

European Scrutiny Committee

House of Commons, London, SW1A 0AA

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From: Sir William Cash MP

20 January 2021

Lord Callanan
Minister for Climate Change and Corporate Responsibility
Department for Business, Energy and Industrial Strategy
1 Victoria Street
London SW1H 0ET

EU-UK CLIMATE CHANGE POLICY

(a) COM(20) 562: Commission Communication: Stepping up Europe's 2030 climate ambition – Investing in a climate-neutral future for the benefit of our people (41521)

(b) COM(20) 563: Amended Proposal for a Regulation establishing the framework for achieving climate neutrality and amending Regulation (EU) 2018/1999 (European Climate Law) (41523)

We considered your Explanatory Memoranda (EMs) on the above documents at our meeting of 20 January 2021, having delayed consideration pending the outcome of negotiations on the future UK-EU relationship.

Since you submitted your EMs, there have been two important developments. First, the UK and EU have concluded a Trade and Cooperation Agreement (TCA). Second, the UK, EU and others have submitted revised Nationally Determined Contributions (NDCs) to signal their commitments to implementing the Paris Agreement on climate change.

We note that the fight against climate change constitutes an essential element of the TCA, with a particular focus on compliance with the Paris Agreement. We note too that both Parties re-iterated their commitment to achieving economy-wide climate neutrality by 2050.

Now that an Agreement has been reached on the future UK-EU relationship, we would welcome a revised analysis from you in relation to these documents, reflecting on how the EU's plans and the commitments in the Agreement intersect, and identifying any further policy implications for the UK. We have in

mind particularly the Commission's plans to revise the EU Emissions Trading System and to develop a Carbon Border Adjustment Mechanism. These intersect with the mutual commitments made on trade and climate change in the TCA, as well as the commitment to consider linking the respective EU and UK carbon pricing mechanisms. We ask that you set out your plans to cooperate with the EU on these policies in advance of any legislative proposals from the Commission.

We look forward to your response within ten working days.

I am copying this letter to Darren Jones MP, Chair of the Business, Energy and Industrial Strategy Committee, and Dr Rebecca Davies, Clerk of that Committee; Rt Hon. Philip Dunne MP, Chair of the Environmental Audit Committee, and Martyn Atkins, Clerk of that Committee; Lord Kinnoull, Chair of the House of Lords European Union Committee, and Chris Johnson, Clerk of that Committee; Les Saunders at the Cabinet Office; and the EU scrutiny team in your Department.

CHAIR