

**3. BILLS FOR SECOND READING**

**3.1. Climate Change Bill 2020 –  
Second Reading approved**

Mr Boot to move:

*That the Climate Change Bill 2020 be read a second time.*

1490 **The Speaker:** Item 3, Bills for Second Reading, and I call on Mr Boot to move the Climate Change Bill 2020.

**Mr Boot:** Thank you, Mr Speaker.

1495 The Bill before the Court represents a significant stage in the Council of Ministers' response to the Climate Change Emergency that was declared by the Chief Minister in May 2019. Based mainly on the Climate Change (Scotland) Act 2009, the drafting of this Bill has also been informed by Professor Curran's Independent Report and the unanimously approved Phase1 Action Plan for Net Zero Emissions. Regard has also been given to input from two public consultations as well as the feedback obtained from the frequent and direct engagement undertaken with a wide range of stakeholders and the general public.

1500 In the broadest terms, the Bill provides for four policy outcomes. Firstly, it sets out in law a clear target for net-zero emissions by 2050 and requires the setting of an interim target for the reduction of emissions on the journey to reach that goal.

1505 Secondly, it imposes a statutory climate change duty on all public bodies, including the Council of Ministers, to require consideration of how to achieve this target when undertaking their functions.

1510 Thirdly, it imposes an obligation upon the Council of Ministers to make climate change plans that will set out how Government intends to achieve these targets. Such plans are to be made in accordance with the criteria specified in the Bill after public consultation on a five-yearly basis from 1st April 2022.

Finally, the Bill commits Government to submitting annual progress reports to Tynwald on the implementation of such climate change plans, as well as a five-year reporting cycle on the Island's emissions of greenhouse gases.

1515 As a consequence of these intended policy outcomes and in light of the requirements of the Phase 1 Action Plan, the Bill also amends a number of existing Acts of Tynwald to provide the necessary additional statutory powers to implement this Action Plan and support the implementation of this Bill. These policy objectives are implemented via nine Parts and the Schedule of the Climate Change Bill. In brief, Part 1 of the Bill sets out the introductory provisions, that is to say the Bill's short title and its commencement. I would note that, further to feedback from the consultation, the majority of the Bill will come into operation upon it being granted Royal Assent.

1520 Part 2 of the Bill defines the general terms used in the Bill with further specific provisions relating to matters such as setting out what 'greenhouse gases' are for the purpose of the Bill; the 'international carbon reporting practice', 'measurement of emissions', 'just transition principles' and 'climate justice principles'.

1530 Part 3 of the Bill sets out the targets for the Island to meet the zero emissions target by 2050, as well as the requirement for setting an interim target by 2022, the power to prescribe further interim targets and the criteria to be applied when setting an interim target. It also details how to attribute emissions to the Island, as well as enabling the creation of local offsetting schemes to remove such emissions.

Part 4 of the Bill requires the Council to have a five-year climate change plan in place by 1st April 2022, to give annual reports on the implementation of that plan and to issue five-yearly emission reports.

1535 Part 5 of the Bill imposes a duty on all public bodies, when performing their functions, to have consideration of actions they may take to best contribute to combating climate change. Consideration must be given to a variety of factors such as emission targets and protecting biodiversity, as well as any other duties prescribed by the Council of Ministers. The Council of Ministers *may* issue guidance to public bodies on how to comply with their duties as well as requiring public bodies to report on how these duties are being met. This Part also empowers  
1540 the Council of Ministers to appoint and empower a ‘monitor’ to investigate whether or not public bodies are fulfilling their climate change duties. The work of such a monitor would be subject to directions and guidance issued by the Council of Ministers.

1545 Part 6 of the Bill makes provision to ban the installation of new fossil fuel heating systems in new-build properties after 1st January 2025. It also empowers the Council of Ministers by regulations, following consultation, to amend this date and to grant exemptions, along with a variety of other powers to, for example, regulate the installation of new fossil fuel heating systems in all types of buildings, as well as the sale and supply of fossil fuel for heating systems.

Part 7 of the Bill provides my Department with the *vires* to make regulations to control the sale and distribution of single-use plastics and enable the enforcement of such controls.

1550 Part 8 of the Bill sets out the supplementary regulation-making powers of the Council of Ministers, along with the *vires* to apply UK climate change legislation; grants power of entry to support the enforcement of climate change legislation; and provides for the imposition of fixed penalties via such regulations subject to an appeals mechanism.

1555 Part 9 of the Bill requires the Council of Ministers to consider sustainable development, just transition and climate justice principles, and the protection of biodiversity and ecosystems when exercising the functions conferred on it by the Act. This Part also requires the Council of Ministers and Government Departments to undertake consultations with appropriate persons before making regulations under this Act. Furthermore, it also sets out the requirement for public bodies to undertake and publish climate impact assessments as and when required by  
1560 regulations, and that may be issued by the Council of Ministers.

Finally, the Schedule sets out amendments to six Acts of Tynwald and one related item of secondary legislation. Such amendments are considered necessary to support the implementation of the Council of Ministers’ Phase 1 Action Plan and enable necessary climate change actions to be undertaken in the future.

1565 Mr Speaker, this Bill is a comprehensive legislative response to the Climate Change Emergency declared by the Chief Minister. It provides a strong legislative framework for the Isle of Man and ensures emission reductions are a long-term feature in economy-wide decision-making, enabling us to achieve the target of net-zero emissions by 2050. It is designed to provide the necessary powers to deliver the actions currently set out in the Action Plan while being  
1570 sufficiently flexible to adapt to the changes likely to occur in years ahead in response to as yet unforeseen challenges and circumstances.

