

TOWN AND COUNTRY PLANNING ACT 1990

**Appeal by Bristol Airport Limited concerning land at North Side Road, Felton, Bristol, BS48
3DY**

**DEVELOPMENT OF BRISTOL AIRPORT TO ACCOMMODATE 12 MILLION
PASSENGERS PER ANNUM**

Appeal Reference APP/D0121/W/20/3259234

**NOTE ON THE UPDATED BEIS VALUATION OF GREENHOUSE GAS
EMISSIONS POLICY PAPER**

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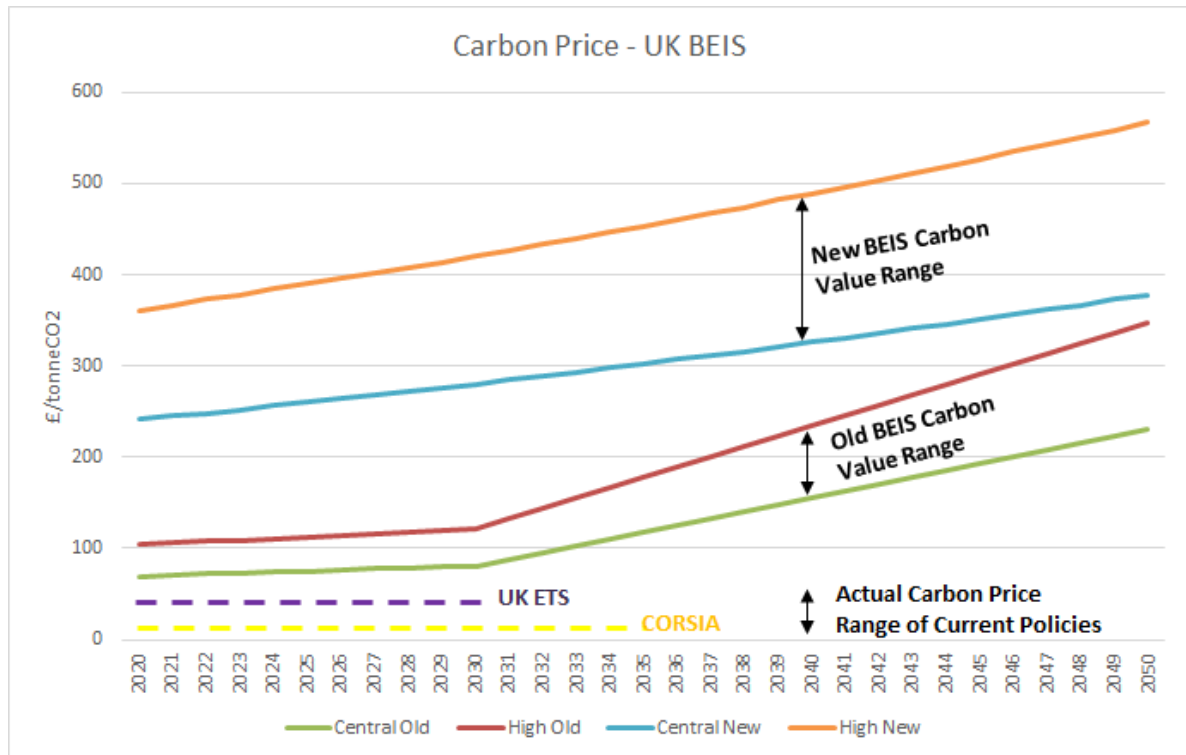
Introduction

1. In accordance with the Inspectors' decision on 7 September 2021, this note concerns the UK Department for Business Energy and Industrial Strategy (BEIS) updated guidance, "Valuation of greenhouse gas emissions: for policy appraisal and evaluation" [INQ 054] (the GHG Valuation Guidance), published on 2nd September 2021.

Implications of the Updated Carbon Values

2. The GHG Valuation Guidance revises the Government's approach to valuing greenhouse gas (GHG) emissions in policy appraisal, following a cross-government review during 2020 and 2021, and replaces the previous guidance on carbon valuation. The GHG Valuation Guidance indicates what BEIS expects the price of carbon to be and so provides the values against which policies and projects should be appraised. Page 12 of the guidance makes it clear that the new figures are to be used in appraising the benefits and costs of both policies and projects. Paragraph 2 on page 12 states that: "A policy or project that increases or decreases GHG domestically or internationally relative to a 'business as usual' scenario is required to quantify the change in emissions, and then apply the carbon values".
3. The headline result is that BEIS have effectively increased carbon values used for policy or project appraisal by 3-4 times. This has implications both for the proposed development and for the Jet Zero Consultation [CD 9.135]. Those implications do not support BAL's application.
4. The BEIS carbon value is often used in wider economic cost benefit analyses, and was used by BAL in its economic analysis [CD 2.22]. I have seen that both NSC and the PCAA have provided responses showing how significantly the updated GHG Valuation Guidance increases the costs in the economic analysis.
5. The UK Jet Zero Consultation scenarios utilised the now out-dated BEIS values which the government noted were subject to change (CD 9.136, para 2.18). They claimed to anticipate this issue by using the "central" and "high" prices from the old BEIS values.
6. However, the updated GHG Valuation Guidance succeeds the old values as official government guidance to carbon values. The updated "central" and "high" values from the new time series in the GHG Valuation Guidance are far higher than both of the older time series used by UK Jet Zero, particularly over the 2020s and 2030s. These in turn are all higher than the actual range of carbon prices under existing policies such as the

UK 'Emissions Trading Scheme' (UK ETS) and international 'Carbon Offsetting and Reduction Scheme for International Aviation' (CORSIA). See the figure below:



7. The updated BEIS carbon values call into question the assumptions underpinning the Jet Zero Consultation [CD 9.135] – in particular the potential air travel demand curtailment likely to be caused by far higher emissions prices (when they become aligned with the carbon values in the updated GHG Valuation Guidance, as they eventually will). Overall, it adds to the already high level of uncertainty associated with the Jet Zero scenarios and shows little weight can be put on the Jet Zero Consultation.

Government's Commitment to Limiting the Temperature Increase to 1.5°C

8. Finally, it is notable that in its modelling approach for the carbon values review, BEIS makes clear the Government's commitment to limit global temperature increase to 1.5°C (INQ 054, pg. 6). This indicates that aiming for a temperature increase of 'well below 2°C', rather than limiting the increase to 1.5°C, is inconsistent with the UK's climate leadership intentions under the Paris Agreement.

24 September 2021