

PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT

European Committee A

EMISSION REDUCTIONS AND LOW CARBON
INVESTMENTS

Monday 12 December 2016

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The Committee consisted of the following Members:

Chair: ANDREW ROSINDELL

† Berry, Jake (*Rossendale and Darwen*) (Con)

† Burns, Conor (*Bournemouth West*) (Con)

† Courts, Robert (*Witney*) (Con)

† Debbonaire, Thangam (*Bristol West*) (Lab)

† Double, Steve (*St Austell and Newquay*) (Con)

† Grant, Peter (*Glenrothes*) (SNP)

Hoey, Kate (*Vauxhall*) (Lab)

† Hurd, Mr Nick (*Minister for Climate Change and
Industry*)

† Pincher, Christopher (*Tamworth*) (Con)

† Tracey, Craig (*North Warwickshire*) (Con)

† Turley, Anna (*Redcar*) (Lab/Co-op)

† Whitehead, Dr Alan (*Southampton, Test*) (Lab)

Clementine Brown, *Committee Clerk*

† **attended the Committee**

European Committee A

Monday 12 December 2016

[ANDREW ROSINDELL *in the Chair*]

Emission Reductions and Low Carbon Investments

4.30 pm

The Chair: I shall briefly outline the procedure for the Committee. First, a member of the European Scrutiny Committee may make a five-minute statement about that Committee's decision to refer the documents for debate. The Minister will then make a statement of no more than 10 minutes. Questions to the Minister will follow. The total time available for the statement and the subsequent questions and answers is up to one hour. Once questions have ended, the Minister will move the motion on the Order Paper and debate will take place on that motion. We must conclude proceedings by 7 pm.

Does a member of the European Scrutiny Committee wish to make a brief explanatory statement?

4.31 pm

Steve Double (St Austell and Newquay) (Con): It is a pleasure to serve under your chairmanship, Mr Rosindell. It might help the Committee if I take a few minutes to explain the background to the document and the reasons why the European Scrutiny Committee recommended it for debate.

Since its introduction in 2005, the European Union emissions trading system has been a central component of EU and UK efforts to meet carbon reduction targets in a cost-effective and technologically neutral way, using tradeable permits that allow emissions of carbon dioxide. It was initially based primarily on allocation by member states, but the current phase, which covers 2013-20, introduced an EU-wide allowance system and an increased emphasis on auctioning allowances, rather than allocation.

Following the European Council's agreement in October 2014 on a 2030 policy framework for climate change and energy, including a binding target to reduce EU greenhouse gas emissions by at least 40%, the European Commission advanced a proposal for a directive to give effect to that decision during phase IV of the ETS from 2021-30 and to make a number of other changes. Although the Government said that there were a number of detailed aspects that they wished to examine further, they had been pressing the Commission to produce proposals and therefore welcomed the document.

On 16 September, the European Scrutiny Committee took the view that the document was of some significance, given the importance of the ETS. It therefore had no hesitation in recommending it for debate in European Committee. Notwithstanding the outcome of the EU referendum on 23 June, it has since confirmed that view, on the grounds that the ETS is likely to impact the UK after 2020, irrespective of whether the UK is still an EU member state.

The EU's 2030 policy framework involves separate reduction targets for sectors covered by the ETS and for the non-traded sector. Document 11483/16 seeks to deliver emissions reductions in the latter area by setting binding targets for 2030 for each member state. The Government see those proposals as likely to have a relatively limited additional policy impact on the UK, but since they complement the proposals for the EU ETS, the European Scrutiny Committee regards them as also relevant to the debate.

I look forward to hearing the Minister's views on the issue and a lively debate.

The Chair: I remind the Committee that interventions are not allowed during the Minister's opening statement.

4.33 pm

The Minister for Climate Change and Industry (Mr Nick Hurd): It is a pleasure to serve under your chairmanship, Mr Rosindell. I thank my hon. Friend the Member for St Austell and Newquay for a clear opening statement of intent on behalf of the European Scrutiny Committee. I, too, look forward to a lively debate on a very important subject.

I should start with something of an apology. Today the Department reviewed our processes for interacting with this Committee on this issue. I am not sure that we have demonstrated best practice in keeping the Committee up to date on the file. It has been complicated. When best to debate files is a difficult judgment call: too soon and there is not enough to discuss, as has certainly been the case on this issue—for long periods, absolutely nothing happened. On the other hand, sometimes things move quickly and the process may work against us, which is what we were arguing in this instance.

