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Mapping the manifestos--energy and climate change

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Environment analysis: With the ink on the manifestos still drying, Tim Pugh, partner in planning and environment at Berwin Leighton Paisner LLP, explores the pledges of the major parties.

Introduction

This note considers energy and climate commitments in the manifestos of the five main parties in England--Conservative, Labour, Liberal Democrat, UKIP and Green. It also includes the stance of the SNP, which, if opinion polls prove correct, could be the party with the third largest number of seats overall and therefore have great influence. It is recognised also, that Ulster Unionists, Sinn Fein and Plaid Cymru may each prove influential should a coalition be formed, but including their stances also would make an already lengthy note even more so.

The manifestos are bulky documents--76 pages for UKIP, 81 for the Conservatives, 83 for Labour (but in bigger print), 84 for the Greens, and a massive 160 for the Liberal Democrats. While energy policies and pledges are relatively easy to discern, those on climate change are buried more deeply. Wherever feasible, commitments set out below are taken verbatim from the manifestos themselves.

The manifestos of the main parties are notable for areas of overlap and are in many ways unsurprising.

The Green and UKIP documents shoot from the left and right sides of a populist hip--safe in the knowledge that neither is likely to be asked to form a government or to play a major role in a coalition, but keen on building influence through protest-vote numbers.

Conservatives and Labour fall over one another for positions marginally right and left of a Blairite centre, each determined to be seen as economically driven, budgetarily responsible and not to alienate their core electorate--both battling against leakage of seats to UKIP.

Labour seem to maintain silence or to stick to generalities on those energy issues where one suspects that on economic grounds they are at one with much of the Conservative standpoint.

The Liberal Democrats are the squeezed middle in this election--tarred with the coalition brush, battling to be perceived as separate from the Conservatives, determined (and desperate) to take on the mantle of the most influential 'third' party and equally determined not to lose further ground to the Greens. They are evidently trying hard to come across as the most green, the most go-ahead, the most responsible and as having the most ideas of any of the mainstream parties. Another way of looking at their manifesto is as a very long wish list from which at least some could find favour in negotiations for a coalition under either Labour or a Conservative leadership.

The SNP are confident of being the third party nationally. Their manifesto, issued days after the others have been absorbed, is pitched deliberately as an assault on the Conservatives but with a 'come hither' agenda for other parties--it deliberately positions the SNP as the friend of devolution to Welsh national and Northern regional administrations but with notably green energy and climate change commitments.

Perhaps inevitably, the Lib Dems are trying to cover the most bases in the hope that protest voters will perceive the period in government as evidence of credibility rather than as a curse. The SNP who seek to displace the Lib Dems as coalition king-makers.

What are the main pledges?

Here are some primary themes. For the Lib Dem's and Greens, the list is truncated as the pledges are more numerous than can be accommodated in a summary article.

Conservative

- o meet our climate change commitments, cutting carbon emissions as cheaply as possible, to save you money
- o keep your bills as low as possible and promote competition in the energy market
- o ensure your homes and businesses have energy supplies they can rely on
- o help you insulate your home
- o halt the spread of subsidised onshore wind farms

Labour

- o our country faces global challenges of climate change...tackling climate change is an economic necessity and the most important thing we must do for our children
- o we will put climate change at the heart of our foreign policy...we will push for a goal of net zero global emissions in the second half of this century, for transparent and universal rules for measuring, verifying and reporting emissions, and for an equitable deal in which richer countries provide support to poorer nations in combatting climate change
- o we will work to make Britain a world leader in low carbon technologies over the next decade, creating a million additional green jobs--this aim will be supported by ambitious domestic carbon reduction targets, including a legal target to remove the carbon from our electricity supply by 2030, and a major drive for energy efficiency

Lib Dem

- o transposition of EU air and water quality targets into UK law
- o a legally binding target for Zero Carbon Britain by 2050
- o a 2030 power sector decarbonisation target of 50-100g per kWh
- o pushing for a 50% reduction in EU greenhouse gas emissions by 2030
- o five green laws including:
 - o a Nature Act
 - o a Resource Efficiency and Zero Waste Britain Act
 - o a Green Transport Act
 - o a Zero Carbon Britain Act, and
 - o a Green Buildings Act

