to be low carbon but also secure and value for money.

Q11 Julian Sturdy: I would add my congratulations as well. It is a historic moment, but it is the beginning of a journey not the end.

Amber Rudd: Absolutely.

Julian Sturdy: You have touched on this slightly but I would like a bit more detail. Obviously we have this 1.5 degree target and it is an aspiration, so how do you feel we are going to get to that point? Can you set out in more detail how we are going to deliver that?

Amber Rudd: To refer to my earlier answer, which is that the current plan, as set out in the conclusions of the agreement, only arrives at 2.7. We have a plan to deliver on 2 degrees; 1.5 is needed by some of these island states, particularly, and low lying areas around larger continental areas in order to protect them. That is aspirational. How we will get there is going to be a challenge for us all. There are certain initiatives that we have participated in, which we think will provide part of the answer.

Q12 Julian Sturdy: Can you go into those in detail?

Amber Rudd: Yes. We have doubled our commitment to spend on energy innovation. We have joined with the Americans and other countries to make sure that we invest significantly, billions in fact will come together, leveraged also with the private sector—Bill Gates has said that his foundation will participate, as have other investors—to support mission innovation, which is going to be focused on green energy solutions. This is the area that we need to invest in in order to find the solutions that will take us to the really ambitious targets.

Q13 Julian Sturdy: I accept that, but you also say that the move towards gas is a bridge, and is going to be used as a bridge, well, when we are taking coal-fired power stations offline. If it is a bridge when is the end date for that? When do we come off that bridge?

Amber Rudd: I think we will have to wait and see, but the honourable gentleman is absolutely right that coal is the real enemy here in terms of emissions. Gas is an important part of the mix. How long it will be for we cannot entirely tell at the moment.

Q14 Julian Sturdy: We will not meet the targets if we continue to stay with gas.

Amber Rudd: I do not agree with that. We don't know what other parts of energy are going to be part of that mix. There is a certain amount of uncertainty decades ahead, in terms of what will be the make-up of our future energy source, which is why we are investing in mission innovation to help us progress it. Mr Chairman, since he is here, could I ask Mr Betts to say a few words about that?

Chair: Yes.

Peter Betts: Thank you, Secretary of State. I want to partly come back on this point and also on the point that Mr Davies made. Around two-thirds of global emissions come from

the developing world, so we are clearly not going to tackle the problem without tackling emissions from there. One of the features of this agreement, which we got before we got to Paris, was 187 national plans. That was unprecedented. I have been doing this a long time and, when I joined eight years ago, it would have been unthinkable that major emerging economies would commit national plans for reducing and tackling their emissions to a global agreement. Part of the reason that they were willing to do that is the way that the real world costs of tackling climate change are falling dramatically.

Basically we are learning more about how you do this: how do you reduce emissions and grow your economy and tackle poverty at the same time? We have done a lot of work bilaterally with some of the major economies and what is enabling them to do this—I am a bureaucrat so I do not know if I can communicate in the way you describe.

Chair: If you can do so briefly it will be appreciated.

Peter Betts: Okay. They are doing this for other reasons often or for complementary reasons: one in six deaths a year in China are linked to air quality so, by tackling emissions, greenhouse gases, they are also improving health and energy security.

On the specific point of getting to 2 degrees or 1.5 degrees, in the end it is the immediate emission reductions that are the top priority, which is why the UK and the Secretary of State pressed very hard for the five-year review cycle, including the first one in 2020 that was strongly resisted in Paris by some of our partners.

Q15 Antoinette Sandbach: Secretary of State, you asked who made the comments that I referred to. *Carbon Brief* were the ones that refer to the lack of the specific timeline being a blow to investors, and Professor Kelman of UCL said, “For all that is encouraging—the timescales and lack thereof are worrying. Little substantive will happen until 2020, while clear deadlines for specific targets are generally absent”. I know that you pushed for the EU to adopt a 50% reduction in greenhouse gases by 2030. Is that something that you will continue to push?

Amber Rudd: It is something I would continue to support and to push for. In answer to the earlier point, I would also say that it is easy to criticise this deal for not having everything that we want in it. It does not have everything that we want in it but it doesn’t have everything that anybody wants in it—I think I got that right—everything that we want. It is indeed a compromise and that is the only way we were going to get a deal.

I have to take the opportunity to praise the French for managing it so well because there were a lot of conflicting interests there, a lot of different parties stating that this was their non-negotiable red line. For a while during the week it did not look that we were going to arrive at a deal. It was only by compromising that we all did, but in fact the final deal that we got is unequivocally in the UK’s interest.

Q16 Antoinette Sandbach: Given that the review process is legally binding and the targets are not, how confident are you that that review process is going to be robust?

Amber Rudd: The review process is an essential win for us. We are delighted that it has the legally binding element to it that every country comes back every five years. Another clear win in that is there is no backsliding—another new word in terms of climate language but we all understand what it means—it can only go forward, so that was good.

They are voluntary targets that countries have to set themselves. That is the only way to get such an international agreement, to make sure that everybody comes back, everybody tries to raise their ambition—“ambition” was a key word—which is what we were trying to achieve in this agreement and then, within that framework, we believe that they will improve.

Q17 Antoinette Sandbach: Finally, it is suggested that to achieve net zero emissions by the end of the century, negative emissions technologies will be required, but relying on them is risky. How else can we meet that goal?

Amber Rudd: I think that we will need some sort of negative emissions technology. We will need technology to answer a lot of the questions that have been set by this, which is one of the reasons that we are heavily investing with other countries and with the private sector in mission innovation. There is a lot in this deal that we are trying to achieve. We don't have all the answers yet.

Q18 Rushanara Ali: Congratulations, Secretary of State, for your work on the Paris Summit.

Amber Rudd: Thank you.