I am extremely happy to have this debate. As my hon. Friend the Member for St Austell and Newquay said, the emissions trading scheme matters for the UK. I argue that negotiating the reform of phase IV of the emissions trading scheme matters for us, our constituents and the businesses in our constituencies, whether or not we stay in the emissions trading scheme. That is the second point that I recognise in my hon. Friend's opening remarks. We are clearly leaving the European Union, but we have not yet decided whether we will stay inside the EU emissions trading scheme or carve a different path.

The decision has not been taken—it is part of a wider set of issues and debates about disentangling ourselves from a complex web of agreements and relationships, and resetting our relationships—but we are clear in our mind that rolling up our sleeves and being a full, active participant in the negotiations is absolutely in our national interests.

If we stay in the EU emissions trading scheme, it is clearly in our interest to shape the rules of the mechanism, given its impact on our economy and the economic life of our partners and competitors. However, even if we decide to leave, it makes sense to take this opportunity to play whatever role we can in shaping the rules of an important mechanism—not least to ensure that our European partners and competitors play their full part in the global efforts on climate change. Given the impact for our competitors, it must make sense for the UK,

which has arguably played more of a role than any other country in shaping the emissions trading scheme, to stay at the table.

We are in until we are out, and we are playing an active role in shaping this important mechanism so that it does what it was set up to do: be a technology-neutral, market-based platform to help European economies decarbonise at the lowest possible cost, particularly in relation to our power and heavy industrial sectors. That is what we set it up for. The debate matters, and this phase of reform matters whether or not we stay in the emissions trading scheme, which is why we are playing such an active role in the negotiations.

Finally, on our approach, I should say that we accept the case for reform. The emissions trading scheme has had some success in reducing emissions, and the mechanics, although complicated, broadly work, but there is a structural problem of imbalance in demand for and supply of allowance: in fact, there are an estimated 1.8 billion surplus allowances in the system. The concern that we share with many is that the overhang in the supply of allowances makes it hard to develop the stronger price signal needed to drive and incentivise the investments in low carbon technology that will be required if we are to have a solid chance of meeting our long-term carbon targets. I argue, representing a country that set a carbon price support due to concerns about the emissions trading scheme's failure to deliver a strong price, that carbon price support has played an active role—possibly the key role—in ensuring that this country is moving off coal faster than any other.

Our reform focuses on four areas. The first is agreeing further action to take the surplus out of the system, keep the market liquid and deliver a more effective carbon price. The second is ensuring that industry sectors at risk of carbon leakage, where production moves abroad to an area with lower carbon prices, are adequately protected. The UK, along with France, continues to press for the allocation of free allowances to be targeted effectively to support those industries most at risk and avoid imposing unfair uniform reductions on all sectors.

The third area is reducing administrative burdens—there is still room to do that—by simplifying procedures where possible. Most notably, that should include increasing the scope for small operators to opt out of the main scheme. The final area is preserving the principle of fiscal sovereignty. The Commission's proposals underline the importance of providing appropriate compensation to those industries affected by the indirect costs of EU ETS, but allow member states to choose how to do that, within state aid rules. Others have called for a more harmonised approach. For the UK, preserving our fiscal sovereignty in the final agreement will be of central importance and we continue to press that point.

Taken together, we believe these changes have the potential to put the ETS back on the path to effective delivery of the EU 2030 target, which in turn would contribute to the UK's own domestic targets. I look forward to hearing the Committee's perspective on those comments.

The Chair: We now have until 5.43 pm for questions to the Minister. May I remind Members that questions should be brief? It is open to a Member, subject to the discretion of the Chair, to ask related supplementary questions.

Dr Alan Whitehead (Southampton, Test) (Lab): I note that the Minister has set out the UK's position on phase IV of EU ETS in a document supplied for the Committee's attention this afternoon. In that document, mention is made of the overhang of allowances that the Minister said will remain within EU ETS, but no mention is made of any Government position concerning what might be done about that overhang as we go into phase IV. Does the Minister any views on that and does he think there should be a Government position on it?