UKIP

- o the Climate Change Act 2008 is doing untold damage--UKIP will repeal it
- o to deliver secure, affordable energy supplies, we support a diverse energy market based on coal, nuclear, shale gas, conventional gas, oil, solar and hydro, as well as other renewables where these can be delivered at competitive prices

Green

- o make achieving international agreement and action to limit climate change to below two degrees C of warming the major foreign policy priority

- o invest in an £85bn public programme of renewable electricity generation, flood defences and building insulation
- o support local sustainable agriculture, with respect for animals and wild places
- o cut emissions by providing cheaper public transport and encouraging cycling and walking

SNP

- o for our planet--we will use our influence at Westminster to ensure the UK matches, and supports, Scotland's ambitious commitments to carbon reduction
- o for a greener Scotland--we will continue to support a moratorium on fracking
- o for workers in the oil and gas sector--we'll keep the pressure on the UK Treasury to do all it can to protect jobs and investment in the oil and gas industry in light of lower global oil prices and will work to increase internationalisation opportunities for Scotland's oil and gas industry
- o for future generations--we should have greater financial security in the years ahead and so will call for a share of future revenues from our natural energy resources to be saved in an energy fund

How are the main parties seeking to address the issue of energy production in the UK?

The parties' pronouncements on preferences for energy production are in accord of their general characteristics. In their own ways, the Greens and UKIP are 'purest' in their approaches and the Greens are (by a long way) the most imaginative. Other parties, who are those most likely to have a hand in government, show varying degrees of pragmatism in line with the preferences of their core electorates.

Conservative

General

The long-term plan is to secure clean but affordable energy supplies for generations to come. This means a significant expansion in new nuclear and gas, backing good-value green energy and pushing for more new investment in UK energy sources.

Onshore shale

We will continue to support the safe development of shale gas and ensure that local communities share the proceeds through generous community benefit packages.

North Sea oil and gas

We will continue to support development of North Sea oil and gas.

Renewables generally

We will provide start-up funding for promising new renewable technologies and research, but will only give significant support to those that clearly represent value for money.

Onshore wind

Onshore wind now makes a meaningful contribution to our energy mix and has been part of the necessary increase in renewable capacity. Onshore windfarms often fail to win public support, however, and are unable by themselves to provide the firm capacity that a stable energy system requires. As a result, we will end any new public subsidy for them and change the law so that local people have the final say on windfarm applications.

Labour

General

We will create an Energy Security Board to plan and deliver the energy mix we need, including renewables, nuclear, green gas, carbon capture and storage, and clean coal.

Onshore shale

For onshore unconventional oil and gas, we will establish a robust environmental and regulatory regime before extraction can take place. And to safeguard the future of the offshore oil and gas industry, we will provide a long-term strategy for the industry, including more certainty on tax rates and making the most of the potential for carbon storage.

Lib Dem*Coal and carbon capture and storage (CCS)*

Regulate to end the use of unabated coal in electricity generation by 2025 because of its high carbon emissions and impact on local air quality, and require any new gas stations built after 2030 to be fitted with CCS technology. We will implement a second phase of CCS projects by 2020.

Community generation

Expand community energy, building on Britain's first ever community energy strategy with additional financial and regulatory support. We will encourage councils to be proactive in delivering energy saving and electricity generation.

Onshore wind

Encourage onshore wind in appropriate locations, helping meet our climate targets at least cost. We will end ideologically motivated interference in local planning decisions for wind farms by government ministers.

Nuclear

Accept that new nuclear power stations can play a role in low carbon electricity supply provided concerns about safety, disposal of waste and cost are adequately addressed and without public subsidy for new build.

Biomass

Use biomass primarily for heating and small-scale power generation, act to encourage the wider use of biogas and argue for the reform of EU policies on biofuels and biomass which help drive deforestation, including ending all support for food-crop-based biofuels after 2020.

Onshore shale

The UK has significant stores of unconventional gas, which could be accessed through the process known as fracking. It is vital that efforts to access this gas be properly regulated to protect our natural environment. Liberal Democrats in government have introduced the world's most robust regulatory regime for unconventional gas, including banning drilling in National Parks, and will take two further steps to ensure any shale gas contributes to a faster transition to a low-carbon economy.