Rushanara Ali: I want to pick up on the points you made about innovation. Yesterday we had evidence sessions from people in the solar energy sector who have been involved in innovation, as have others, and they feel that some of the recent announcements have hampered the progress. I asked one of our witnesses, Mr Kazim, whether the Government was cutting its nose to spite its face and he went further and said that the Government was having a laugh with the changes it was making because they did not have the stability, clarity and predictability around policies that then affected investor confidence. That is a major issue. You talk about innovation going forward and yet some of the innovations that have been successful in successive Governments, including yours, are being blocked and, therefore, having a negative effect on reducing our carbon emissions. Can you say how you are going to do more to increase confidence and give them confidence that, if foreign investors as well as UK investors invest in this sector, they can rely on your Government to be responsible in future because they do not feel that there has been enough responsibility in giving them the confidence that they need and the ability to be able to invest for the long-term?

Amber Rudd: I would suggest that there are two issues here. One is innovation, which we support through universities, through innovators, through idea labs. The other is the deployment issue with solar, which has also been very important for driving down prices. Solar has been a great British success story with the prices of solar coming down—well, over the 15-20 year period—by nearly 80%. It is right, therefore, that we reduce the subsidies in order to deliver on that. I know that the solar industry would like certainty on this. I also reflect on the fact that we have done a consultation. We will shortly be announcing the outcome on it. But it is not one-sided. We have to make sure that the bill payer pays the right subsidy to support solar and, having done this consultation, we will be coming out with our proposals shortly. It cannot be the case that solar just has a fixed subsidy that does not reduce according to the reducing costs. We have to take the interests of the bill payer along with us.

Q19 Rushanara Ali: Has your Department done the cost-benefit analysis of investments that could be at risk? They cited billions of investment coming in to the UK and the dangers of sudden cancellation of subsidies, so they are not disputing that subsidies should be ironed out over time but it is the sudden nature of those decisions and the lack of warning and awareness in terms of being able to plan ahead. Is that something you feel that your Department could take into consideration because otherwise you are undermining the achievements of your Department thus far?

Amber Rudd: I do not agree that it is sudden. We announced that we were going to be doing this consultation in March and, in fact, whoever was Secretary of State post the General Election would have been sitting with the recommendations that I received, which we then consulted on over the summer. This particular consultation is part of our EU state aid. It has been planned. It has been very transparent along the way.

Q20 Chair: But it has been sudden because I think from across the Committee, the onshore wind sector, the solar sector and indeed the carbon capture sector are beating a path to our door. Carbon capture tell us that actually some of them had five minutes' notice. In fact, one of the carbon capture parties said they found out on Twitter that they were not going to be involved in this, so it has been sudden, Secretary of State.

Amber Rudd: I was discussing solar with Ms Ali but—

Chair: The decisions of the Department have been sudden.

Amber Rudd: On carbon capture and storage, as I have discussed before, it was a tight Spending Review and this was a decision that was made there. It was a difficult one and it has now been made. We were very careful to communicate it as clearly and as early as possible, given the fact that it was part of the Spending Review.

Q21 Chair: Is five minutes' notice and finding out on Twitter early proper do you think?

Amber Rudd: The Chairman refers to a specific example. I don't know who he is referring to or what the particular circumstances were, but I can certainly tell you, from our point of view as a Department, we were careful to call all the major parties as soon as we knew.

Q22 Matthew Pennycook: Can I commend the Secretary of State and her officials again? I did so in response to her statement the other day. As you say, it is a compromise as it was always going to be but it is a remarkable one for that.

Can I turn to domestic policy post-Paris and how we achieve our international obligations now that they have been set? I said to you in the statement the other day—and I think you agreed—that, if anything, our ambitions need to be higher post-Paris than they have been. You have said previously that we need to look more about innovation and negative emissions. I want to take us back to carbon capture and storage. Do you agree that there is a worrying sort of incongruence of signals being sent here? You came to this Committee five months ago and said, I think quite rightly, you would remain absolutely committed to carbon capture and storage, and yet just a month or so ago the Chancellor said it was not value for money. Don't you agree that this is sending out quite inconsistent and dangerous signals to industry about whether you are truly committed to that technology?

Amber Rudd: I think the situation with carbon capture and storage is that, in the long term, it will be necessary to deliver on ambition for a really low carbon future. That could be in the 50s, the 60s, the 70s, but to get to zero emissions by the end of the century we will need to have some form of carbon capture and storage. Now for the UK was not the right time to commit to £1 billion on carbon capture and storage but that does not mean that my Department is not going to continue its interest in the area. Our EU Commissioner was saying on the news yesterday how committed he is and how interested he would be to look at projects. Internationally there are other projects we are going to look at, and we are also going to be taking a further look at industrial CCS strategy. So I recognise the need for CCS, it just wasn't the right time for the UK to make this £1 billion commitment.

Q23 Matthew Pennycook: Thank you very much. Turning to the capacity market auction, again could you say a bit more about policy in that area, obviously an understandable need? I think we could argue about whether we have the right definition and approach to baseload, which I am sure you will come back on. But, given our policy in that area, how can it be justified to spend hundreds of millions of pounds in subsidies to diesel generators when we are going to have to, as I have said, if anything, be more ambitious on emissions reductions targets?

Amber Rudd: The key to diesel, which as you rightly say has come through in the capacity market, is that it is always going to be a small carbon footprint because it is only used occasionally. It is not running all the time. It will be an essential part for security of supply, as a back up to ensure that there is never any risk but it will only be intermittently used on occasions. I am clear, though, that we want to move away from diesel and, indeed, as we are moving away from coal. I have said that we will review the capacity market after this one has concluded, in order to make sure that in future it delivers new gas.

Q24 Matthew Pennycook: A final question, Chair, on broader domestic policy and the overarching approach to that. I understand where the Secretary of State comes from when she says it was a tough spending round and that your focus is primarily on consumer bills, but do you accept there is a lack of clarity in certain key areas? Heat and transport are one, which I have pressed you on many, many times. That lack of clarity in itself is quite damaging. In your “reset” speech, apart from the welcome announcement that we would phase out unabated coal by 2025, there was very, very little detail. An uncertainty and a lack of detail in key areas like heat and transport is worrying, and you get the sense that Treasury drives policy and drives DECC policy rather than you setting out a coherent, long-term strategy in these areas.