Mr Speaker, I beg to move that the Climate Change Bill 2020 be read for the second time.

**The Speaker:** I call the Member for Douglas North, Mr Peake.

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**Mr Peake:** Thank you, Mr Speaker.

I beg to second and reserve my remarks.

**The Speaker:** Hon. Member, Mrs Caine.

1580 **Mrs Caine:** Thank you, Mr Speaker.

I was looking forward to this Bill, since the Chief Minister announced it 18 months ago. He promised, and I quote:

Alongside the Bill will be an action plan outlining key objectives to help us achieve this.

The majority of recent increases in our carbon emissions comes from residential properties and we must identify ways to reduce this.

As part of this plan we will look into a number of imminent actions ...

– the Chief Minister said. These included a pledge to:

... ban all fossil fuel boilers in new build housing by 2025.

1585 So 18 months and two consultations later, where are we? It seems to me, not making very much progress to ban all fossil fuel boilers. Why is Part 6 of this Bill, the section banning the installation of fossil fuel boilers in new properties, not listed to come into operation on the day the Act is passed?

1590 Where also is any commitment to encouraging the fitting of alternative heating in older properties? How much impact will this Bill have, I wonder, on the average citizen who would like to embrace new technology, fit better insulation and air-source heat pumps but who might be prevented by cost? What is it actually going to do for them?

1595 The more I read and re-read the Bill, the more concerned I was that this was greenwashing, the Government apparently taking action to combat climate change but in reality nothing meaningful will be implemented – or *might* be implemented – as a result of this Bill.

Another section that concerns me is section 10, the setting of interim targets. Can the Minister guarantee that the requirement the Council of Ministers *must* make regulations before 1st April 2022 will include the setting of at least one interim target *date*?

1600 In section 11, the target-setting criteria, I am concerned that it permits modifying the net-zero emissions year or baseline year, for considerations of economic circumstances, in particular the impact of the net-zero emissions target on the Isle of Man economy; the competitiveness of particular sectors of the Island's economy; businesses; and jobs and opportunities. It seems to be setting up a list of cop-outs that would enable businesses *not* to comply. Perhaps this requires amending to ensure that the target year could not be modified to be a later year? Or do we just have to trust CoMin on that point?

1605 There *will* be challenges: impact on personal and government finances in doing the right thing to mitigate against climate change; to reduce the domestic carbon emissions; improve transport; and alternative energy generation. How will we ever get there with this worrying list of potential get-outs?

1610 I have other concerns over the wording in section 17, the climate change plan, it seems to set us up for yet more consultations before anything is actually done. Then the plan or any amendments to it must be approved by Tynwald.

1615 Section 17(5), though, is a welcome addition to the previous draft, stating that an amendment to the climate change plan will *not* have the effect of extending the period when that plan remains in force.

In sections 18 to 23, I think the Bill needs to state 'must' instead of 'may'. Or is it intended to be toothless, wishy-washy, a bit indefinite?

1620 For instance, in section 18(2), a climate change plan *may* include proposals and policies in relation to energy generation and supply; transport; business and industry; residential and public buildings; waste management; land use; use of the Island's territorial waters and sea bed; agriculture – and so on. Surely all the obvious areas that any climate change plan *should* include policies and proposals for. So why only *may*? Why not *must*?

Then in section 19(4), concerning the annual progress report on the climate change plan, the Bill allows CoMin to amend by regulations what is included in the annual report, amend the

1625 month it should be laid and even the reporting period. So will we ever see meaningful annual reports, published annually, to detail progress against the climate change plan?

Turning to climate change duties of public bodies, section 21, again the Council of Ministers *may* give general guidance to public bodies or guidance to individual bodies in relation to how a public body *may* fulfil its climate change duties. More wishy-washy greenwashing? Why not  
1630 *must*? Surely Government *must* issue guidance for public bodies to follow and for them to strive to comply with?

Then in section 23, again the Council of Ministers *may* make regulations requiring public bodies to prepare reports on compliance with their climate change duties; and a public body that has requested guidance is not obliged to report until it receives the guidance. I could go on,  
1635 more concerns over section 28, that ban fossil fuel boilers in new homes for which the Council of Ministers *may* make regulations to amend a definition, or the date by which the ban is enforced, or to exempt a building from the ban. Will anybody ever be required to comply with this?

When it comes to section 35 on consultation, it seems to me further delays and prevarication will kick in. Will Government have to consult *everybody* about *everything*?

1640 Finally, section 36, climate impact assessments: the Council of Ministers yet again *may* make more regulations to require climate impact assessments to be prepared. Surely that is no change to what we have now, Departments and public bodies *might* carry on business as usual without climate impact assessments. But climate impact assessment must from now on be at the core of policy-making, procurement, etc., across all public bodies. Government *must* issue guidance as  
1645 to the format of such assessments so there is consistency and joined-up thinking.

I am left with the feeling that we would do better, perhaps achieve more action more quickly without the legislation before us today: what will it actually achieve in the first year or years of implementation? And, if it is enacted without the fossil fuel boiler ban, will it achieve anything at all?

1650 Government can already make policies and direct local authorities, incentivise and encourage compliance and aspiration to better building standards and ensure that just transition principles are considered in public policy. So what is the point of this Bill?

