

# University of Aberdeen School of Law

Centre of Energy Law **Working Paper Series** 

Number 006/20

A Legal Brief on the Climate Change Act 2008 and Nitrogen Trifluoride (NF3)

Ву

Thomas L. Muinzer

## A Legal Brief on the Climate Change Act 2008 and Nitrogen Triflouride (NF3)

Dr Thomas L Muinzer Aberdeen University Centre for Energy Law

#### Introduction

In relation to stress-testing aspects of the Climate Change Act 2008 (CCA) on grounds that have not arisen in litigation to date or to my knowledge been considered in principle, I have written as follows:

Like the CCA, the CC(S)A [i.e., the Climate Change (Scotland) Act 2009, hereafter CC(S)A] incorporates carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride within the meaning of 'greenhouse gas'; however, the Scottish have also added the additional greenhouse gas 'nitrogen trifluoride' to this cohort, doing so in 2015 by issuing [the...] Climate Change (Additional Greenhouse Gas) (Scotland) Order 2015. This Order amended the part of the CC(S)A that defines the pertinent gases.<sup>1</sup>

#### I further state that:

Since 2015, nitrogen trifluoride has been incorporated into UNFCCC greenhouse gas guidelines, and so it can be argued that the CCA is in effect lagging behind in not updating its targeted greenhouse gas cohort to formally incorporate this additional gas.<sup>2</sup>

In this brief I develop this argument beyond the observations above. The issue, then, is to consider whether the Secretary of State, who bears the pertinent duty under the legislation, has erred in not expanding the definition of targeted greenhouse gases under the CCA to include the greenhouse gas (GHG) nitrogen triflouride (NF3). Doing so would bring NF3 within the cohort of gases governed by the CCA.

In relation to the statement above from my book (published late 2018) remaining accurate, at the time of writing I find no evidence that the CCA now includes NF3, meaning that to my knowledge the Secretary of State has not yet made an order to include it, which he is able to do pursuant to s.24(1)(g) of the CCA (see below). As noted, this sits at odds with the CC(S)A (at s.10(1)(g); see below).

Governance <sup>1</sup> Muinzer. Thomas Climate and Energy for the IJΚ Low Carbon Transition: The Muinzer, ibid.. p.115.

Under the CCA, targeted greenhouse gases form the basis of, *inter alia*: the UK's carbon account<sup>2</sup>; the UK's carbon targets.<sup>3</sup> Thus, the meaning of targeted greenhouse gases is highly significant, because it defines the scope of the gases being governed by the Act.

## NF3 and the Meaning of "Greenhouse Gas" under the CCA

As noted above, I have pointed out that "Like the CCA, the CC(S)A incorporates carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride within the meaning of 'greenhouse gas'<sup>4</sup>".

CCA, s.92(1) defines "greenhouse gas":

## Meaning of "greenhouse gas"

- (1) In this Act "greenhouse gas" means any of the following—
  - (a) carbon dioxide (CO<sub>2</sub>),
  - (b) methane (CH<sub>4</sub>),
  - (c) nitrous oxide (N2O),
  - (d) hydrofluorocarbons (HFCs),
  - (e) perfluorocarbons (PFCs),
  - (f) sulphur hexafluoride (SF<sub>6</sub>).

## CCA, s.92(2)-(4) state that:

- (2) The Secretary of State may by order amend the definition of "greenhouse gas" in subsection (1) to add to the gases listed in that definition.
- (3) That power may only be exercised if it appears to the Secretary of State that an agreement or arrangement at European or international level recognises that the gas to be added contributes to climate change.

<sup>2</sup> "the	'net	UK	carbon		account	.,	for	a	period	means	the	
amount	of	net	UK	emissio	ns	of	targete	d	greenh	ouse	gases	for
	the	period	";	CCA,	s.27(1).							
3 "It	is	the	duty	of	the	Secreta	ry	of	State	to	ensure	
that	the	net	UK	carbon		accoun	t	for	the	year	2050	is
	at	least	100%	lower	than	the	1990	baseliı	1e",	where	the	
1990	baselii	seline "means		the		aggregate		amount		of	net	
UK	emissi	ons	of	carbon		dioxide	!	for	that	year,	and	
net	UK	emissi	ons	of	each	of	the	other	targete	d		
greenho	use	gases	for	the	year	that	is	the	base	year	for	
that	gas."	CCA,	ss.12									
<sup>4</sup> CC(S)A,		s.10(1)	(a)(f).									