Mr Hurd: Yes, we do. What we have argued for is what is called a volume-based approach. This is our second crack at this issue. In the 2014 initiative, we were instrumental in setting up the market stability reserve, which is basically a mechanism for taking surplus allowances above a certain threshold out of the system.

What we suggest this time around, and it seems to be gathering some support, is that we should accelerate that process, in terms of both scale and time. As the hon. Gentleman will know from his deep experience of tracking the ETS, that is because the fundamental problem is a structural imbalance of demand and supply allowance. Our proposal is a volume-based approach, which is seeing whether can we accelerate the mechanisms for taking this surplus out of the system.

Dr Whitehead: I thank the Minister for that reply. However, the question of taking surpluses out can be done by means of the market stability reserve, which will be completely transported from phase III to phase IV, with all the surpluses, as things appear to stand at the moment. That means that, because the system is currently trading at about 200 million allowances below the capped level, there will be increased surpluses coming into phase IV, in addition to those in the market stability reserve and those carried over. The suggestion that might be put is that those should be forcibly retired in phase IV. Does the Minister have any views on that?

Mr Hurd: We are open to mechanisms and discussion about the how. The point that we are trying to make is that we need to accelerate the process of taking surplus allowances out. We think the MSR continues to be the right primary tool for doing that; the issue is the pace at which it is done. We are trying to gather support for doing that on a bigger scale at a faster pace.

Peter Grant (Glenrothes) (SNP): I have questions on three different aspects of the Minister's statement. With your permission, Chair, I will go through them all now, so the Minister can deal with them together.

First, the Minister has confirmed that no decision has been taken as yet as to whether the UK wants to be in or out of the emissions trading scheme after leaving the European Union. What are the implications for the UK's future influence on the rules of the scheme if we decide to stay part of the scheme but not part of the European Union? We would not have a place on the Council of Ministers and so on when EU directives were being agreed.

Secondly, although—

The Chair: Is this the second question?

Peter Grant: Yes.

The Chair: The Minister will have to respond to one question at a time.

Mr Hurd: I have explained the decision we have taken. As with many of the climate-related issues in relation to the EU—we have participated in negotiations about the burden-sharing regulation following the Paris agreement and this scheme—we have taken a view that while we are still a member of the European Union we will participate fully in these negotiations. Whatever we do in the future in terms of our ongoing relationship, these negotiations matter for our national interest. It is entirely right that we are at the table negotiating fully.

Our participation in these reform discussions has been welcomed, as far as I can see, by our European partners. There has been no resistance, and no suggestion at all that we are not in a position to influence the future. In fact, our participation is welcome—not least because most people recognise that we were one of the principal architects of the scheme and one of the thought leaders on how we can make the mechanism work in the future. Our participation is welcome, and our influence continues to be real.

Peter Grant: With respect, the Minister is describing what happens now, while the United Kingdom is still a full member of the European Union. Although the directive is intended to run until 2030, it will not be long before we have to start looking at updates, reviews and amendments; the next time the European Union looks at amendments to these regulations, it is likely that the United Kingdom will no longer be a member. Is there any process in place by which states that are not members of the European Union can have a say and, if necessary, a vote on any future revisions of the directive?

Mr Hurd: We are talking about negotiating the principal elements of the reform of the emissions trading scheme. As far as I can see—it is a fairly opaque process—that is due to be completed by the end of 2017. That is when the base of the agreement is likely to be reached, and work can then begin on underpinning the implementation. That is well within the Brexit timeframe. Our view, therefore, is that we should continue to be a very constructive, positive, inquisitive voice at the table to ensure that the next phase of the emissions trading scheme—I would argue that it is in one of the most critical phases in its history—is structured in the right way.

Dr Whitehead: Pursuant to whether we will be a member of the EU when the fourth phase comes into operation, the Minister of course knows that a number of non-EU members are already in the EU ETS. First, does he have a model in mind of what our relationship with the EU ETS might be, bearing in mind that there are already non-EU members in the EU ETS?

Secondly, does the Minister have any views on the recent announcement in the autumn statement that there is no definite commitment to extend our carbon floor price mechanism beyond 2020-21? As was said in the autumn statement, it is possible that the EU ETS level will coincide with our carbon price support in the middle of the next decade, which strongly implies a relationship, whether we are in the EU or not, between the EU ETS and our carbon price support mechanism.