I noted the comment in response to Mr Mercer's question tabled at last month's sitting of Tynwald:

Within the Climate Change Action Plan, set out by the Council of Ministers, there are a series of actions to be undertaken by Government Departments to lead the way in the reduction of emissions.

1655 I am afraid I do not see this as Government Departments leading the way.

The Chief Minister pledged in the Climate Action Plan to commit to bringing a Climate Bill into the Branches by June 2020. It stated that:

To ensure effective delivery of our commitment to reach net zero emissions by 2050, it is essential to provide a strong statutory basis for action and change. The Climate Bill will provide that statutory underpinning and will bring us into line with countries round the world in setting statutory targets.

– and the Minister here today spoke about the obligations on the Council of Ministers.

1660 But in fact the document before us, I feel, falls far short of statutory underpinning. Where are the carrots and sticks to enable the Isle of Man to embrace climate change mitigation? What penalties will public bodies face if they do not comply with regulations that the Council of Ministers may or may not draw up? When is it intended that fossil fuel boilers will be banned in new properties, and in *all* properties?

1665 What will this legislation achieve that could not be achieved by a simple policy statement and updating of the Climate Action Plan and the Programme for Government?

Perhaps the Minister can tell us what countries it brings us into line with, setting statutory targets; or what countries it *may* possibly bring us into line with once CoMin *may* get around to

setting an interim target? It all feels like a yet another masterclass on the merry-go-round of consult, report, consult, report, consult.

1670 I would like to know when we will see positive outcomes to benefit the Isle of Man community as a whole. When will Government clearly articulate and implement environmental policies?

1675 Once we tick the box of having a Climate Change Bill, will it actually impact on everyday life in the Isle of Man? We have after all, all of us, affirmed unanimously that there is a climate and environmental crisis. This legislation just does not seem urgent or robust enough in response to the crisis. I hope the Minister may be able to convince me otherwise.

Thank you, Mr Speaker.

**The Speaker:** Hon. Member for Middle, Mr Shimmins.

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**Mr Shimmins:** Thank you, Mr Speaker.

I rise to offer qualified support to this important Bill. I recognise a lot of work has taken place and I would like to thank all those who have contributed to this Bill.

1685 My support is caveated mostly due to one concern. The Climate Change Emergency requires an urgent response. In a number of places the Bill does not reflect the urgent emergency.

The lack of any interim targets is most unfortunate. Clause 10 imposes an obligation on the next administration to set just one interim target by April 2022. This feels like a cop-out from the existing administration.

1690 Furthermore, if you look at clause 11 it provides multiple opt-out opportunities for the next administration to modify the net-zero emissions year or to modify a baseline year, or to modify interim targets. So none of the targets are carved in stone, not even the net-zero emissions by 2050, which I think was a clear message from this Hon. House. It is more like the targets are etched in jelly, which might melt away if things get tough. The thing is, we know things are getting hotter all the time, with some profound impacts and that is why there is an emergency.

1695 I did not understand clause 14(3) which states:

The attribution of such emissions must be in accordance with internationally recognised criteria for the allocation of carbon emissions but regulations may make provision for such exceptions, amendments and modifications as are relevant to the Island.

Does this mean that the Island is going to have its own criteria for carbon emissions, different from the internationally recognised standard? Why would the Island have different emissions criteria from the rest of the world?

1700 The climate change plans do seem to be a good idea, clearly outlining proposals and policies. I also welcome the annual progress reports, although I note my hon. friend, Mrs Caine's comments about wishy-washy language, and it would be really good to see this language strengthened in a number of places in the Bill. I would suggest, Hon. Members, that the annual progress report should form the basis for an annual debate each year in Tynwald Court so we can monitor the tangible progress that is being made. This House has lots of good plans and reports but of course what really matters is tangible action and outcomes.

1705 It would be helpful if, prior to the next stage of this Bill, the Minister could issue Members with a calendar of events over the years that take us to 2050. It would be helpful to see when targets will be set, which years the climate change plans will be reviewed and agreed, alongside the timeline for the five-yearly emissions report, which also seems like a good document to have to hand.

1710 You would hope that the emissions report would be produced ahead of the plan. This would be a reasonable expectation. The reason I am hesitant about that expectation is, if we think back to recent events, in that the cycle of our strategic and area plans are out of sync with the key evidence provided by the census, which is provided every five years, but the census comes a year after we finalise the plans. You might well ask, Hon. Members, would any administration

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set the climate change plan the year after receiving the five-yearly emissions report or the year before? Clearly, the year before would be a daft thing to do, but strange things do seem to happen around these parts.

1720 As such, I shall be grateful if the Minister or one of his team could provide a timeline so we can see that important events will happen in a logical, chronological order.

1725 Looking at other dates, I am struggling to see why clause 28 prohibits fossil fuel heating systems in new builds after January 2025. Why wait until 2025 is the obvious question? The builders can do it now, it will be slightly more expensive. I am told perhaps in the region of a thousand to fifteen hundred pounds for a three- to four-bedroom property, but the purchasers will immediately save on their energy bills in their new homes. So why the lethargy? I would really like to understand that from the Minister.

1730 A number of people have also pointed out that burning oil is generally more damaging than burning gas. Please can the Minister explain why the Bill makes no distinction between the two most commonly used fossil fuel heating systems on our Island?