(4) An order under this section is subject to negative resolution procedure.

While s.92 deals with the meaning of "greenhouse gas", s.24 deals with "Targeted greenhouse gases". Here, at CCA, s.24(2), the same GHG composition forms the basis of the definition:

#### Targeted greenhouse gases

- (1) In this Part a "targeted greenhouse gas" means—
  - (a) carbon dioxide,
  - (b) methane,
  - (c) nitrous oxide,
  - (d) hydrofluorocarbons,
  - (e) perfluorocarbons,
  - (f) sulphur hexafluoride, and
  - (g) any other greenhouse gas designated as a targeted greenhouse gas by order made by the Secretary of State.

The Secretary of State has not exercised his authority under s.24(1)(g) to issue an order expanding the range of gases listed here, such that the 6 gases stated above constitute the full body of "Targeted greenhouse gases" under the CCA.<sup>5</sup>

By contrast, the CC(S)A had originally mirrored the gases covered by the CCA, but it now includes NF3 after amendment in 2015 by the Scottish Parliament (via the Climate Change (Additional Greenhouse Gas) (Scotland) Order 2015).<sup>6</sup> The CC(S)A was passed by Scotland's devolved Scottish Parliament and extends to Scotland only, whereas the CCA is a UK-wide Act of UK Parliament, applying a national economywide 'Net Zero' GHG emissions obligation for 2050 (CCA, s.1(1)).

<sup>5</sup> In relation to the order expanding the range enabled at s.24(2)"The s.24(1)(g), asserts that order may make such consequential amendments of the provisions of this Act as be appear to the Secretary of State to necessary expedient." CCA, s.24(3)---(7)require the Secretary or with administrations of State consult the devolved to advice the Committee Climate and take from on Change, but vests the authority take the actual decision in to the Secretary of State. However, it is also stated "An this section subject that order under is to affirmative procedure" resolution (s.24(7)), meaning that UK Parliament approve the must decision. <sup>6</sup> CC(S)A s.10(1)(g). This addition is baseline new given a of year 1995; CC(S)A s.11(2)(f).

## CC(S)A, s.10 states:

#### Greenhouse gases

- (1) In this Act, a "greenhouse gas" means—
  - (a) carbon dioxide;
  - (b) methane;
  - (c) nitrous oxide;
  - (d) hydrofluorocarbons;
  - (e) perfluorocarbons; (f) sulphur hexafluoride.
  - (g) nitrogen trifluoride.

The facility to amend the meaning of "greenhouse gas" by order under the Scottish legislation is stated as follows (note that the CCA places primary duties on the Secretary of State, whereas the Scottish legislation places the duties on the Scottish Ministers, i.e., the Scottish Government).

## CC(S)A, s.10(2):

- (2) The Scottish Ministers may, if they consider it appropriate to do so, by order, modify subsection (1) so as to—
  - (a) add a gas;
  - (b) modify the description of a gas.

The circumstances under which this power may be exercised are stated at CC(S)A, s.10(3)-(6):

- (3) The power in subsection (2)(a) may be exercised only if it appears to the Scottish Ministers that an agreement or arrangement at European or international level recognises that the gas to be added contributes to climate change.
- (4) The Scottish Ministers must, before laying a draft of a statutory instrument containing an order under subsection (2) before the Scottish Parliament, request advice from the relevant body.
- (5) If the order makes provision different from that recommended by the relevant body, the Scottish Ministers must publish a statement setting out the reasons why.
- (6) A statement under subsection (5) may be published in such manner as the Scottish Ministers consider appropriate.