Mr Hurd: The hon. Gentleman's first question—he tempts me to allude to models that I might have in my mind—takes me into the territory of providing a running commentary, which would have career consequences that I am not prepared to contemplate. The point is fundamentally right: we are one of the principal architects of this system. It matters a lot, because at the moment the emissions trading scheme covers 50% of our emissions, and we have very serious long-term carbon targets, so getting it right and making it work more effectively is absolutely in our interests. We have an opportunity to do that by shaping these negotiations. Once we leave the European Union, there are options to think through. The hon. Gentleman is right that there are models whereby countries continue to participate in a scheme and influence the rules. However, we are categorically not at the point where we have got a clear view on that. We have to look at it in the round and think through what is in the national interest.

On the hon. Gentleman's second point, he is entirely right to recognise the structural failure—if that is not too harsh a criticism—of the emissions trading scheme in setting a price for carbon that drives behaviour. We are now talking about €4 a tonne, and I do not think anyone is arguing that that is as powerful a driver of behaviour as we would like. This country took a unilateral decision to implement the carbon price support mechanism. In that context the carbon price signal and the emissions trading scheme matter a great deal to us because ultimately the objective should be to ensure the level playing field across Europe we want so that our industry remains super-competitive. That in large part underpins his point. The point I am trying to make is about why it is in our interests to ensure that the reform of phase IV of the emissions trading scheme is sufficiently ambitious in terms of taking out surplus allowances to give the opportunity to narrow the divergence between the carbon price in the UK and that across the EU.

Peter Grant: With reference to the 1.8 billion surplus allowances to which the Minister referred, simplistic economics theory of supply and demand suggests that supply is far too high and that we should cut it and reduce the overall emissions target for the whole of the EU. Is the fact that so many allowances are going spare an indication that the EU could be more ambitious in the targets it sets for others to reduce carbon emissions more quickly than we were doing previously?

Mr Hurd: That is a good question; let me break that down. On ambition, because we are talking about a cap and trade scheme, there is a debate about whether the level of ambition should be accelerated. The Council's suggestion is that the current reduction of 1.7% a year should be escalated to 2.2%. There is a discussion about whether there should be more ambition, but I do not detect any real political traction behind that and therefore the focus of our energy—apart from on preserving fiscal sovereignty, pursuing simplicity and the other things I mentioned—is on gathering a coalition of the ambitious in terms of accelerating the withdrawal of surplus allowances from the system.

Peter Grant: My final question, I promise. As I look at the exchange of correspondence the Minister and his predecessor have had with the Chair of the European

Scrutiny Committee, I note that his predecessor wrote on 23 November 2015, in agreeing to the request for the debate, that it would be better held in six or 12 months' time once the shape of the new directive had become clearer. Almost exactly 12 months to the day, the Minister wrote to the Scrutiny Committee asking for scrutiny to be lifted because there was not time to hold a debate in the four weeks that remained before the Council decision. Can he see why that kind of behaviour causes members of the Scrutiny Committee and others to wonder how committed various Departments are to holding themselves properly to account and to parliamentary scrutiny? Will he explain why on 21 November neither he nor presumably his colleagues who set House business thought it would be possible to timetable a two or three-hour debate in the four weeks between then and the intended Council decision?

Mr Hurd: I opened with, in my experience, uncharacteristic candour on behalf of the Government in saying that I do not think our Department demonstrated best practice in that way. It is quite hard. We are having the debate 12 months after my right hon. Friend the Member for South Northamptonshire (Andrea Leadsom) made it quite clear that we were open to that. The situation has moved very slowly from one where there was frankly nothing to debate to one where under the Slovakian presidency everything was turbo-charged and moving fast. Our first instinct—I think a natural one—was to say that with things moving so fast perhaps we did not have time, but on reflection I am extremely glad we are having the debate.

I emphasise that I and the Department are aware of the importance of proper procedure, in terms of scrutiny clearance, not least in the present context. I have been candid about putting our hands up to say I am not sure we have demonstrated best practice; but we certainly intend to do so.

Jake Berry (Rossendale and Darwen) (Con): What changes will the Minister seek with respect to the existing binary system for classifying carbon leakage as the negotiations proceed?