Renewables etc

We will:

- o establish a low-carbon transition fund using 50% of any tax revenues from shale gas to fund energy efficiency, community energy, low-carbon innovation and renewable heat
- o require that once a shale gas well is finished, it must be offered at no cost to geothermal heat developers, to enable faster expansion of this renewable technology

UKIP*Onshore shale*

UKIP supports the development of shale gas, provided safeguards are in place to protect local communities and the environment. Community infrastructure levy income from shale gas operations will be earmarked for lower council taxes or local community projects.

Renewables

UKIP supports and will invest in renewables, where they can deliver electricity at competitive prices. At the moment, the only major renewable technology that meets this test for affordability is hydro, so we will withdraw taxpayer and consumer subsidies for new wind turbines and solar photovoltaic arrays, while respecting existing contractual arrangements.

Wind energy

Wind power is hopelessly inefficient and wind farms rely heavily on reserve back-up from conventional power sources. They have blighted landscapes and put money into the pockets of wealthy landowners and investors, while pushing up bills for the rest of us.

Coal

If we are to have energy security and cheap, plentiful, reliable sources of energy, coal must be part of the solution.

Bearing this in mind, UKIP will:

- o set up a commission to investigate ways to assist and rejuvenate the coal industry
- o seek to secure the survival and expansion of our indigenous coal industry in the form of deep, opencast and drift mining
- o drop all subsidies for wind and solar power, to ensure a level playing field for coal
- o discontinue the carbon floor tax on the basis that production for coal fired power stations is combined with carbon capture and storage
- o halt the decline of coal power stations and seek private funding to develop new, efficient plants

Green

Renewables

Concentrate on expanding mature renewable technologies such as wind energy and solar PV in the period until 2030 and bringing down costs, in part by reducing planning constraints, including those for onshore wind.

Set deployment targets to bring down costs and attract investment in manufacturing and supply chains, aiming for 42 GW of offshore wind by 2020 and 60 GW by 2030, and for 25 GW of solar PV by 2020.

Coal, oil and gas

Phase out fossil fuel based generation, including the closure of all coal fired power stations by 2023 at the very latest.

Nuclear

Phase out nuclear power within ten years.

Onshore shale

Ban all UK fracking operations--following a number of nations worldwide--and withdraw all relevant licences as soon as possible. Ban other new fossil fuel developments such as other unconventional fossil fuels and open cast coal.

CCS

Support the potential deployment of carbon capture and storage to existing biomass and gas power stations only as a transitional technology.

SNP

North Sea oil and gas

The key is to both protect and promote key sectors of the Scottish economy. The UK government has agreed to implement the key proposals put forward by the Scottish Government and the oil and gas industry. This is

a welcome step, however, we will continue to closely monitor economic activity in the North Sea and look for a prompt and effective response from the UK government so we can maximise the economic opportunity.

Action by the UK government was a necessary first step and will sit alongside the Scottish Government's commitment to a new oil and gas strategy, which will have a strong focus on Scotland's oil and gas supply chain, including ongoing skills development and opportunities for greater internationalisation of the sector.

We will also continue to push for the swift deployment of the new Oil and Gas Authority in Aberdeen.

Energy transmission

We will press for further progress and a clear timescale for the delivery of the islands interconnector and reform of the transmission charging regime which could lead to the premature closure of Longannet power station.

We will continue to argue for changes to ensure that Scottish renewables, and Scotland's islands, are not penalised because of their distance from markets in the south of England. We believe that transmission arrangements should work to support, rather than undermine, production of renewable energy in the most favourable locations.

Onshore shale

We will continue to support a moratorium on fracking.

Offshore wind

The additional investment we seek should include investment in our energy infrastructure so we can continue to maximise renewables generation, in particular offshore.

We will seek to maximise support for offshore wind.

Onshore wind

We will press for onshore wind to continue to receive support through the lifetime of the next Parliament.

Renewables and CCS

Our ambition is not limited to wind. We want the UK government to remove barriers that are limiting growth in the hydro sector and believe there should be additional support for pump hydro and CCS schemes.

Community generation

We wish to see a big expansion in community heating schemes. The Scottish Government has ambitious targets to support community energy generation and we will press the UK government to make it simpler for communities to establish local energy companies and easier for community schemes to access the grid.