Thus, prior to altering Scotland's targeted gases by order in 2015, the Ministers were required to "request advice from the relevant body" (ibid, s.10(4)). The "relevant body" refers to the Committee on Climate Change (CCC), per CC(S)A, s.5(7). The advice was given by the CCC in a letter of December 2014 to Aileen McLeod MSP, which concludes:

our assessment is:

- Nitrogen Trifluoride should be included in the list of targeted greenhouse gases under the Climate Change (Scotland) Act 2009
- 1995 is an appropriate base year for NF3.<sup>7</sup>

Thus, in addition to the CCA now sitting at odds with the CC(S)A, there is no obvious reason why if the CCC recommends that the gas is to be added to the CC(S)A it ought not to be added to the CCA.<sup>8</sup>

[Note also that Wales has less extensive devolved powers than Scotland, is constitutionally part of the jurisdiction of England and Wales, and does not have a devolved Climate Change Act of its own; however, Wales does have some devolved climate provisions in place, and the National Assembly for Wales also followed the CC(S)A/CCC course by incorporating NF3 into its legislation in 2016: see

Environment (Wales) Act 2016, s.37(1)(g).]

### **International Agreements**

As noted above, the CCA's basket of targeted GHGs, from which NF3 is presently excluded, is subject to emissions reduction targets under the terms of the CCA. Developing this point, it is notable that the UK has both domestic *and* international GHG emissions reductions targets. These should be examined.

<sup>7</sup> Committee		on	Climate	mate Cha		Change,		to	Aileen	McLeod	l	
MSP (Minister		r	for	Environment,		Climate		Change		and	Land	
Reform),		5	Decemb	er	2014.							
<sup>8</sup> It is		also	notable		that	the	CCC	is	a	nationa	l	
advisory	advisory and		reporting		body	established		by	the	CCA	itself	
(CCA, Pa	art	2	and	Schedul	le	1).		It	advises		and	
reports to	)	UK	Governi	nent	in	addition	n	to	the devolve		ed .	
administrations.			In	my	view,	it	would	be	unusual		if	its
ad	dvice	e on objective		e	matters	;	that	are	commo	commonly		
strategically		shared				multiple		instrun	nents	(here,	the	
CC(S)A ar	nd	the	CCA),	and	which	have	taken	an	identic	al		
scientificallyinfo		ormed	approach		to	GHG	definiti	ons	since	their	creation	n,
sh	nould	be	conside	red	inapplio	cable	to	the	nationa	l	UK	
regime simply because			the	Scottish	devolve		d adminis		stration	request	ted	
the pertinent		nt	advice	dvice rather		UK	Govern	nent.			10	
Ку	yoto	Protocol to		the	United	Nations	Nations Fi		vork			
Convention		on	Climate		Change,		1997.					

The UK received an international target for reducing GHG emissions under the terms of the Kyoto Protocol's first compliance period, <sup>10</sup> and since that time the Doha Amendment has established a subsequent Kyoto compliance period, <sup>9</sup> and the Paris Agreement has been ratified. <sup>10</sup> During the first Kyoto commitment period (2008-12) the basket of GHGs referred to in the Protocol included 6 gases; these are the same gases as those listed at s.24 of the CCA. The second Kyoto commitment period (2013-2020) began on 1 January 2013, is ongoing at the time of writing, and NF3 is now included in the list of Kyoto GHGs for this period. <sup>1112</sup>

The UK's GHG inventory is required to comply with reporting guidelines published by the IPCC. The guidelines were revised for 2013 to add new sources and new gases. New sources include nitrous oxide use in anaesthesia and emissions from UK composting. NF3 was included for the first time in 2013, albeit that it is only emitted in small amounts in the UK.<sup>14</sup> The UK has been complying with its reporting requirements pursuant to the IPPC guidelines, and its Greenhouse Gas Emissions Figures for the year from and including 2013 include reports on NF3; however the UK did not add this GHG to the targeted gases listed at s.24 of the CCA.

#### Domestic Law: The CCA

The CCA has been outlined above. The law here asserts that the UK has domestic targets for reducing GHGs, with the CCA establishing a long-term legally-binding framework to reduce GHG emissions, committing the UK to reducing emissions by at least 100 percent below 1990 baselines by 2050 (i.e., 'Net Zero'), with an interim target to reduce GHG emissions by at least 34 percent compared to the 1990 baseline by 2020 (CCA, s.5(1)(a)). UK GHG emissions under the CCA are measured differently to the way in which UK emissions data is used to assess compliance against the Kyoto Protocol regime, dealing with UK GHG emissions under carbon budget coverage (i.e., pertaining to the UK only, excluding Crown Dependencies and NF3 emissions). This remains the case at the time of writing.

