

Steve Baker MP
House of Commons
London
SW1A 0AA

28 May 2021

Dear Mr Baker,

I am writing in response to your interesting article on 'It's alright for some: The poorest will pay the highest price for Net Zero fantasies' in 'The Critic', which was published on the magazine's website on 21 May 2021.

I was glad to read the following statement in your article in reference to the 2019 UK General Election: "After a campaign in which environmental issues were dominant like never before, I promised to pay close attention to climate change policy". As you know the Conservative Party manifesto for the 2019 election stated on page 55: "We will lead the global fight against climate change by delivering on our world-leading target of Net Zero greenhouse gas emissions by 2050, as advised by the independent Committee on Climate Change". I was disappointed therefore to find that your article contains several inaccurate and misleading claims. I thought I should write to you to point out some of the more significant mistakes in your article and to highlight some sources of information to which you could pay close attention if you wish to be better informed about climate change policy.

I should start by expressing my surprise that your article includes absolutely no mention of the growing risks of climate change for the UK and the rest of the world, which is the reason for the target of cutting annual emissions of greenhouse gases to net zero by 2050. I trust that you have already carefully read the report on 'Net Zero – The UK's contribution to stopping global warming', which was published by the Climate Change Committee in May 2019 alongside its 'Net Zero - Technical Report'. The report recommended that the Climate Change Act should be amended to include a target of net zero annual emissions of greenhouse gases by 2050. It pointed out that "net-zero emissions of long-lived greenhouse gases are needed to stop the planet warming", and "the UK can stop its contribution to rising global temperature by reducing its own emissions of long-lived greenhouse gases to net-zero". It also indicated that "global emissions pathways reach net-zero CO₂ emissions by around 2050 for a 1.5°C".

The Committee's report also highlighted that global mean surface temperature had already increased by more than 1°C since the late 19th century, with widespread impacts, including "around the globe more frequent heat-waves are occurring in most land regions, global-scale extreme precipitation has intensified and climate change has increased heat-related mortality during particular heatwaves". The Committee drew attention to the fact that "the UK winter floods in 2013/14 (which created around £450 million in insured losses) and the European summer heatwave in 2018 (which led to wildfires across parts of the United

LSE
Houghton Street
London WC2A 2AE

+44 (0)20 7107 5027
+44 (0)20 7107 5440

gri@lse.ac.uk

lse.ac.uk/
granthaminstitute

Chair:
[Professor Lord Stern of Brentford](http://ProfessorLordSternofBrentford)

Kingdom), were both made more likely by climate change".

I know that this will be of great concern to you as you saw first-hand during winter 2013-14 how many of your constituents in Wycombe suffered during severe flooding. Indeed, river flooding and surface water flooding is a growing threat to your constituents and everyone else in the UK as heavy rainfall becomes more likely due to climate change. You will no doubt be aware that the Met Office's 'State of the UK Climate 2019' found that, for the decade 2010–2019, UK summers were on average 13% wetter than in 1961–1990, and UK winters were 12% wetter than in 1961–1990. Six of the 10 wettest years for the UK since records began in 1862 have occurred since 1998.

Heavy rainfall is not the only impact of climate change that is posing a growing risk to your constituents. The Met Office's 'State of the UK Climate 2019' concluded that all the top 10 warmest years for the UK since records began in 1884 have occurred since 2002. The decade 2010–2019 was on average 0.9°C warmer than 1961–1990. The intensity of heatwaves is increasing, with a higher incidence of days exceeding 34°C and nights warmer than 20°C. Such periods of heat kill hundreds of people in the UK each year, and more than 2500 deaths were linked by Public Health England to hot weather in summer 2020. The Met Office points out that the summer of 2018 was the equal-warmest summer for the UK along with 2006, 2003 and 1976. It concluded that climate change has already increased the chance of experiencing a summer as hot as 2018 to between 12 and 25%. With future warming, the probability of summers as hot as in 2018 could be, by mid-century, near to 50%.

I am sure that the failure of your article to mention the growing costs of climate change impacts in the UK was a genuine oversight. But I hope you will acknowledge that climate change impacts are already seriously affecting the UK and pose an increasing threat to lives and livelihoods in your constituency and across the world.

I turn now to your comments about the economics of tackling climate change. Your article claims that the commitment in the Conservative 2019 Election Manifesto to deliver the target of net zero emissions of greenhouse gases by 2050 is "a ruinous economic experiment".

It is certainly true that it could be very costly to reach net zero emissions if the Government adopts policies that are poorly planned and executed. The same is true, of course, of many areas of public policy. On the other hand, robust analysis shows that the size of the investment required to reach net zero emissions, and hence to end the UK's contribution to global warming, could be relatively modest.

Your article does not cite any sources to justify your claims, and I am surprised that you seem unaware of the work of the Climate Change Committee, even though it was explicitly cited in the election manifesto. In its report on 'Net Zero – The UK's contribution to stopping global warming', which was published in May 2019 alongside its 'Net Zero - Technical Report', the Committee noted that the central estimate for the annual resource costs of reaching net zero emissions would be equivalent to between 1 and 2% of GDP in 2050. It also noted that "if innovation exceeds expectations again this cost could be lower". It is important to note that this calculation did not take into account economic benefits through avoided climate change impacts and co-benefits, such as reductions in local air pollution, although the Committee pointed out that "benefits could partially or fully offset costs".