Amber Rudd: I appreciate the honourable Gentleman's point and I agree that we need to do more on heat and transport. When I was last in front of this Committee we discussed the fact that I had already said that, and I will be working—and I am continuing to work—across Departments to make sure that we do deliver on that. I am conscious that we need to do both in order to deliver on our various targets and I will be coming back with proposals in the new year.

Q25 Julian Sturdy: Secretary of State, you say—and you are absolutely right to say this—that renewables play a key role in meeting our climate change target, and you have talked about new technology and the role that is going to play and also how new technology is hopefully going to drive down the price of renewables. With that in mind, what is your view on the minimum import price on solar panels?

Amber Rudd: We will continue to lobby the EU to make sure that we get the best outcome for our solar panel market, and we will put all efforts into trying to achieve that. Minimum import price is one area, VAT is another area. We are committed to supporting the solar market as much as we can.

Q26 Julian Sturdy: Did the Government lobby to have the minimum import price removed in the run up to December?

Amber Rudd: Yes. We wrote in November and we are going to stay in close touch with the Commission about it.

Q27 Julian Sturdy: You were disappointed when it wasn't?

Amber Rudd: Yes, absolutely. We are keen to support the solar market to make sure that we get as low a price as possible.

Q28 Julian Sturdy: I know you support the fact that we have to deliver a subsidy free solar industry, but would you agree that what this minimum import price is doing is subsidising the German solar panel market?

Amber Rudd: I would not put it quite like that but I would say that it is in the UK's interest to make sure that we get as level a playing field as possible, and addressing the minimum import pricing is one of them.

Q29 Julian Sturdy: Have your Department done any estimates on the percentage costs that the minimum import price puts on solar schemes, not only domestic but industrial solar schemes?

Amber Rudd: I don't have those figures to hand but I am happy to write to the Chairman about it if you would like me to.

Q30 Julian Sturdy: Would you be surprised to see that it is well over 20%?

Amber Rudd: It is well over 20%. That is a significant amount, yes.

Q31 Mr Carmichael: If this isn't the right time for carbon capture and storage, Secretary of State, when is? Do you think there will ever be a right time for the Treasury?

Amber Rudd: I think carbon capture and storage has to form a part of the long-term, low carbon ambition, not just for this country but internationally.

Q32 Mr Carmichael: You want to deliver that as soon as possible?

Amber Rudd: Of course.

Q33 Mr Carmichael: What is that in terms of timeline?

Amber Rudd: It is difficult to tell. I am ambitious for our low carbon future and for a result internationally, which is why I fought so hard for a global deal, but this is not something that the UK can do on its own. As we know, the UK is responsible for 1% of the world's emissions.

Q34 Mr Carmichael: Indeed, but for you as a Minister and for your Department within Government, what you have created here is a tremendous opportunity. We have all spoken about the achievement that you have brought home this weekend. I think what we want to see now is how you as a Secretary of State are going to use that achievement. We have all heard about the effect that recent decisions since the general election have had on investor confidence. Are you prepared to take the achievement of Paris into Whitehall and repair some of the damage that has been done?

Amber Rudd: The big difference that the global deal makes is that it brings other countries up to our ambition. Let us not forget the leadership that the UK has already shown through the Climate Change Act, through our five-year carbon budgets, and in a way the structure of that has, to a certain extent, been imitated by the Paris Agreement with the five-year reviews, which is why we fought so hard for it. The UK is making the 2 degrees target operational. The opportunity here—and this is what businesses are saying to me—is that it is now a global ambition.

Q35 Mr Carmichael: Yes, but domestically, aspiration, ambition, it is all great rhetoric but it has to be matched by the action. The actions that you have been responsible for since the general election have had a severely detrimental effect on renewable development in particular. Are you now prepared to take the achievement of Paris and repair some of that damage?

Amber Rudd: Mr Carmichael, I just do not accept your premise. We are—

Q36 Mr Carmichael: We have been hearing this in just about every evidence session that we have had. Is every industry expert who has given evidence to our Committee wrong? Does the Department know better than them?

Amber Rudd: We are doubling the amount of spend on renewables over this Parliament. We are increasing the amount of offshore wind we are committing to. We are taking coal off—we have put a fixed date on that—and we are the first Government in 25 years to commission a new nuclear plant, so I think we are showing very clearly our commitment to the low carbon future.

Q37 Chair: How much money have we lost from the European Union, for instance, on carbon capture and storage that would have come in on the back of the Government money had that happened?

Amber Rudd: How much money? I am sorry; I have not quite understood that.

Chair: How much money have we lost from the European Union? I have heard figures of £300 million to £400 million that would have come in if the carbon capture and storage investment had come from the UK Government.

Amber Rudd: The European Union were going to make a contribution. I don't have to hand the exact sum but I do not think it is as large as the Chairman has suggested but I am happy to write to him about that. It was a significantly large amount from the UK taxpayers' funds that were going to be required.

Chair: We have also lost private companies as well.

Q38 Rushanara Ali: Secretary of State, picking up briefly on the carbon capture and storage issue, you and the Prime Minister are on the same page with this and the Chancellor isn't and we don't have a sense of when this is going to happen. You mentioned an aspiration. Does he get this agenda? Because some people could be led to believe, given the undermining of many of the efforts by your Department and you, through cuts in subsidies and the cancellation of CCS, that actually he does not get it and he is proving to be an obstacle to your agenda and your aspiration to achieve the goals that your Department is setting.

Amber Rudd: The Chancellor and I are agreed that the ambition is secure, clean and affordable energy, and getting the right balance of that is something we work together on.

Q39 Rushanara Ali: He is proving to be a major obstacle in the way in this agenda—

Amber Rudd: I don't agree with that. He is—

Rushanara Ali: —as Mr Carmichael has said, all these witnesses are consistently telling us that your Department is going to struggle to deliver on renewables, on targets. We are going to miss the fourth carbon budget targets and so on. Your life is being made very difficult in terms of delivery, despite your achievements and your ambitions, as well as the Prime Minister's.