Mr Hurd: We have received many representations on that point, because it is highly emotive for a number of sectors. My hon. Friend may be aware that along with France we have argued for what is called a tiering system, based on the premise that if we are going to have free allocations in the system—and we are going to, for a period of time, as we manage the transition—those allowances should be targeted at those sectors that are clearly at most risk from carbon leakage based on their carbon intensity and what is called their trade intensity. Therefore we have simply been trying to assert the argument that free allowances should be targeted on those who need them most, rather than spreading the jam across the system. I should tell my hon. Friend that I think we are losing that argument.

Jake Berry: Will the Minister also explain his concerns in relation to sectors that are not liable for free allocations being at risk of a windfall profit and how that will affect UK industry protection?

Mr Hurd: There has been a clear suggestion in the past of over-generous allowances and windfall profits, and various bodies have tried to measure that and the

value runs into large amounts of money. The emissions trading scheme is extremely complicated, not least because of the difficulty of ensuring fairness and transparency around the allocation of free allowances. Because we want the system to work and deliver what it was set up to do—which is to set a market-based mechanism that allows and incentivises low-cost abatement of carbon—we are hawkish in terms of making sure that the system is not gamed, and that it works effectively.

At the same time—and this is part of the complication, and, to be clear, I remind the Committee that I speak as the Minister for Climate Change and Industry in the Department for Business, Energy and Industrial Strategy—we have to listen to all voices. I had a round table last week with representatives of the power sector and industries which, in many cases, were arguing against each other. It is Government's role to find a path through the various rocks on the road. I am not entirely sure that in the past the path has led to the outcome we want, but my hon. Friend will know that we must be extremely sensitive, particularly at this time, when various sectors of the economy are feeling vulnerable and uncertain, not least because of Brexit. Therefore they need as much visibility and certainty as possible. Those are just some of the compromises that the Government must think through and negotiate on behalf of the country.

The Chair: If no more Members wish to ask questions we will proceed to debate the motion.

Motion made, and question proposed,

That the Committee takes note of European Union Document No. 1 1065/15 and Addenda 1 to 3, a Proposal for a Council Directive amending Directive 2003/87/EC to enhance cost-effective emission reductions and low-carbon investments; welcomes the European Commission's intention to reform the EU Emissions Trading System in line with the conclusions of the October 2014 European Council; and calls on the Government to continue to negotiate, in line with Cabinet-cleared positions, with the aim of agreeing a well-functioning and balanced System that is environmentally robust and supports cost-effective emissions reductions while preserving industrial competitiveness and promoting a level playing-field.—(*Mr Nick Hurd.*)

4.59 pm

Dr Whitehead: We have had a good session, and the Minister was asked number of pertinent questions. They focused, first, on whether we are actually going to be there to influence the EU ETS in any way in the future, and, secondly, even if we are not there to influence it, on the extent to which it will continue to have a substantial influence on us, however it is sorted out in the absence of the UK as a member of the EU.

I suggested that it is worth examining the EU ETS's structures in respect of the countries that fully participate in it but are not EU members. There are particular regulations relating to that, but those countries participate fully in the EU ETS and are not just observers at the table. They are bound by what happens in the ETS, but they are active participants in shaping it. I hope at the very least that, in our future relationship with the EU ETS, we aim to be a full member and sit round the table, even if we are not a member of the European Union, so that the fact that the development of the EU ETS reflects our country's priorities for the decarbonisation of our industries and for climate change is fully taken into account.

[Dr Whitehead]

The Minister made it clear that the Government's aim in the discussions was to ensure that the allocations were retired or removed from the system at an accelerated pace. I very much concur with that aim, because we need to understand where the EU ETS stands at the moment and where it might position itself relative to our carbon price support mechanism in the future. We are coming to the end of phase III, but particularly because of the recession and crisis of 2008-09, the number of allowances that are being generated in the system—we have already achieved the targets that the EU ETS requires us to meet by the end of phase III—means, as I mentioned in questions, that we are not retiring or reducing allowances at the moment, but creating 200 million additional allowances before the end of phase III. The proposal for dealing with that—the market stability mechanism—effectively loads those allowances, which have been placed in quarantine, as it were, into the beginning of phase IV, in addition to the new allowances.

Unless we do something about rebasing where we start from in 2020, we have the prospect of a continuing overhang of emissions through the whole period of phase IV of the EU ETS. My first proposition, which I suggest the Government ought to look at in their continuing engagement with the outcome of this—although, as the Minister said, it will be on a vastly accelerated scale to that which was previously the case—is that the 2020 starting point for phase IV should be rephased so that it is based on actual emissions in 2020, rather than the trajectory that they have been on hitherto, which would mean that the 2020 figure did not reflect real emissions and therefore institutionalised the overhang of allowances in the system into the fourth phase.