The Committee updated its analysis of the costs in its report on 'The Sixth Carbon Budget: The UK's path to Net Zero', published in December 2020. It concluded: "UK low-carbon investment each year will have to increase from around £10 billion in 2020 to around £50 billion by 2030, continuing at around that level through to 2050. That compares to total investment in the UK of around £390 billion in 2019." This meant that the estimated

annualised resource costs would be equivalent to less than 1% of GDP for the entirety of the period 2020 to 2050.

The report added: "Much of the investment spending can be recouped through lower operating costs. These savings, many of which relate to reduced reliance on imported fossil fuels, will rise to around £35 billion by 2035 and £60 billion by 2050."

While these figures show that the overall impact on the UK economy of reaching net zero emissions by 2050 is likely to be positive, the Committee did note that the costs and benefits may not be evenly distributed within the UK economy, and recommended that Her Majesty's Treasury should carry out its own analysis of the potential implications for economic policy.

The Treasury's 'net zero review' is still ongoing, but it published its interim report in December 2020. Among its conclusions were: "The transition to net zero will create new opportunities for economic growth and job creation across the country. The demand for low-carbon goods and services will encourage new industries to emerge, with the potential to boost investment levels and productivity growth. Moving decisively in areas of comparative advantage could generate export opportunities and establish the UK as global leader across the low-carbon economy. Co-benefits from decarbonisation, such as improved air quality, can also be economically significant. However, reaching net zero will also involve costs and lead to significant structural change."

Its assessment was: "Overall, in the context of the rest of the world decarbonising, the net impact of the transition on growth to 2050 is likely to be small compared to total growth over that period, and it could be slightly positive or slightly negative."

Addressing the costs to households, the Treasury's interim report stated: "Analysis of households' exposure to the transition does not show where the costs will fall. This will depend on a range of factors, including the cost of decarbonising each sector, the availability of alternative low-carbon products and the distribution of new green jobs in the economy. However, government will need to be mindful of these issues as they consider the best way to design policy to support the transition."

As you can see, this assessment contrasts starkly with the unsubstantiated claims in your article that net zero "will mean the end of the comfortable lifestyles we have enjoyed for generations", "only the well-heeled will be able to afford private cars or foreign holidays", and "increasing numbers of people will be unable to take for granted heating their homes".

Your article included some other inaccurate and misleading information about costs for households. For instance, you state: "It's no wonder the drive for renewables has led to electricity prices nearly doubling, a rise that looks likely to continue for decades to come". While you do not specify the period to which you are referring, your statement appears to be wildly untrue. The latest figures published on 29 April 2021 by the Department for Business, Energy and Industrial Strategy of the fuel components of the consumer prices index, in real terms relative to the GDP deflator, show that electricity prices were 28 per cent higher than in 2010. However, reductions in household energy consumption mean that average electricity bills were only 4.2% higher in 2020 than in 2010 in real terms, and 3.5% lower than their peak in 2013.

Your article also states: "The bill for decarbonising the economy is estimated to surpass £100,000 per household. Whitehall claims the number is lower, but won't let anyone see their calculations." This is false. Although you do not cite a source for your figure, it appears to be taken from a press release from the Global Warming Policy Foundation on 24 February 2020, which claimed the cost of achieving the UK's net zero target would "surpass £3 trillion, or

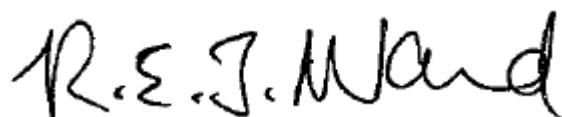
£100,000 per household". This was apparently based on an accompanying pamphlet that asserted the cost of net zero would be £100 billion per year on average between 2020 and 2050. This is far in excess of the estimates in the careful analysis by the Climate Change Committee. The Foundation's pamphlet ignored all potential benefits, such as the very significant savings from avoided imports of fossil fuels, and relied on grossly inflated estimates of the costs of decarbonising the power sector and housing. For example, it suggested that the levelised cost of electricity for offshore wind would be £169 per kilowatt-hour in the period to 2050. This is simply not credible and is contradicted by official figures. For instance, the Department for Business, Energy and Industrial Strategy published 'Electricity Generation Costs 2020' in August 2020, projecting that the enhanced levelised cost (ie including transmission network impacts, etc) for offshore wind commissioning in 2025 would range from £69 to £85 per kilowatt-hour. Indeed, the whole pamphlet seems to have been intended to create unjustified concern and even fear about the potential costs of the net zero target.

Your article includes many other inaccurate and misleading claims which I do not have the space here to rebut. Needless to say, it is very disappointing that you have disseminated this sort of misinformation in the same article in which you promised to pay close attention to climate change policy.

Finally, I note that your article announces your decision to become a trustee of the Global Warming Policy Foundation. This is difficult to reconcile with your stated aim of paying attention to climate change policy. The Foundation has a track record of disseminating misinformation about climate science, economics and policies. In September 2014, the Charity Commission sanctioned the Foundation for activities that were not compatible with its registration as an educational charity. However, the Foundation has continued to promote misinformation about climate change. For instance, in April 2021, the Foundation issued a press release and pamphlet falsely suggesting that "observational data contradicts claims of worsening weather events". As outlined in this letter, the evidence is very clear that lethal hot weather and heavy rainfall is increasing in the UK.

I urge you to make far greater effort to seek robust and authoritative information about climate policy. The Institute would be happy to help you if you wish to make such an effort.

Yours sincerely,



Bob Ward
Policy and Communications Director

Tel: 07811-320346
Email: r.e.ward@lse.ac.uk