

Be bold at home on climate policy

From Dr John Roberts and others.

Sir, The boost the government has given to international action on climate change through the Group of Eight industrialised nations and forthcoming European Union presidency is welcome. However, a focus on practical delivery domestically remains vital.

We believe the government needs to ensure that the international agenda is underpinned by ambitious but practical domestic policies, which enable our companies to take investment decisions with confidence. Up to 2010 we are planning to invest in excess of £10bn in renewable energy, energy efficiency and other carbon abatement measures.

Radical policy approaches are needed in areas such as energy efficiency and energy services that make them more viable commercial propositions. Market mechanisms, such as the EU Emissions Trading Scheme and the Renewables Obligation, have great potential, but their success relies on governments setting a long-term, stable and clear policy framework.

Finally, investment in new generation and infrastructure can be delivered effectively and efficiently only if investors are confident that the market will not be subject to sudden policy fluctuations.

Strong international leadership on climate change remains extremely important, with the EU playing a critical role in this. However, we would urge the prime minister to ensure that his vision is translated into bold but practical policies for delivery at home.

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