What are the parties' positions around incentives and taxation?

If there is a theme on energy and climate change taxation, with the exception of the Greens, the focus is on what will not be charged or what will be withdrawn. What might additionally be charged is, with the exception of the Greens, kept under wraps. The Lib Dem's, despite identifying 'green taxes' in their manifesto index, are notably vague in the text itself. Sovereign Wealth Funds are popular with Conservatives, UKIP and the SNP.

Conservative

A Sovereign Wealth Fund for the North of England so that the shale gas resources of the North are used to invest in the future of the North

Start-up funding for promising new renewable technologies and research--significant support only for those that clearly represent value for money.

End new public subsidy for onshore wind.

Continue to support development of North Sea oil and gas (see Finance Act 2015--focus on energy and environment).

Labour

To safeguard the future of the offshore oil and gas industry, we will provide a long-term strategy for the industry, including more certainty on tax rates and making the most of the potential for carbon storage.

Labour will freeze energy bills until 2017.

The generation and supply businesses of the 'Big Six' energy companies will be separated...and they will have to sell their energy through an open exchange.

A million interest free loans for energy home improvements.

Lib Dem

The index to the Lib Dem manifesto directs one to page 27 for 'Green taxes'. On page 27 there is nothing about 'green taxes'. But on page 29, the following comment appears as a commitment:

'[We will] Increase the proportion of tax revenue accounted for by green taxes.'

One is left guessing what 'green taxes' are proposed, but perhaps the mix originally proposed was too rich for those signing off the manifesto. There are, however, some hints as to what incentives might be in the section on low carbon energy. These include:

- o we will support investment in energy storage and smart grid technology to enable this higher reliance on renewables
- o we accept that new nuclear power stations can play a role...without public subsidy for new build
- o ending all support for food-crop based bio-fuels after 2020
- o we will establish a low carbon transition fund using 50% of tax revenues from shale gas to fund energy efficiency, community energy, low carbon innovation and renewable heat

UKIP

Community infrastructure levy income from shale gas operations will be earmarked for lower council taxes or local community projects.

We will levy Petroleum Revenue Tax (currently 50%) on any shale profits and invest the income into a Sovereign Wealth Fund. Norway takes this approach, with great success.

We will withdraw taxpayer and consumer subsidies for new wind turbines and solar photovoltaic arrays, while respecting existing contractual arrangements.

We will drop all subsidies for wind and solar power, to ensure a level playing field for coal.

We will discontinue the carbon floor on the basis that production for coal fired power stations is combined with CCS.

UKIP will abolish green taxes and levies and withdraw from the EU's Emissions Trading Scheme, reducing fuel bills and enhancing industrial competitiveness at a stroke.

Green

Provide a free nationwide retrofit insulation programme...aiming for the Passivhaus ultra low energy refurbishment standard by 2020...investing £45bn over the course of the next Parliament [as] part of a Green National Infrastructure programme.

Invest in energy awareness programmes so that people become as aware of the energy performance of their homes as they are now of the miles per gallon of their car.

Continue a fully funded renewable heat incentive scheme.

Provide £4.5bn over the Parliament to support research and development into less energy-intensive industrial processes.

Use carbon taxes (based on the present system) to fund investment in energy-efficient measures, and prepare for the following Parliament a carbon quota scheme to regulate the level of demand for energy.

Require grid operators to give priority access to community energy projects at an affordable cost.

Split up the large vertically integrated companies so that they can't both produce energy and sell it to consumers.

Support public control over the strategic direction and policies of the National Grid.

Support long-term stable fixed price feed in tariffs for renewable energy generators.

Ensure that consumer energy tariffs are progressive, so small consumers pay less per unit than larger ones, that special needs are recognised, that people are not cut off when they can't afford to pay, and that people are not forced to have pre-payment meters.

Invest substantial amounts of public money (up to £35bn over the Parliament) in renewable generation and in the National Grid, if necessary to make sure renewable generation grows quickly enough. This would include both large-scale generation and small-medium scale renewable generation schemes funded through local authorities. This capacity would not necessarily be publicly owned and would include community owned schemes.

Give the Green Investment Bank full borrowing powers to help fund this investment.

Spend £2.5bn over the Parliament on an intensive research and deployment programme for other renewables such as wave and tidal stream generators or other approaches, and also for storage technologies.