Amber Rudd: I don't accept that. The Chancellor and I are happy to work together on this and—

Rushanara Ali: There is clearly a contradiction. He is undermining your efforts.

Amber Rudd: I don't accept that. The fourth and fifth carbon budgets we have to look at next year and we will be making announcements about how we are going to address that during the summer next year, according to the planned timetable. There is more work to do to meet our fourth carbon budget—I have been very frank about that—and we will be doing so. We will be setting out how we will be doing it.

Also, regarding our renewable target for 2020, I discussed earlier the issues with heat and transport. We need to address those and we will.

Q40 Rushanara Ali: The CCC says that it will consider whether the carbon budgets need to be changed in the light of Paris, so you are confident that the UK could deal with this within a tighter framework of carbon budgets?

Amber Rudd: I have had preliminary conversations with the Committee on Climate Change and I will continue to have those conversations and see what they come forward with.

Q41 Chair: The morning of the launch of the fifth carbon budget, Lord Deben said—and this was the day after the CCS announcement—that without carbon capture and storage the UK has an issue with the 2030 targets. Do you agree with Lord Deben then?

Amber Rudd: I would need to discuss that with him. There are challenges for the fourth carbon budget, which is the 28, 32 one that he refers to, and I will be setting out how we will be addressing that during the course of next year.

Q42 Glyn Davies: I want to ask about climate finance but I also want to ask one question about carbon capture and storage. I am not challenging the economic judgment, which essentially it is, to not go forward with carbon capture and storage in the way we were going to now. Clearly, for that to impact on the world figure, we have to have other countries in the world continuing down this route, and what I want to ask you about is the influence that a British decision like that has on other countries. What triggered that is I read somewhere that the Japanese Government take the view that if the British Government decide this is not the right thing to do, well, maybe the Japanese Government should not do it as well. How much effort are you taking to make certain that judgments taken on economic grounds, relating to the British economy, are not having a negative impact on other countries in the world?

Amber Rudd: This gives me an opportunity perhaps to set the record straight for the Committee, which is that in my week last week in Paris, and in my conversations with the many different Ministers and experts around them, there was not a single person who raised the issue of UK policy except about the Climate Change Act and the structure around it. Just to reassure honourable Members that the UK's position, in terms of our focus on value for money for consumers, has not in any way impacted on our good standing among the international community on the targets that we are delivering on. Of course we work closely with other countries on what information can be shared and what represents good practice in order to deliver on these. The Japanese is an interesting example, but I can also say that I particularly had a conversation with the Australians about the opportunities of offshore wind to potentially help them deliver on their targets.

Q43 James Heappey: If I can add my congratulations to everybody else's on a great deal. We have discussed many of the policies that are in your gift, energy generation, subsidies or otherwise, and so I will not labour those. But in terms of the policies that are in the gift of other Departments, could you be clear on what is on your wish list. What do you want the Department for Transport to commit to? What do you want DCLG to commit to and when do you want them to commit to it by?

Amber Rudd: Thank you, Mr Heappey. Can I reassure you, and the rest of the Committee, that we are working very closely with other Ministers and Secretaries of State who take it very seriously? This comes back to the issue that we were discussing earlier, which is that these targets are not for my Department alone to deliver. We need heat and transport to focus on them as well. In terms of DCLG on heat, we are looking with them at the existing housing stock, which is a particular area of opportunity I feel. I was pleased that in the Spending Review we were able to increase the amount of money we have for RHI and we still have a substantial amount of money for ECO. But doing more in the area of heat is very important as far as DCLG is concerned, and on transport we need to make progress on biofuels and then on electricity cuts.

Q44 Antoinette Sandbach: Secretary of State, the zero carbon homes regulations around new homes have been taken away. Are you working with, for example, the Department on planning or DCLG to make sure that there is a replacement form of regulation? While you talk about looking at existing stock there is no point building stock that will need adaptation later on and additional funds, when solutions could be built in at the time of building.

Amber Rudd: Of course I am always looking with DCLG to see ways to improve on making sure that our new homes are as low carbon as can be achieved. In fact, though, the

EU directive, which comes in in 2020, calls for near zero emissions in new homes, so I feel that it is right that the emphasis that we put is on the existing housing stock because the new housing stock has quite ambitious targets already, although not the zero one they refer to.

Q45 James Heappey: Coming to transport specifically, are you content that the measures within the *Blue Book* are conducive to decarbonising the transport network as they stand and, second to that, fuel duties represent a huge amount of revenue for the Treasury. Are you content that the Treasury is ready to forego those duties in order to achieve a decarbonised road network?

Amber Rudd: It is a very interesting point that Mr Heappey has raised and it is something that will come out in our cross-Department conversations. At the moment I am in conversations with Transport about how to deliver that and the planning that needs to go on to do so, but you are absolutely right we will need to make it very clear to Treasury as well what the consequences are. Treasury I can work very closely with when I need to, and we will make sure that they are very clear on: this is the way to meet our low carbon future, and make sure that they support us in it.

Q46 Matthew Pennycook: Secretary of State, could I press you on what the mechanism is for achieving progress on these cross-departmental renewables targets? Is there a formalised institutional mechanism or is it just one to one conversations between you and officials and other Secretaries of State?

Amber Rudd: I think I can say there is a formal grouping that meets regularly and sets specific targets. Of course it is well supported by officials but it is attended by Secretaries of State, which I hope highlights the seriousness of how we take it.

Q47 Glyn Davies: I want to ask one or two questions about climate finance in general. One of the aspects of the Paris Agreement that did connect with the public was the contribution by the rich countries to poor countries, putting it in simplistic terms. That is how an awful lot of people saw it. That is the area I think we need to be quite clear about. What is your definition of climate finance, the Green Climate Fund? Because in the greater scheme of things \$100 billion compared with the private finance going in isn't a huge sum of money but it has become very big. One of the big dangers—a little bit like 0.7% in national development aid—the potential for criticism of projects that are perceived to be a waste of money can cause real damage to this. What is your view of climate finance and the fund?