#### EU Effort Sharing Decision

The UK has an annual GHG emissions cap under the EU Effort Sharing Decision (ESD).<sup>13</sup> 2013 was the first year to which EU ESD targets applied. The ESD was agreed as part of the 2008 EU Climate and Energy package and came into force from January 2013.<sup>14</sup> It sets out

<sup>9</sup> Kyoto Protocol (Amendment) Decision 1/CMP.8. <sup>10</sup> Paris Agreement, adopted December 2015, in force November 2016. 11 UNFCCC Decision 23/CP.19. UK Greenhouse Gas Emissions, Final Figures, DECC, February 2015.  $^{13}$  Decision 406/2009/EC. No 20---20---20 <sup>14</sup> The package included the Renewable Energy (2009/28/EC), the Directive 2009 EU **ETS** Amending Directive 2009 (2009/29/EC), the Fuel Quality Directive 2009 (2009/30/EC),

targets for EU Member States to either reduce or limit emissions by 2020 from a 2005 baseline by a certain percentage. The requirements apply to the non-traded sector, i.e. activities not included in the EU Emissions Trading System, *but excluding* Land Use, Land Use Change and Forestry (LULUCF) *and NF3 emissions*. The UK target requires an emissions reduction of 16 percent from 2005 levels, to be achieved through a declining target for emissions for each year from 2013-2020. This is reported annually though a GHG inventory submission to the European Commission (EC). In March 2013, the EC published Member State targets consistent with the scope of the EU ETS during the second trading period, from 2008 to 2012. In October 2013, the EC published adjustments (under Article 10 of the ESD), to account for the change in the scope of the EU ETS between the second trading period and the third trading period (from 2013 to 2020). The final values were therefore calculated on the basis of these two EC decisions. It is significant to note that the ESD emissions are calculated by taking *total GHG emissions without LULUCF and NF3*, and deducting the total verified emissions under the EU ETS from stationary installations and domestic aviation. This means that *the CCA is compliant with the ESD in targeting 6 gases, which do not include NF3*.

#### Conclusions so Far:

It could be said that the UK has been doing what it needed to do to meet its International and European commitments. Certainly the ESD does not include NF3, which is a good reason for the UK not to include it in the CCA as a target gas, despite the international requirement to report on it pursuant to the IPPC (which the UK *is* doing). That said, one must recognise that the CCC still recommended in 2014 that it be listed in the CC(S)A as a GHG because:

The IPCC Fourth Assessment Report (AR4) estimates that NF3 has a 100 year global warming potential of 17,200, and NF3 is in the list of Kyoto greenhouse gases for the second Kyoto commitment period, beginning 1 January 2013. It is appropriate, therefore, that Scotland's contribution to meeting the global climate objective should include limiting domestic NF3 emissions.<sup>15</sup>

## Does the Paris Agreement Change Matters?

In 2018, the IPCC published the <u>Special Report on Global Warming of 1.5°C</u>, <sup>16</sup> which was prepared at the request of the UNFCCC when it adopted the Paris Agreement in 2015. The report was produced as a key scientific input into COP 24 in Katowice in December 2018, by reviewing the progress of the Paris Agreement pathway in tackling climate change. The report highlighted the following matters:

the (2009/3	Carbon 1/EC) and	Capture the		and Sharing	Storage		Directiv n	ve 2009	2009 (406/2009/EC).
<sup>15</sup> CCC,	letter to	Aileen	McLeo	d	MSP	(Minist	ter	for	Environment,
Climate	Change	and	Land	Reform)	),	5	Deceml	oer	2014.
<sup>16</sup> IPCC,	Special	Report	on	Global	Warmin	g	of	1.5°C	(2018).