1735 In contrast, there are detailed provisions on preserving peatland, which extend to nine pages. I appreciate that peatland is an important store of carbon but what I am unsure about is exactly how much peatland is being disturbed on the Island. Perhaps the Minister could advise on this because I am unsure whether or not peat is being extracted for heating on the Island and whether that has happened for a number of years.

1740 I did note section 8I, on page 48, which covers compensation on the loss of value of land. If the peatland has lain undisturbed then presumably compensation is not applicable. Please can the Minister confirm this point? The 'just transition' principles contained in the Bill should in my view focus on environmentally and socially sustainable jobs, not windfall bonanzas for landowners.

1745 Turning to the amendments to the other Acts in the Schedule, I note the provisions on vehicles on the explanatory notes: does this mean that imports to the Island of the most polluting vehicles will be banned? And if so, when will this happen? Potentially some owners of classic vehicles may be worried about these provisions. What arrangements and comfort can the Minister provide for those people?

1750 The notes to the Bill state that varying fees would serve to discourage the ownership of vehicles with a high level of CO<sub>2</sub>, carbon dioxide emissions. Looking elsewhere it is clear that this differential pricing, statutory, based on high levels of emissions has encouraged people to switch to more efficient vehicles which have reduced carbon emissions. Some people tell me that the Isle of Man has become a dumping ground for old, dirty vehicles which are no longer in demand elsewhere. I am unsure or not where we have evidence to that effect, but it is certainly a view which some of the community holds.

1755 Emissions do matter, not just in terms of climate change but progress on this issue will improve air quality, which is a concern for many of the constituents of Middle. So I am keen to understand from the Minister when these changes will be brought forward and actually implemented on the Island.

1760 Sadly, Hon. Members, the Island has fallen behind our neighbours on renewable energy generation. I think there is still a common misconception amongst some people that renewables are more expensive than fossil fuels. The opposite is of course the case now, and solar and wind are cheaper than gas and oil. So with this in mind, why has the specified maximum capacity for renewables, which is detailed on page 52 of the Bill, been set at 20 MW? Perhaps the Minister could advise on that.

1765 Lastly, Hon. Members, I am pleased that all planning applications will have to demonstrate having regard to the climate change policies contained within this Bill, including the provision of active travel infrastructure. When will these planning changes take effect?

I appreciate that I have raised a number of queries, Hon. Members, but this is a very important Bill, and I look forward to the Minister's response to all of these matters.

**The Speaker:** Hon. Member for Ramsey, Mr Hooper.

**Mr Hooper:** Thank you very much, Mr Speaker.

1770 First things first, I would like to welcome this Bill coming in. I think it is potentially a very big step towards what could be one of the most important changes of Government approach for a generation or more. But the key word there, Hon. Members, is 'potentially'.

1775 To start with, I was very disappointed that the consultation summary was only circulated to us at 6:38 p.m. yesterday evening. That is absolutely not acceptable. It is absolutely not acceptable that for something that is so important we are being told, 'Here is the consultation response, if you get chance in between seven o'clock the night before the debate and the morning to have a review of this ...'. I really would like the Minister to actually explain why he felt that was acceptable, to provide that information at such a late juncture?

1780 In fact, the information that was provided was very useful because it showed that only 41% of respondents to the consultation were happy with the 2050 target that was proposed, and actually more people responded saying the date should be earlier. So what was the point in consulting then? If you ask the public what they think, they tell you what they think and Government says, 'Ah, but we have already made our minds up on this'. So again, Minister, if you could please answer that question.

1785 My view on this has been made clear already: 2050 is too late. It loses us any potential economic advantage, it loses us any potential reputational advantage and not to mention an earlier date is simply the right thing to do to tackle the urgent emergency that is in front of us – something that I think the consultation respondents seemed to articulate quite clearly. In all probability this far-off target will encourage future governments and future administrations to be quite lax in their pursuit of the net-zero target.

1790 The Bill itself is actually quite laid back and easy-going in this regard, with very little in there that has been built in to incentivise or encourage future governments to take action that may not be in the best interests of individual Departments. The draft Bill is not even as robust as the UK equivalent in how Government is to be held to account. The Hon. Member, Mrs Caine, highlighted quite well I think in her remarks how flexible the Bill is in terms of it being very permissive instead of imposing requirements on a future Government.

1795 From my perspective the whole point of a Climate Bill is to embed requirements into law. Future governments, future administrations between now and the 2050 target date should be required to take action and be held accountable when they do not. Without building in requirements, without building in some accountability, the Bill does not really serve much purpose. A government can announce a plan of action any time it wants, that is the whole point of the Bill, to say we are going to put some of these things in the law. We know this is not about this Government. This Government has already made its priorities very clear, and we heard earlier that we cannot bind future administrations. That is fine, we cannot. But we can make it very difficult for them to change course by embedding the course in primary law, which is what this Bill should be doing.

1800 Turning to the Bill itself, I do have a number of areas of concern in addition to this quite significant problem, which I think really does undermine the intent of the Bill.

1810 Firstly, there is a lot of very vague language in the Bill. Under the climate justice principles it talks about 'socially sustainable jobs', 'decent, fair and high value work'. What do these words mean? What is meant by 'socially sustainable jobs'? Very broad phrases like this, along with the permissive nature of the Bill, would allow a future administration to basically do whatever it likes.

The Bill also requires that climate change actions are handled:

... in a way which does not negatively affect the current workforce and overall economy;

1815 So which one of those two is it, Minister? Something can be good for the economy but have a short-term negative impact on jobs. Equally, something could have a short-term positive impact on jobs but not be in the overall economic interest. So the Bill seems to tie itself in knots here

with this sentence, and I think doing that could have the effect of preventing a number of beneficial actions from being taken.