This afternoon the Minister said that there is not a great deal of support for the linear reduction factor to rise from the proposed 2.2% per annum. Again, however, when it comes to attacking those outstanding allowances, some figure higher than 2.2% would be very helpful and important. Considering whether it could go up to something like 2.4% would be a useful addition to the fight to shape the EU ETS, so that it is fighting fit and combative over the next period, regarding what it is trying to do not only about the overall capping of emissions but having a reasonable price level for allowances. Of course, that is the big question over the next period—whether those allowances get that price, which can only be really achieved by the cap and those allowances decreasing, and their coming together to keep the price up to a good level.

I take the Minister's point about energy-intensive industries and the aim during phase IV of reducing allocated allowances from 80%—I think—to 23%, and therefore concentrating those allowances particularly in relation to energy-intensive industries and making sure the carbon leakage is properly accounted for over the next phase. I fully support that.

However, the Government's present position regarding what the EU ETS will look like in phase IV is not sufficient, particularly in the context of what we have said about the future of our own carbon price support system. It is not sufficient at the moment to secure that convergence, which is potentially so important regarding what we do about the future of our own carbon price support system.

We have two possible ways forward. We either commit ourselves now, at an early stage, to saying that we think the EU ETS, in whatever form it is going to be in, will have, a respectable-ish price for allowances, but because we will not have solved the overhang problem, we will never get to the right amount so that we can confidently say that our own carbon price support system will at any stage start to align with whatever that price is in the mid-2020s. In that case, we presumably need to say, "Well, we act now to secure our own carbon price support system for the long term and we take a decision on that fairly early", or we press for proposals that are quite a bit more radical within the EU ETS, so that it can achieve that particular level.

To my mind, that means, first, that we need mechanisms that do rather more than the market stability reserve to retire allowances, and have them permanently retired and not quarantined for future reference—actually taken out of the system entirely over phase IV—and, secondly, that we have a realistic starting point for phase IV, so that it allows those retiring allowances to have maximum effect on price over the next period.

Without looking at those particular aspects of EU ETS over the next period, we will almost certainly have a level of crisis in EU ETS over the next decade similar to that we have at the moment, as that overhang of allowances takes its toll on the good intentions of EU ETS.

I would appreciate hearing any thoughts that the Minister has on that particular way of going about things, which I think is important. I know that he cannot say too much about this, but a small nod and a wink in the direction of saying that we are pretty committed to staying in the EU ETS, although we cannot actually say so right now, would be very helpful for future discussions.

5.9 pm

Mr Hurd: For the record, I am neither nodding nor winking, but I thank the hon. Gentleman for a typically thoughtful and constructive response. He is probing exactly the right issues, which are the effectiveness of the cap and the right mechanisms for accelerating the withdrawal of allowances. Without effective action there, we are unlikely to get the robust price signal which he and I want, and which will drive the behaviour we want. I thank him for his constructive attitude to our approach to energy-intensive industries. It is a difficult balance to get right, but he and his colleagues know that we have done a lot over the years to try to protect our energy-intensive industries in this process while trying to ensure that they are fully incentivised to pursue energy efficiency and decarbonisation.

I addressed the hon. Gentleman's point about the convergence with the carbon price floor in my comments. I simply say to him that we are open to ideas on the best mechanisms for accelerating the withdrawal of allowances from the system, but as a very experienced politician he will know that politics is the art of the possible, particularly in the European Union. We are trying to forge an agreement with 28 member states, and some of them take a very different view on the right levels of ambition and where their national interests lie. That reinforces my point about the need for the UK—we have consistently

been a voice for ambition in this context—to be at the table and to continue to be in the business of forging coalitions of ambition.

It has been a helpful debate. I hope I have been clear on our objectives in the negotiation. We want to: maintain ambition in line with our carbon targets and an effective carbon price signal; protect industrial competitiveness where it is at risk; minimise administrative burdens; and

protect our fiscal sovereignty. I hope that those four overall objectives for the negotiations meet with the Committee's approval.

Question put and agreed to.

5.12 pm

Committee rose.