- Limiting global warming to 1.5 degrees Celsius (°C) will require rapid and far-reaching transitions in land, energy, industry, buildings, transport, and cities.
- Global net human-caused emissions of CO2 would need to fall by about 45% from 2010 levels by 2030, reaching net zero around 2050. This means that any remaining emissions would need to be balanced by removing CO2 from the air.
- Substantial climate change impacts could be avoided by limiting global warming to 1.5°C, compared to 2°C or more. 17

These issues interact with developments at the EU level of governance, which require consideration.

## Effort Sharing Regulation 2021-2030

In June 2018, the <u>Effort Sharing Regulation 2021 to 2030</u> was published in the EU's Official Journal. It came into force on 9 July 2018, 20 days after publication in the Official Journal. The Effort Sharing Regulation 2021-2030 (ESR) is intended to assist the EU in meeting its commitments under the Paris Agreement by setting binding annual GHG emission targets for Member States for the period 2021 to 2030, specifically for the sectors of the economy not regulated under the EU ETS, including buildings, agriculture, waste management, and transport. Such non-EU ETS sectors accounted for almost 60% of total EU emissions in 2014. Taken together, the individual EU Member States' targets under the ESR amount to an overall EU reduction of 30% in non-EU ETS sectors. The UK has a target of 37% reductions from 2005 levels. (At this stage, it is unclear how the UK's target will be affected by Brexit, or how Brexit will affect other Member States' targets or the overall target.)

In imposing binding annual GHG emission targets for Member States for 2021–2030 for the sectors of the economy not regulated under the EU ETS, the ESR also for the first time includes "Nitrogen trifluoride" in the definition of "greenhouse gases" at Article 3(1).<sup>20</sup> As of July 2018 the basket of gases under the EU level ESD/ESR regime became 7; *however*, *the UK did not change its national regime*.

## Conclusion

<sup>17</sup> See further ibid. 2018/842. <sup>18</sup> Regulation EU <sup>19</sup> Regulation EU 2018/842, 4(1) Annex I. Art and 20 "For the this Regulation, the following definitions purposes apply: emissions 'Greenhouse gas emissions' means in dioxide terms of tonnes of  $CO_2$ equivalent of carbon oxide hydrofluorocarbons  $(N_20),$ (CO<sub>2</sub>), methane (CH<sub>4</sub>),nitrous (HFCs), perfluorocarbons (PFCs), trifluoride  $(NF_3)$ and nitrogen sulphur hexafluoride  $(SF_6)$ determined pursuant to Regulation (EU) No 525/2013 and falling within the scope this Regulation)"; of EU 2018/842, Regulation Art.3(1).

The fact that the CCC advised the Scottish Parliament to include NF3 in the CC(S)A in 2014 was compelling enough reason for the Secretary of State to amend the CCA in order to add it to the Act's list of gases. That said, the UK was complying with all of its international reporting obligations, and more importantly the ESD. However, now that the ESR has specifically added NF3 to the list of GHGs effective since July 2018, and due to the fact that the UK must comply with the new ESR GHG emission targets from 2021-2030, the Secretary of State should absolutely add NF3 to its list of targeted gases at s.24(1) of the CCA. The reason the Secretary of State has not done so already may well be linked to the fact that the ESR refers to the period 2021-2030 and Brexit (a live issue at the time of writing) might mean the UK will not be bound by the ESR. Nevertheless, it should also be borne in mind that Brexit did not have any overt bearing on the CCC's advice to Scotland as it did not recommend that the Scottish include the gas due to EU commitments, but rather due to the international (admittedly softer) commitments, which the UK will remain subject to after Brexit. Asides from the legal points raised here, it is also notable that an amendment to the target gases makes procedural sense: although it is not listed currently as a GHG in the CCA, the UK does report on the levels of NF3: see further e.g., "Projected emissions of Non-CO2 Greenhouse Gases".<sup>21</sup>

#### Recommendation

The points addressed here deal narrowly with the relevant CCA and NF3 issues rather than with the broader process of judicial review, but they could be linked to specific grounds for judicial review. Thus, an application for judicial review of the Secretary of State's failure to revise the CCA's basket of greenhouse gases could be considered.

Dr Thomas L Muinzer Aberdeen University Centre for Energy Law

<sup>&</sup>lt;sup>21</sup> Projected Emissions of Non---CO2 Greenhouse Gases, BEIS, January 2018.