1820 The Bill also ties itself in knots with the introduction of the domestic effort clause, requiring climate mitigation actions to be undertaken on Island, whilst simultaneously requiring the principle of climate justice, where action is required to:

... support the people who are most affected by climate change, but who have done the least to cause it and are the least equipped to adapt to its effects

1825 The effect of the domestic effort target is it is going to severely restrict the ability of any future government or the private sector to develop and implement innovative ways of reducing carbon. For example, an international firm based on the Isle of Man may wish to invest in carbon sequestration projects in Brazil but this would not be suitable under the Climate Change Bill. That company would still have to undertake further work on Island to hit our target. That is clearly a daft situation to put anybody in. Domestic effort targets may very well work in larger jurisdictions, where there is more scope for domestic carbon offsetting, but in a small  
1830 internationally facing jurisdiction like ours it does not seem to make sense. Having regard to the need for domestic effort makes sense but embedding a restrictive requirement does not.

Talking of offsetting, here is a bizarre change that was made following the consultation. The Bill seems to say this is not acceptable, which is actually different to what was originally consulted on. So going back to the Curran Report, it stated:

It is strongly recommended that the Government rapidly investigates various options to establish a route to offer voluntary emission reductions, adopting published standards so that verifiable credit can be offered. It is essential that the offsetting actions are delivered in an efficient way, with minimal overheads, and can be fully and publicly audited.

1835 The report goes on to say:

Emissions reduction should always take precedence over carbon offset. However, offset is recognised by the Inter-Governmental Panel on Climate Change as a necessary interim measure to achieve net zero emissions targets. IOMG may determine to establish a voluntary carbon neutral standard and certification for businesses to provide guidance, support and demonstrate Island carbon neutrality.

1840 So as well as completely and utterly ignoring that section of the Curran Report, the Government also decided to completely ignore the consultation response, where 54% of people said offsetting schemes should be allowed where they remove carbon gas or where they reduce emissions. So I would like an explanation as to why the clause in the Bill was amended when it went against the recommendations in the Curran Report, when it went against the public consultation response, and why the Government feels it necessary to restrict or remove this necessary interim measure?

1845 The Bill also does not seem to allow the Government to recognise existing schemes of this nature, instead requiring Government to set up its own scheme. I hope that I am wrong with my reading of that clause, but some clarity would be greatly appreciated.

1850 The Bill also seems to exclude any scheme that is already part of the Government action plan or any scheme that has Government funding, and again I would like some clarity on why that was felt appropriate. The Curran Report talks very clearly about schemes that are already under way that would have gone ahead anyway should not be included, but any schemes that represent additionality should be supported.

In terms of the action plan that is required there appears to be a legal obligation to be placed on particular sectors of the economy. The Bill says the action plan may set out:

... contributions towards meeting any interim targets that must be made by particular sectors of the Isle of Man economy.

Can the Minister explain what that actually means and how that will work in practice? How do you impose a legal obligation on a sector of the economy?

1855 In terms of accountability, there does not seem to be any requirement for the annual reports the Bill requires to be debated in Tynwald, and my hon. colleague, Mr Shimmins made reference to this. The reports are simply laid before Tynwald. Why is that the case?

1860 Equally, unlike in the UK Climate Bill where they have their annual reports, where an interim target is not met in the UK there is a requirement of Government to explain why not, why did we not hit our interim targets? There is no similar requirement in our Bill. There is no requirement for Government to say 'Actually, we missed the boat, and this is why'.

I think, for me, the whole interim target process set out in the Bill sums up how carefully I think the Government has tried to walk this tightrope of including targets but not really wanting to include targets.

1865 So instead of simply having a five-year target review, linked to a five-year reporting cycle, the Bill allows flexible interim targets, you can set whatever date you like. And it has a very convoluted set of clauses that deals with the interrelationship between these flexible targets and a fixed five-year reporting cycle. So again, I would like a bit more clarity on why that approach was adopted instead of simply saying 'We should probably set a five-year target every five years, and report against it every five years'. Again, it is about setting a requirement in law that future governments have to follow, as opposed to giving so much flexibility that actually nothing happens.

1875 One really positive part of the Bill though, is that it does talk about public bodies monitoring their own carbon. So I would just like to ask the Minister if he is intending on bringing in carbon budgeting for Government Departments. I think that would be a very welcome proposal, if that is the case.

1880 But in terms of the monitoring of some of this, the Bill is unusual in that it really asks Council of Ministers to appoint its own monitor. So the Council of Ministers will be monitoring its own work via a semi-independent route. That seems a little bit bizarre, especially when we already have a legal framework that allows for an independent body to monitor Government performance in the form of the Auditor General Act. So again, I would like to have better understanding of why we are not using existing provisions and existing law as opposed to creating new structures, new cost and new bureaucracy to achieve the same ends.

1885 Touching on the fossil fuel requirements in the Bill, I would just like a bit of clarity on what is meant by a 'new building'? Is that when it is an entirely new build building? If I am building an extension, is that a new building? Just a bit of clarity on that. But also, why are there no provisions in respect of the use of fossil fuels in other ways? The Bill is very specific in that it precludes the use of fossil fuels for heating, but not in industry. There are provisions in relation to fossil fuel cars, but again that seems very minimal. So I would like a bit of clarity here.