Amber Rudd: It is a very interesting point and it is absolutely right that the climate finance contribution—the \$100 billion to be mobilised per year from 2020—was an essential part of getting the deal in order to make sure that the developing countries felt that they were going to be supported. Our contribution is significant and is well recognised as significant. It helps very much in our relationship with developing countries. I was delighted when the Prime Minister announced a 50% increase in it at the UN conference in September. It goes to very important projects to help the very poor survive in a changing climate or to get energy at all in a world in which they do not yet have it.

Mr Davies, may I ask my colleague, Mr Lyon, to say something on this matter?

Glyn Davies: Yes.

Amber Rudd: Thank you.

Ben Lyon: Yes, just to add to that I think the other thing that we got clear in the agreement that, going forward, \$100 billion would be a floor and that that would be reviewed before 2025 and that there was clearly recognition of a scale-up that would be required beyond that. Also within the agreement there was a recognition that other countries beyond developed countries, where they are able to, should also contribute to part of that scaling up and that all countries would come together to look at that scaling up that was needed. The agreement did speak to this sense that there is much more shifting of investment that will be required.

Q48 Glyn Davies: Clearly there are going to be huge sums of financial transfer from Government. The bigger sums of money almost inevitably are going to be private sector transfers in investment. How much of this \$100 billion is private sector money? How much private sector money is associated with that? How much of a trigger is it to make a big difference with the sort of sums of money that will have a real impact on the issue?

Amber Rudd: The private sector is an incredibly important part of mobilising the money. You said earlier, Mr Davies, the \$100 billion is a small amount compared to what is required. Absolutely right. People are talking in terms of trillions to have a really low carbon future and to ensure that the new infrastructure that is going to be built, particularly in the developing world, will have low carbon content to it. It is difficult to say how much of the \$100 billion will be private sector, but recently the OECD did a report and concluded that \$62 billion was being mobilised. I think out of that, in fact, only about 25% of it was private sector. Is that right?

Peter Betts: Even less I think. That is partly because it is very difficult to measure the private finance and we are still working on how we do that.

Amber Rudd: Yes, because it is much easier and more straightforward for independent authorities to see the amount of money that is coming from Governments than it is from the private sector, but the private sector is going to be an important part of delivering on this.

Q49 Glyn Davies: Is any of this \$100 billion money doubled up with the international aid budget? Clearly some would be. I have had one or two people say to me, “Well, of course, some of this is the international aid budget that is being redirected”. Is there any truth in that suggestion at all?

Amber Rudd: I would approach it slightly differently and say that the UK has a strong and proud record of having made its commitment of 0.7% to making sure that it supports the most vulnerable. Within that 0.7% we make a contribution to climate finance and it is perfectly reasonable that it is within our overseas development aid funds that we do so, because it is exactly what the overseas development aid is for, which is helping the poorest to have a more prosperous life, helping people develop energy sources where they did not have it before, helping with flood-resistant crops, and making sure that we can do that through the climate finance route is perfectly reasonable and the correct way to do it.

Q50 Glyn Davies: The last question I was going to ask is the post-2020 position. I think Mr Lyon has already made a comment about bringing more countries into contributing to the

fund and recognising the need for these very, very large transfers to the neediest cases across the world. How do you see the post-2020 position working? Because 2020 in terms of what we are talking about is actually tomorrow basically. We are almost there and you will be starting to negotiate almost straightaway where we are going post-2020. What is the thinking on that?

Amber Rudd: In terms of the finance or—

Glyn Davies: In terms of persuading other countries to join in and in terms of how we see the \$100 billion progressing. In the end maybe the whole lot will be private sector investment but how do you see this developing post-2020?

Amber Rudd: The agreement that was reached, which was hard fought over, was that \$100 billion would be mobilised by the developed world post-2020 and reviewed post-2025 but would not go down. What we would like to see obviously is the private sector participating more and more. That does not mean that Governments are not still committed, as the UK clearly is to 0.7% overseas development aid, to participating and it is hoped that over the long-term future that we will see what are currently cast as developing countries participating more as well, although it is worth noting that some of the developing countries are already making contributions through climate finance but not through the \$100 billion. They are keen to see that \$100 billion firmly delivered by the developed countries. As an example, China have made a \$3 billion commitment on what they call a south/south commitment, so not through the \$100 billion but through their own different sources to help other areas.

Q51 Chair: How do developing countries feel about the overseas aid money being used as climate finance? Do they welcome this approach?

Amber Rudd: I am sure, Mr Chairman, you will have seen different comments on it. I took the opportunity of raising it with one of the largest developing countries and, interestingly, what they said was, “We do have issues with some countries over it but not with the UK”.

Q52 Chair: Which country was this?

Amber Rudd: I would rather not say at the moment. What they said was they did agree that the UK had a strong record in this area, so did not challenge the UK on it. I think there is a feeling sometimes that developed countries do not always actually deliver on what they say they are going to deliver, but I have to genuinely say to you that, in my conversations with developing countries, the UK has a very strong record on delivering through its overseas development aid budget and that was very reassuring to hear.

Q53 James Heappey: Secretary of State, does this require new money for DFID in order to find these commitments and, if not, has the Secretary of State at DFID reassured you that they can meet both these climate finance obligations and our wider international development projects?

Amber Rudd: Yes, I can say that she does. She and I work very closely on this. The efforts of climate finance are the same efforts that she puts into delivering through DFID, in terms of alleviating poverty and addressing both adaptation and mitigation. I don't see any conflict there at all.

Q54 James Heappey: To be clear, no new money required for DFID to meet these obligations?

Amber Rudd: That is absolutely right.

James Heappey: Thank you.

Q55 Rushanara Ali: Secretary of State, can you clarify whether this goes beyond the 10% or 15% of the DFID budget towards climate change spending or is it well beyond that? If it is more than that can you explain whether, in your view, our decision to use DFID funding rather than additional funding, which is what many developing countries have stipulated is needed, what we committed to previously beyond the 10% or 15%—I cannot remember the exact number—of the development aid budget that that sends the wrong message? In effect, it is taking one fund for another and this transfer of money is not going to achieve the climate change goals. Many dispute your point that this shift in budgets will address the climate change challenge that we face.

