

*These notes refer to the Climate Change Act (Northern Ireland)
2022 (c.31) which received Royal Assent on 6 June 2022*

Climate Change Act (Northern Ireland) 2022

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 2 - Carbon Budgets

Section 23: Carbon budgets

This section places a duty on the Department to make regulations that set the maximum total amount of carbon emissions for each 5 year budgetary period, which is known as a ‘carbon budget’. This section sets out what the budgetary periods are, and also provides a power to amend the periods subject to the restrictions set out in section 55. The section also outlines consultation requirements and requirements in terms of impact assessments in respect of proposed carbon budgets.

The first budgetary period will be 2023-2027 and the remaining budgetary periods are each succeeding period of five years.

Section 24: Emissions not to exceed carbon budget

This section requires the Northern Ireland departments to ensure that the net Northern Ireland emissions account for each carbon budget period does not exceed the carbon budget set for that period.

This duty is therefore similar to the duties placed on Northern Ireland departments under sections 1, 3 and 4 with further provision regarding this duty set out in section 52.

Section 25: Setting of carbon budgets: principles

This section places a duty on the Department to set specified carbon budgets at a level consistent with meeting the emissions targets set out in sections 1, 3 and 4 for 2050, 2040 and 2030. This reflects the fundamental purpose of carbon budgets which is to act as a mechanism for limiting emissions over shorter periods in order to achieve longer term emission reduction targets.

Section 26: Setting of carbon budgets: Social, environmental and economic factors

This section outlines factors to be taken into account when setting carbon budgets.

Section 27: Setting of carbon budgets: timing

This section places a duty on the Department to set the carbon budgets for the first three budgetary periods before the end of 2023, and to set the carbon budgets for the fourth and subsequent budgetary periods at least 12 years in advance of the budget period commencing.

Subsection (2) enables the Department to amend the carbon budget for any budgetary period before the start of a budget period, and to amend the date by which a carbon budget should be set. Use of the power to amend the carbon budgets is subject to one of the conditions in section 54 having been met. Use of this power may be necessary, for example, in a situation where the emissions targets in the Act have been amended.

Section 28: Carrying amounts from one budgetary period to another

This section provides a power for the Department to “bank” and “borrow” emissions between budgetary periods.

The Department may “borrow” up to 1% of the next budget. An amount from the next budget is “carried back” to the budget preceding it. Where this power is used, the next budget (which will already have been set by regulations) is reduced by the amount that has been borrowed.

The Department may carry forward any part of the carbon budget that exceeds the net Northern Ireland emissions account for that period (i.e. to “bank” a budget surplus, but not necessarily all of it). The banked amount is added to the next carbon budget.

Subsection (7) requires the Department to consult with the Committee on Climate Change, the Climate Commissioner and the other Northern Ireland departments before the carrying back or forward of any part of carbon budgets using the powers in this section.