1890 I would also like some clarity on the provisions around setting prices for fossil fuels. I am sure Mr Thomas will have something to say on the nature and complexity of competition and economic regulation but, to my mind, a single line in a Bill that says, 'You can set the price' seems wholly inadequate in terms of setting an actual regulatory framework in place that is designed to keep prices at a particular level. Simply saying, 'Yes, you can set the price', with no framework, no parameters, no context, I think actually that needs to be very well-thought-through again.

1900 Turning to probably the most concerning part of the Bill actually, which is the enforcement powers. The Bill does provide a lot of flexibility to Government in terms of what it can and cannot do in regulations. Then it goes on to say, 'We can enforce anything in those regulations, not just criminal offences but breaches of regulations', with a series of what I suspect and what I read as being very *carte blanche* powers, in terms of DEFA can authorise people to enter private premises in connection with *any* regulations under the Act, no warrant required. The Bill provides people with a *right* of access to private premises. The only requirement is 24 hours'

1905 notice. No reasonable suspicion, no warrant, simply 'I need to come and inspect your property, please, for one of the myriad of regulations that we have passed under this Bill'. And the penalties under the Bill, regulations can provide for fixed-penalty notices of up to £10,000. A fixed-penalty notice for £10,000 seems massively disproportionate. (**A Member:** Hear, hear.)

1910 So again, I think the Minister needs to take this away and have a real good think about what the justification is for giving such broad-ranging powers to authorised officers; and what the justification is for such substantial fixed penalties.

1915 My final comments, Mr Speaker, relate to the registration of peatlands. I would just like the Minister to really answer why he is setting up a parallel land registration process here? We have a Land Registry. We have a land registration process that helpfully provides mapping information and detail about specific bits of land. We have a complex Government system that actually publicises this kind of information that is used by other Government Departments by way of a register. So why are we creating a whole separate peatland registration system instead of just registering it with the Land Registry, as you would with anything else?

1920 So in short, Mr Speaker, I welcome the intent of this Bill and I really do welcome the fact the Minister has offered to meet with me later on to talk about a lot of these issues. But I really think the Bill needs to have a lot of amendments made to it to make it fit for purpose, to make it fit for the next 30 years, because that is what we are talking about here, a Bill that covers a 30-year timescale.

1925 Minister, I would also like you to commit if possible to giving this House enough time to work with you to get amendments drafted and to get amendments tabled before clauses are brought back to this Hon. House.

Thank you, Mr Speaker.

**The Speaker:** Hon. Member for Ayre and Michael, Mr Baker.

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**Mr Baker:** Thank you very much, Mr Speaker.

1935 I stand as Chair of Manx Utilities to welcome this Bill. As we have debated in this Hon. House and elsewhere over the last year or two, the climate issues facing the planet require a significant change of approach across the globe. It is right and it is proper that the Isle of Man plays its part, and this Bill reinforces our commitment to supporting international efforts to reduce the impact of human activity on our environment. The Isle of Man is privileged to have its UNESCO Biosphere status, and we need to ensure we are taking a lead in addressing the impacts of our own actions and how they affect our environment.

1940 I will be supporting this Bill. During my six months as Chair of Manx Utilities I have seen the commitment of the Manx Utilities team in supporting the Government's climate initiatives, from supporting Professor Curran's team as he drafted his initial report, through to progressing the Prior Information Notice for up to 20 MW of renewable generation, which was subsequently issued by the Climate Change Transformation Team on behalf of the Isle of Man Government.

1945 Prior to this, Manx Utilities has been investing to manage its own environmental impact and aiming to achieve ISO 14001 compliance. It has also developed strategies to promote the installation of air-source heat pumps in appropriate properties, both in supporting customers and helping to develop an effective industry supply chain. A sustainable approach to the public electric vehicle charging network has been implemented and its network is being expanded and improved.

1950 It is worth remembering that Manx Utilities is a Government-owned utility provider. Its first duty is to the Island's community, its residents and its businesses, and it exists for their benefit – for our benefit.

1955 The Bill in front of this Hon. House this morning seeks to make it easier to have private sector generators and what are termed 'community benefit' schemes. These can be very positive steps, provided we ensure that we both recognise the opportunities they bring and acknowledge the challenges that relate to operating key national infrastructure. There are advantages to engaging

1960 third parties in this process, including potentially bringing in expertise and providing access to financing. However, these arrangements are long-term commitments. We will need to ensure that they will deliver value for money over their whole lifetime. As such, it is important that all options are thoroughly considered, evaluated and assessed to ensure that the right long-term solutions are put in place for our Island.

The electricity supply chain will play a fundamental and crucial role in delivering our net-zero emission ambitions. It is also integral to our quality of life and economic prosperity.

1965 I want to make it clear for the absolute avoidance of doubt that Manx Utilities is fully committed to embracing the challenge of meeting these targets. However, we cannot ignore the linkage between these steps that are in front of us and the cost, reliability and the environmental considerations for our Island. We need to be clear in considering all these aspects in plotting our future path.

1970 Renewable energy does present us with an exciting range of new opportunities and technologies to use natural resources to achieve our net-zero targets. Each will present unique technical and cost challenges and opportunities and will raise issues around, for example, matching supply and demand at any instant in time, whilst ensuring that as the electricity system grows and develops its integrity and stability are maintained to ensure its continued reliability – reliability that we can currently rely on, and we must not take for granted.