Amber Rudd: What I say is that has not been my experience. In my conversations over the past week with developing countries I have been very clear—

Q56 Rushanara Ali: There have been a number of criticisms about the UK using aid money towards the climate finance initiatives, so I think many developing countries and those in the development field would contest that and that is why there was heavy lobbying to make sure that we had a set percentage of the aid budget going towards climate finance, recognising adaptation mitigation is important. But this agenda is much bigger and we are not honouring that commitment and that sends the wrong message to other countries who are aid donors to developing countries. It is disingenuous, Secretary of State.

Amber Rudd: That has not been my experience. Over the past week I have had conversations with the large developing countries and with NGOs and they have been supportive of the UK's position. The UK is held in very high regard for its international aid, for its 0.7 commitment and for its assistance with both adaptation and mitigation. On adaptation—

Q57 Rushanara Ali: What percentage of the DFID budget is now going towards climate finance, perhaps Mr Betts could explain.

Peter Betts: I think the latest figure for the International Climate Fund is about 8% of the ODA. That is likely to rise somewhat over the coming years but—

Rushanara Ali: By how much?

Peter Betts: The quantum is increasing by 50% over the Spending Review period. That will increase the percentage somewhat.

Rushanara Ali: Sorry, 50% of the DFID budget will now go to—

Peter Betts: The International Climate Fund, which is currently around 8% of the ODA budget is going to increase in absolute terms by about 50%, so that will increase somewhat the overall percentage of ODA. I cannot give you the figure but it is probably 10%. I should say that the vast bulk of public finance for climate by every developed country in

the world is Official Development Assistance, so we are not an outlier in that respect. To be honest, many developing countries privately acknowledge that that is the case and will remain the case. I would also say that if you look at the sustainable development goals, which were recently agreed, which set out the priorities for development funding over the next 15 years, climate is absolutely embedded within them.

It is a bit of a thorny political issue but we have never agreed, as developed countries, that climate finance should be new and additional to climate finance. There is very specific language in the Convention on Climate Change but it does not mean what some people think it means.

Q58 Rushanara Ali: You can give an assurance that it is not going to undermine the development objectives if money is shifted from one budget to another?

Peter Betts: I would say the climate is absolutely a core part of development.

Q59 Rushanara Ali: I understand that is integral, of course, but there are clear cases where money will be diverted from development objectives that may be quite different from the climate. They are not all integrated. In many instances they may be separate.

Peter Betts: Over the last years we have been in an increasing trend of climate finance, so we have been able to agree to increase health spending, education spending and climate spending, but I do think the future of development funding is to integrate climate, both resilience and reducing emissions.

Q60 Rushanara Ali: So long as it is not a convenient response to finding ways of hitting a target but not in a genuine sense, would you say? It needs to be genuine, does it not, in making sure—

Amber Rudd: Of course it is genuine.

Rushanara Ali: Well, okay.

Amber Rudd: I think that there is a genuine—

Q61 Rushanara Ali: If I may, there are wider concerns about how the UK's DFID budget is now being used in other Departments, other objectives that are not strictly development, and that is where my questioning is coming from, for instance, in relation to defence spending—

Amber Rudd: Okay. I have answered that but I would like to reassure the Committee—

Rushanara Ali: —which is why people are very concerned, especially in the development field.

Q62 Mr Carmichael: On the area of aspiration and carbon trading, you told the predecessor Committee that you hoped that Paris would provide a framework for moving forward to international trading systems. What we got, though, was something a bit looser than that. You have a reference to, "Parties choose to pursue voluntary co-operation in the implementation of their nationally determined contributions", so it is there.

Amber Rudd: Yes.

Mr Carmichael: Well done. But it is not a framework. Is it a route map to a framework and if it is how do we get from here to there?

Amber Rudd: Thank you. It is a very interesting question. There is a sensitivity in the agreement about making it totally inclusive and yet referring to markets. Some of our international colleagues do not like the word “markets”. There are countries—Bolivia perhaps, and a few others around them—who will not have the word “markets” contained in the agreement.

Mr Carmichael: Even within the House of Commons you find a range of views.

Amber Rudd: Yes, indeed. The language may look a little weak to you but it is quite strong language in terms of an international agreement that does allow, effectively, for trading in order to make our commitments. We were quite pleased with that approach. It allows all countries to do some sort of carbon trading if they choose to as part of their mitigation. I think it was an important win and important in terms of continuing on that point that I made last time about having the framework to try to address the low carbon future. It does not provide all the answers but this is another part of the tools that we now have in order to address it. Can Mr Lyon say something?

Mr Carmichael: Yes, sure.

Ben Lyon: Just to add to that, you are right, we did not get every detail of the framework but, very important in the agreement itself we were clear about some of the parameters that must guide the framework that will be developed in the coming years. First of all, that framework has to be developed before this comes into effect and, secondly, that framework must ensure environmental integrity, robust accounting, avoiding double counting of traded carbon, so very important points to make sure that when the carbon trading framework does come in it delivers additional and verifiable emissions reductions.

Mr Carmichael: We are pressed for time at the moment, but perhaps sometime you could give us some written evidence on that so that we could understand what the strategy is going to be, so that there is a sense of a direction and determination to deliver where there is not the same imperative that we might have wanted had we got the wording that we would have looked for.

Q63 Antoinette Sandbach: Loss and damage: clearly the less developed countries have not had the ability to pursue loss and damage claims against the nations that they would say have been emitters who are causing the problems. How satisfied are you with the wording that was achieved in the Agreement?

Amber Rudd: I think it was the right wording. It recognises the issue of loss and damage but it rules out compensation. Instead, what it does is set out the framework for developed countries helping developing countries through the \$100 billion, and hopefully securing more private sector initiatives and support through the framework. Also, Governments have been quite supportive, and the UK Government has been particularly supportive in providing insurance schemes that can help with severe weather events. I think it was the right balance.