Phase out fossil fuel based generation, including the closure of all coal fired power stations by 2023 at the very latest.

End fossil fuel industry tax breaks, phase out other harmful fossil fuel subsidies (domestic and international) and use the money saved to help fund other parts of our energy programme.

Levy eco-taxes on non-renewables or pollutants, in particular pesticides, organo-chlorines, nitrogen and artificial fertilisers and phosphates, raising £1bn by 2020.

Reintroduce the fuel duty escalator, raising £2.2bn a year from a tax on jobs, enabling the tax to be reduced from 13.8% of pay to around 8%.

Put aviation on a level playing field with other modes of transport by making it subject to fuel duty and VAT, raising £16bn in a full year. If out-dated international law makes this impossible, introduce a flight tax dependent on distance and aircraft type that has the same overall effect.

SNP

We will seek alterations to the current Contracts for Differences (CfD) regime to ensure that support is given to the offshore wind sector to not only generate renewable energy but also to boost manufacturing opportunities and ensure Scotland sees maximum investment. Allocations from the next round of CfD should be made early and projects in Scotland should be prioritised and receive their fair share of funding. We want to see a long-term commitment to the development of this industry.

We...believe the renewable heat incentive should continue beyond 2015.

The SNP will also aim to ensure that a share of future oil and gas and renewable energy revenues are used to create a Sovereign Wealth Fund...The fund should be established when economic circumstances allow and should come under the ownership and management of the Scottish Parliament and Government.

How do the various positions fit in with the UK's existing commitments and EU law?

It is fair to say that on energy and climate change, the UK parties, with the exception of UKIP, have been keen not to make promises which would fall short of existing commitments under EU law. The Lib Dems and the Greens have even sought to stretch the envelope beyond existing requirements.

This said, use of taxation derived Sovereign Wealth Funds to stimulate regional growth will need to be carefully engineered if it is not to fall foul of state aid rules.

In the case of UKIP, its commitments to repeal the Climate Change Act 2008, scrap the Large Combustion Plant Directive 2001/80/EC and stop the planned Medium Combustion Plant Directive all fly in the face of existing or emerging commitments. The same applies to the proposals concerning:

- o scrapping the HGV road user levy
- o 'scrapping green taxes', and
- o 'withdrawal from the EU Emissions Trading Scheme'

Are there natural bedfellows on energy and climate change policy?

On the face of manifesto commitments (which it is accepted may not be the full story), the most natural bedfellows are:

- o on fracking:
 - Conservatives, Labour, Lib Dems and UKIP (pro)
 - Green (anti) and SNP in favour of a moratorium pending further reports and investigations
- o on onshore wind:
 - Conservatives and UKIP (anti)
 - Green and SNP (pro)
- o on renewables:
 - Labour, Lib Dems, SNP and Greens (pro)
 - Conservatives and UKIP (anti or agnostic)
- o on nuclear energy:
 - Conservatives and Labour (pro) and
 - (since nuclear new build requires public subsidy through underwriting energy prices) Lib Dems and Greens (anti)
 - SNP (no comment)
- o on 'clean' coal:
 - Labour and UKIP (pro)
 - Greens (anti)
 - Conservative and SNP no comment
- o on community energy:
 - Lib Dems, Greens and SNP (pro)
 - Conservatives and Labour (no comment)
- o on breaking up the 'Big 6' vertical integration:
 - Labour and Greens (pro)
 - Lib Dems, Conservative and SNP(no comment)
- o on home insulation subsidies:
 - most parties (pro)
 - UKIP (no comment)

- o on carbon taxes:
 - most parties (pro)
 - UKIP (anti)

So what can we conclude from the manifestos?

As with many other topics, for energy and climate change, the various political parties veer between absolute idealism and pure pragmatism in their attempts to provide something for everyone.

Some of the most revealing aspects are the levels of 'cross dressing' between the parties, especially when seeking the green vote or to demonstrate economic responsibility. Labour are notable as much for what they do not say as for what they do.

The real areas to be aware of are those focused on by the SNP, the Lib Dems and Greens--all of whom will be trading hard should neither Labour nor the Conservatives return a working majority.

Interviewed by Diana Bentley.

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