



## 2022 CHAPTER 31

### PART 2

#### Carbon Budgets

##### **Carbon budgets**

**23.**—(1) The Department must by regulations set a maximum total amount for the net Northern Ireland emissions account for each budgetary period.

That amount is referred to as the “carbon budget” for that period.

(2) The Department must—

- (a) carry out a public consultation lasting at least 16 weeks on proposed carbon budgets,
- (b) commission a financial, social, economic and rural impact assessment on the effects of the carbon budget for that period, and
- (c) consult the Northern Ireland Climate Commissioner, the other Northern Ireland departments and the Just Transition Commission and lay proposals before the Assembly.

(3) When seeking advice on setting the carbon budget, or on other environmental issues, the Department is to give due regard to the expertise and advice of the following bodies—

- (a) the Republic of Ireland Climate Change Advisory Council; and
- (b) the Intergovernmental Panel on Climate Change.

(4) The budgetary periods are—

- (a) 2023 to 2027, and
- (b) each succeeding period of five years.

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(5) The Department may by regulations amend subsection (4) so as to change a budgetary period.

(6) See—

- (a) sections 25 to 28 for provision about the setting and adjustment of carbon budgets, and
- (b) section 55 for restrictions on the power conferred by subsection (5).

### **Emissions not to exceed carbon budget**

**24.** The Northern Ireland departments must ensure that the net Northern Ireland emissions account for each budgetary period does not exceed the carbon budget for that period.

### **Setting of carbon budgets: principles**

**25.** The Department must—

- (a) set the carbon budget for each budgetary period up to and including the budgetary period 2048 to 2052 at a level that it is satisfied is consistent with meeting the emissions targets for 2050 (see section 1);
- (b) set the carbon budget for the budgetary periods 2033 to 2037 and 2038 to 2042 at a level that it is satisfied is consistent with meeting the emissions target for 2040 (see section 3); and
- (c) set the carbon budget for the budgetary periods 2023 to 2027 and 2028 to 2032 at a level that it is satisfied is consistent with meeting the emissions targets for 2030 and 2040 (see sections 3 and 4).

### **Setting of carbon budgets: social, environmental and economic factors**

**26.—(1)** In setting a carbon budget, the Department must take account of—

- (a) the objective of not exceeding a fair and safe emissions budget,
- (b) European and international law and policy relating to climate change (including the United Nations Framework Convention on Climate Change and the protocols to that Convention),
- (c) scientific knowledge about climate change,
- (d) technology relevant to climate change,
- (e) economic circumstances, in particular the likely impact of the budget on—
  - (i) the economy,
  - (ii) the competitiveness of particular sectors of the economy,
  - (iii) small and medium-sized enterprises,
  - (iv) jobs and employment opportunities,

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- (f) fiscal circumstances, in particular the likely impact of the budget on taxation, public spending and public borrowing,
- (g) social circumstances, in particular the likely impact of the budget on those living in poorer or deprived communities,
- (h) the likely impact of the budget on public health,
- (i) the likely impact of the budget on those living in remote rural communities and island communities,
- (j) energy policy, in particular the likely impact of the budget on energy supplies, the renewable energy sector and the carbon and energy intensity of the economy,
- (k) environmental considerations, in particular the likely impact of the budget on biodiversity,
- (l) the likely impact of the budget on the achievement of sustainable development, including the achievement of the United Nations sustainable development goals,
- (m) current international carbon reporting practice,
- (n) the special economic and social role of agriculture, including the distinct characteristics of biogenic methane,
- (o) the risk of substantial and unreasonable carbon leakage.

(2) “Carbon leakage” means the transfer of the production of goods (including agricultural goods) and the provision of services to countries without comparable climate change policies.

(3) In subsection (2), “comparable climate change policies” are policies that are intended to achieve reductions in greenhouse gas emissions for the country in question which are equivalent to the targets set out in sections 1, 3 and 4, by the years set out in those sections.

#### **Setting of carbon budgets: timing**

**27.—(1)** The Department must—

- (a) set the carbon budgets for the first three budgetary periods before the end of 2023, and
- (b) set the carbon budget for the fourth and subsequent budgetary periods at least twelve years before the start of the period in question.

(2) The Department may by regulations—

- (a) amend the carbon budget for any budgetary period before the start of the period (and not otherwise);
- (b) amend subsection (1) so as to change the date by which a carbon budget must be set.

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(3) See section 54 for restrictions on the power conferred by subsection (2)(a).

**Carrying amounts from one budgetary period to another**

**28.**—(1) The Department may decide to carry part of the carbon budget for a budgetary period back to the preceding budgetary period.

(2) If the Department carries back part of the carbon budget—

- (a) the budget for the later period is reduced, and
- (b) the budget for the earlier period is increased,

by the amount carried back.

(3) The amount carried back must not exceed 1% of the carbon budget for the later period.

(4) The Department may decide to carry any unused part of the carbon budget for a budgetary period forward to the next budgetary period.

(5) If the Department carries forward part of the carbon budget—

- (a) the budget for the later period is increased, and
- (b) the budget for the earlier period is reduced,

by the amount carried forward.

(6) The carbon budget for a period is “unused” to the extent that it exceeds the net Northern Ireland emissions account for the period.

(7) Before deciding to carry an amount back or forward under this section, the Department must consult—

- (a) the other Northern Ireland departments,
- (b) the Committee on Climate Change, and
- (c) the Northern Ireland Climate Commissioner.

(8) Each Northern Ireland department must provide such assistance as the Department requires when deciding to carry an amount back or forward under this section.

(9) Section 39 provides for the reporting of a decision under this section.