Q64 Antoinette Sandbach: I understand that compromise would have been necessary to get that agreement through, particularly, for example, with the US. But given that TTIP allows Governments to be sued, and that is a negotiated agreement with the UK, why is it that America is not prepared to have the same principle applied to, potentially, action by them and others? Was it mainly America that was the block, or were there other countries that refused to accept the idea of compensation for loss and damage?

Amber Rudd: It is very clear to the UK, as well as to other developed countries, that we did not want an agreement that would open up the issue of compensation or reparations. But we were keen to assist with the financing of developing countries through the \$100 billion and more sources that will be mobilised by 2020. So I do not think this was particularly the US, it was also us and other developed countries. I really do think that generally developing countries accepted that, and it came up in negotiations, it came up in discussions, but as long as they felt that the responsibility was being addressed—and it was through the differentiation, which still runs through a large part of the Agreement—we were able to address the compromise. Differentiation, ie, developed and developing countries, was a key area for negotiation, and one that required compromise from everybody along the way.

Q65 Antoinette Sandbach: Given that the international mechanism for loss and damage, which was established, of course, in the previous Warsaw negotiations, is not going to start until 2020, what is the bridge in the mean time?

Amber Rudd: Mr Betts, would you mind answering that?

Pete Betts: The Warsaw Mechanism is already operating, so there is already a focus for addressing the sorts of issues that lie behind developing country concerns. I think this was a pretty good agreement for the small islands. I think they played a very effective role. They got the 1.5 recognised; they got loss and damage established in the agreement, not at all *acquis*. Our argument was always that the key thing is to focus on reducing emissions to stop the need for loss and damage. But we are pleased that loss and damage was included, and we think this provides a good focus for focusing on some of the practical ways you might address it. Things like insurance, we have been involving the Caribbean and African, and now in the Pacific. Things like helping to develop early warning systems, addressing longer term events, and beginning to get a better evidence base on how you would address this and ensure that multilateral bodies will widely take into account climate change in everything they do. It felt like a good compromise to us.

Q66 Chair: Thank you. Secretary of State, turning to what happens next, you have said that Governments cannot act alone, and indeed businesses and investors have a role to play. It has also been suggested that Ministers need to find ways to resist the short-term political pressures that constantly seek to slow down the low carbon transformation. What sorts of political pressures do you encounter that want to slow down the low carbon transformation?

Amber Rudd: Mr Chairman, I am very happy to say that this Government works as one in terms of addressing the low carbon transition, and that I have the support of the Government in terms of making sure that we deliver a secure, clean and affordable future.

Q67 Chair: Some people might be worried to hear the Government work as one, of course, because they probably think the Treasury is in command. With that in mind, if we look at the

Conservative Manifesto, it said quite clearly that you committed to the £1 billion for carbon capture and storage. With the Government working as one, it suggests the Treasury perhaps decided that they did not want to spend this £1 billion on carbon capture. They were, maybe, penny wise pound foolish. They saw doing today's investment as a cost, rather than a saving in the future.

Amber Rudd: We all have to work with the Treasury. We all have to live within our means. This was a tight Spending Review, and carbon capture and storage was one that did not go forward. It is £1 billion that is being spent now on other matters. I do not think that it is correct to characterise this Government as somehow divided in that matter, but the fact is it was a tight spending round, and carbon capture storage funds are not part of the future at the moment.

Q68 Chair: In the movement towards this low carbon transformation, some people have criticised, as you know, the treatment of onshore wind. This was done under the guise, others would argue, of communities, and they may be more a planning issue. But there are communities who do want to have onshore wind. With that in mind, what will your Department do to help communities who do want to invest and develop onshore wind projects in their areas?

Amber Rudd: We have set out before that there will be no subsidy for onshore wind going forward, and they cannot be built without, as the Chairman referred to—

Q69 Chair: But if a community wants it?

Amber Rudd: There will be no ongoing subsidy for onshore wind, as set out in our Manifesto.

Q70 Chair: But it was said that this was done for communities. Communities should have the say, but if you are removing that support, the communities can only say in one direction.

Amber Rudd: That, nevertheless, is the position that we have taken.

Q71 James Heappey: Two questions on policy and checking direction. First, have you mapped out checkpoints by which you measure the UK's success in achieving the goals they set out in Paris?

Amber Rudd: Having just come back from signing the Paris Agreement, of agreeing the Paris Agreement over the weekend, we are now absorbing what actions we need to take. It was not obvious until the last minute exactly how the deal would be settled, and we will be working over the next few months to make sure that we do that. We will be taking advice from the Climate Change Committee, but, overall, the UK has its plan set out through the Climate Change Act and through the carbon budgets that we have to deliver on every five years.

Q72 James Heappey: When we saw you last, the letter had just been leaked in which you express some concern over the Department's ability to hit its existing targets. The Department has been very bullish over the impact of what might come tomorrow, on the solar industry in particular. If that proves not to be the case, if it proves to be the case that renewable energy rollout falls off significantly on the back of those policies, will you be sensitive to that and revisit whatever changes to subsidy you might make?

Amber Rudd: The issue that we discussed at the last Committee meeting of the renewable targets for 2020 is indeed, as was highlighted by one of your colleagues, about heat and transport. On electricity we remain optimistic that we are going to potentially exceed our targets for renewable electricity, and we will be watching that very carefully. Of course, Mr Heappey, we are always sensitive.

Q73 James Heappey: Finally, for our information, you mentioned earlier on a cross-departmental working group that the Secretaries of State sit on also. Could you give us a bit more information on that? Is it a working group, a Cabinet Sub-Committee, who sits on it, how often does it meet, what is its authority?

Amber Rudd: I think I will reserve my position on that. I am happy to say that this group exists and that we take the need to work across Government very seriously indeed, and will continue to do so to ensure that we work together to meet the targets that are the responsibility of the entire Government.

Q74 Antoinette Sandbach: Obviously I appreciate your answer that you have just come back from Paris, but do you anticipate that policies will need to change in the Department as a result of the agreement reached?