1975 A critical enabler to help resolve this challenge is the implementation of a ‘smarter electricity grid’ so that more complex power flows can be managed. In this context, I am pleased to report that Manx Utilities’ smart metering programme is advancing well and will be ready to commence roll-out in spring of next year. There is little doubt that the net-zero challenge presents us with a great opportunity to grow and build a green economy with some very significant investment in prospect as we transition over the coming decades. Fortunately, the costs of renewable generation continue to fall. However, we need to be very considered in our decision-making to ensure that we maintain the appropriate balance between investment requirements, delivery costs, performance, quality and reliability considerations.

1985 I welcome, Mr Speaker, the ‘just transition’ concept, which is vitally important to ensure that the most vulnerable in our society are not disadvantaged in the process of achieving net zero; nor indeed that only those with greater financial resources are able to embrace this challenge and install, for example, low carbon technologies. This ‘just transition’ is achievable, but it must be aligned with our overall strategic outcomes as an Island community.

1990 Turning very briefly to some specifics within the Bill, I would like to make some comments in respect of the proposed changes to the Electricity Act 1996, which are set out in the Schedule. Firstly, the Bill has referred to ‘small-scale generation’ as being up to 20 MW. My hon. friend from Middle has already questioned that metric in his earlier remarks. Just to help Hon. Members contextualise this, peak demand in the Isle of Man is around 80 MW, with overnight demand often around 30 MW. So that 20 MW represents a quarter of our peak demand and potentially around two thirds of our overnight demand. As such, 20 MW of renewable generation is a significant proportion of demand and to call it ‘small-scale’ does not do it justice.

1995 I welcome the approach in the Bill in setting the maximum for renewable generation in regulations, which will help ensure the flexibility to adapt as we go forward and will help ensure that due consideration is afforded to the other important aspects of system safety, reliability and stability which cannot be neglected. We must, Hon. Members, ensure we take a holistic approach to our electricity generation.

2000 Secondly, the Bill seeks to amend section 12 of the Electricity Act, which relates to the transmission and supply of electricity within the Isle of Man to allow for renewable generation to be provided by parties other than Manx Utilities. There is already provision within section 6 of the Electricity Act to allow generating stations to be approved by Government. The changes envisaged within section 12 may lead to alternative electrical networks being operated within the Island. These will need to be carefully considered and evaluated to assess what they will achieve and to ensure that they are to the best interests of all electricity users and the Island.

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**Mr Shimmins:** Will the Member give way?

**Mr Baker:** No, I am almost finished, Mr Shimmins.

Beyond those two specific points we need to ensure that the transition from our current dependence on fossil fuels to zero-carbon solutions is achieved in a well-managed way. The transition will of course take time to implement fully. In this interim period it will be important to ensure the effective maintenance of existing generating assets which are still likely to be required, and the continued availability of imported electricity through our inter-connector to the UK's National Grid to supplement local generation through the medium term. These comments are related specifically to the interim period as we move from where we are to where we need to get to.

Achieving an appropriate and just transition needs to ensure that we are able to maintain an effective and reliable electricity supply for our Island. This underpins much of our economic base and we must not take this for granted. Our journey towards net zero is an exciting time for the Island. This is a journey which Manx Utilities is committed to. This Bill is a clear and important statement of intent and I look forward to it completing its passage through legislature.

Thank you, Mr Speaker.

**The Speaker:** Hon. Member for Douglas North, Mr Peake.

**Mr Peake:** Thank you very much, Mr Speaker.

I do rise to support this Bill. I have shown a lot of interest in this and I will make a few comments of my own, and I will let the Minister make his own comments a bit later on. But I am very pleased for the contributions that have been made so far, and I do welcome a lot of the attention to detail that my hon. friend from Ramsey, Mr Hooper has made.

We perhaps have a different opinion on a date. My opinion is that we do not want to argue about a date. It is about actually what we should do inside and what action we should actually *do* to achieve that net zero. I am very pleased that Tynwald did obviously unanimously agree to have a net-zero future – and when that future *is*, that is what I do not really want to argue about.

I think the momentum is *building*, which is very welcome. We can see that around the world and we can see that here in the Isle of Man. A lot of people are expressing a lot of interest in this and we are reaching out for private sector partners. Mr Baker mentioned there about the PIN for the renewable energy. That really is the future, isn't it? We have heard from Mr Shimmins as well pointing out that it is actually cheaper now to make energy from renewables, and that is a key target, isn't it? If we can get to the point where we can actually produce energy without emissions, for a cheaper price, that really sounds good, doesn't it? (*Interjection*)

So the Isle of Man has got that opportunity and I do welcome the efforts that Professor James Curran has put in.

I do appreciate my hon. friend from Garff, Mrs Caine, and the points there about feeling it is a greenwash. I get that, I do, because legislation is not everything, it is just one part of this journey. It is one part. Okay, that is in the front of everyone's mind in here – 24 people asked to represent the public and focus on legislation. So I can see why a lot of people do think this is everything, but I do agree with you, Mrs Caine. It is not everything, but it is an important part of it, and it is an important part that Departments will reflect on and look to.

But we, the 24, as well as the public have a responsibility; and it is we who need to take up that responsibility and to lead by example. We can all lead by example. We do not need to be a Minister; we do not need to be in a Department; we do not need to be in Government. We can actually choose to lead and to pick up what is required, what we believe in, and do that.