Amber Rudd: I think the biggest opportunity is about getting other Governments, other countries, to meet the UK's high standards. Our 2 degrees target is what is operational in the UK. I remain committed to making sure that we deliver on those. There will be other things within the Paris Agreement. It is a short agreement compared to some, but there is quite a lot in it. So we are going to go through it very carefully over the next few weeks and months and see what other impacts it might have on my Department's policies.

Q75 Matthew Pennycook: A question about the resources available to the Department. There was some concern in the aftermath of the election by *Green Light* and others that the resource spending for DECC was being cut dramatically. Have you already, or do you plan to, reassess whether the Department needs extra resourcing in light of the Paris Agreement? Do you think the review mechanism and other things that have been put in place mean that we need, alongside the very talented officials you have, more going forward to ensure that we can continue to play our part?

Amber Rudd: I am sure my talented officials might like to answer that. In the mean time, we will, of course, keep that under review. I think that the Spending Review that took place gave us the tools with which to deliver on this, but in the light of the Paris Agreement we will reflect carefully on what else we need to do in order to make sure that we reach our targets.

Q76 Mr Carmichael: Just to follow on from the Chairman's questions, it would be remiss to have the opportunity of having you here without banging his favourite drum, and mine, and that is the island strike price. We are almost at Christmas, have you got any presents for us?

Amber Rudd: We have said that there will be an auction by the end of next year. In terms of the strike price, I am afraid I do not have any news on that.

Q77 Mr Carmichael: The state aid process?

Amber Rudd: No, still ongoing. But there will be an auction, as I am sure you are aware. Thank you.

Chair: We are coming towards the end. Does any other member have anything they want to raise or pick up?

Q78 Glyn Davies: Can I ask a general question; I would be interested in the Secretary of State's view? The carbon capture story was driven by an economic decision, because it was pretty costly and a tight spending round and that is understandable. But one of the issues I think the Committee is bound to have, and you must have, is: how are we going to develop the new technologies—it is going to look completely different in 20 years' time, and we cannot really anticipate it. But there are things like the battery technology that goes with solar, and that would be a game changer for certain things. There is tidal. I know we are looking at the Swansea Bay. That is still undecided about the strike price on Swansea Bay, the tidal lagoon, but the development of tidal lagoons costs an awful lot of money. These tight spending rounds we have when we are committed to existing ongoing schemes, does it worry you that we cannot take advantage of the technologies that are going to be leading the way on low-carbon technology in 10, 20 or 30 years' time?

Amber Rudd: I think that is why we fought very strongly in the Spending Review for support for energy innovation. As you have said, Mr Davies, nobody really knows where the new technologies are going to come from that are going to create the breakthrough in green energy. People have been surprised by the fall in price of solar. Storage is going to be an important part of the future. I think that supporting innovation—and not just in the UK, but internationally with other country partners—is going to be critical to really delivering on the low-carbon future that we all want.

Q79 James Heappey: Secretary of State, I apologise for coming back at you a third time but we have been conferring. I think we are nervous of our ability to hold you to account, and to hold the Government's policies on climate change to account, if we do not know who are the Secretaries of State involved in delivering this cross-departmental effort. Could you perhaps talk to your colleagues and then write to us, either to explain why it is we cannot know, or who is on the Committee, how often it meets and what its terms of reference are?

Amber Rudd: Mr Heappey, I am as enthusiastic about transparency as you and the other members of the Committee are. I will indeed write you further information on it.

Q80 Chair: Secretary of State, quite often when you meet with us, shortly afterwards there are usually some announcements of some great magnitude or other. Not that I am the suspicious type, of course, Secretary of State, but what announcements might we expect in the next couple of days? You do not have to tell us what the announcements are in the body of the announcement, but what areas? Yes, indeed, please do so, Rushanara Ali.

Amber Rudd: Mr Chairman, as I have just said to Mr Heappey, I am as keen on transparency and scrutiny as everybody else is here.

Q81 Chair: With respect, Secretary of State, I would take you back to June and July. It is difficult to scrutinise things when the big announcements come two days after you have met with the Committee.

Amber Rudd: We try to move as quickly, as efficiently, and as transparently as possible. I am sure, Mr Chairman, you would not want policy to be held up for when the Committee is available, but we have to put the interests of the consumers first in everything we do. We have said that we will make an announcement by the end of this year on the consultation on the feed-in tariff, and we will be doing that. As soon as any announcement is made I or one of my Ministers will be available for the Committee, should they wish us to come.

Q82 Chair: Feed-in tariffs are the only announcement that we will have by the end of the year? Nothing else?

Amber Rudd: There may be other announcements that we hope to make shortly.

Q83 Chair: Such as?

Amber Rudd: Mr Chairman, I cannot really comment at the moment. Some of these are market sensitive pieces of information, and I have to reserve my position until the announcements are made. But please be aware, any announcement that is made, we are always willing, me or one of my Ministers, to come to the Committee and have a full discussion about it at your earliest convenience.

Q84 Chair: On behalf of the Committee I would like to say that if you could, Secretary of State, time your announcements to be pre-Committee meetings, rather than post-Committee meetings—will that be possible in future?

Amber Rudd: If I may say, I am always sensitive to the requirements of the Committee. We have to make sure, though, that the business of the Department is driven by the needs to satisfy consumers and the other interests as well as the Committee.

Chair: Thank you very much. It is clear that the Paris Agreement has been a huge step in the right direction. Our hope, as you will have gathered from today's session, is that the words of the agreement are followed by actions. I think we are not alone in waiting to see exactly where the Government go in this, internationally and at home. We will, of course, continue to play a role in scrutinising, and also the Committee look to be helpful to your Department. I have had behind-the-scenes conversations with your deputy in this respect, so if we can help, we will help, but we will still want to scrutinise exactly what is happening in the Committee, so I just hope you can bear that in mind. We will want to see you again in the new year, of course, but at the moment can I wish you, Secretary of State, and your team a Happy Christmas?

Amber Rudd: Mr Chairman, I wish you and your Committee a Happy Christmas as well, and a prosperous new year.

Chair: Order, order.