So I do welcome that the Council of Ministers and the Climate Change Transformation Board have agreed to put together the Climate Change Citizens' Forum. We had the first meeting with 36 members of the public – well, sorry, 33, because three could not make it. But that was a great first meeting last week. What I felt from that, Mr Speaker, is that people *do* want to change. They are willing to change, but they want to understand how to change. They want to

understand how they can implement these great technologies, these *proven* technologies. It is not now theoretical, it is not just on paper. These are real solutions that are available.

2065 But we do need to learn together, Mr Speaker. We do need to help implementation, and companies that will implement these solutions. We need to help them understand and what better opportunity, Mr Speaker, than to actually learn together – whether that is Government workers, whether that is Departments, whether that is private sector installers, business owners or whether it is the customers, at the end of the day?

2070 One of the members of the Citizens' Forum was really wanting to understand how to implement that. We have got a great selection in those 36 members, we have got some experts in there, we have got some architects, but we have also got a vast majority of the cross-section of the public. So I do see the Citizens' Forum as a great way forward for Government to really reach out and work with the public.

2075 It is *not* a consultation exercise, we have had a number of those, as has been pointed out by Mrs Caine as well, and it feels as though we have not progressed as fast as she would like. But we have engaged with the public, and this is a great way of doing that. I do think this topic is one that will bring the Island together. I do think we all want energy without emissions.

Thank you, Mr Speaker.

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**The Speaker:** On the theme of more energy and less emissions: Mr Thomas. (*Laughter*)

**Mr Thomas:** Thank you, Mr Speaker!

2085 I take that in the spirit which I am sure it is intended, and in that spirit I would like to associate myself wholeheartedly with the excellent contributions from Mr Peake, Mr Shimmins, Mrs Caine and Mr Hooper. I also wanted to remark on the helpful contribution from Mr Baker, which actually needs to be analysed very much now because it has some very important dimensions to it, when he spoke as Chair of the Manx Utilities Authority.

2090 Picking up straight away on a point that Mr Hooper made I would hope that the Minister, when he stands up to close this debate, would actually commit not to bring clauses for three or four weeks, because we are going to need lots of time to consider the amendments, (**A Member:** Hear, hear.) and anything less than that time period would actually be disrespectful for the valuable contributions that have been made.

2095 I would also like ... because there was a view that this might eventually go to Committee, but I am not sure that is a good idea especially as we have the Citizens' Forum in place. So I wondered whether the Minister could advise whether the Climate Change Citizens' Forum is actually looking at the Bill in the same way that the Education Committee of Tynwald is looking at this Bill, to see whether they would have anything valuable and what the timescale for that might be, so that we can take that into account as we come back with clauses. We still have time in the administration, and I associate myself completely with the remarks made today to say that it would be so much of a shame if we lost something, this administration, and we deliberately put everything off to the next administration.

2105 Building on some other points that Mr Hooper made first, I fully support the idea that we need to have this project of registration inside the Government's cross-public service process of registration, so this is not like camping sites and dog licences. We need to have it as part of the centralisation of registry processes. Similarly, with the regulation and enforcement processes which are coming together that they need to do for landlords in a more organised way.

2110 I also wanted to remind Mr Hooper and put on record that the monitoring regime, excellently highlighted by Mr Hooper, is actually one of those parts of the Bill that need *not* be brought into force for quite some time. It is one of those that does not come into force straight away on the passing of this piece of legislation, so I wonder whether the Minister will think about actually changing that, because it would seem to me vital that we have our monitoring in place as soon as possible.

2115 Moving on, but again taking the bait offered to me by Mr Hooper, clause 28 is actually  
critical. This is the one about fossil-fuel heating systems. All of the issues that have been raised  
are really valuable, and I would just like to say that the principles of justice really have not been  
worked out in the context of energy policy and space heating, and they *need* to be, as soon as  
possible. I would like to think that this Bill can actually be more concrete than that.

2120 I also would like to bring to the attention of Manx Gas and our negotiators from Government  
that we have a new pricing regime for fossil fuels, including gas, introduced in this legislation, as  
I announced last week. So perhaps we need to extend DEFA into the counterparts for the Gas  
Agreement, because there is potentially a pricing regime here introduced in this Bill which is  
now before the House, so would actually be captured inside the heads of terms which is before  
2125 Tynwald in the other place next week. So not only do we have the timing, but we also now have  
the pricing of fossil fuels introduced; but with ambiguity, exactly as Mr Hooper said, about what  
is a heating system? What is a fossil-based heating system? We are expecting that Government  
may make regulations to further define this thing, but at the moment it is all very ambiguous.

That leads on to the hugely valuable contribution made by the Chair of the MUA, which  
introduces the whole concept of competition and economic regulation in the framework of  
2130 energy, because essentially the Manx Utilities Authority has a special place in this arrangement.  
It was there when all the people who submitted expressions of interest for the alternative  
energy and energy efficiency were actually making pitches. It had a couple of people who were  
listening to those pitches. It has a special role in terms of generation. So I can only assume that  
somehow the statutory carve-out for the Manx Utilities that is inside this Bill before us, will also  
2135 have to have a carve-out from the competition arrangements, perhaps under the framework of  
the Fair Trading Act. In which case, I would hope that the Council of Ministers has all the  
mechanisms in place to actually assess whether or not that makes sense for the consumer and  
whether that makes sense for the economy. As Mr Peake put it so eloquently: who could be  
against cheaper, cleaner energy?

2140 Therefore, we really do need to look at all of these things in the context of competition and  
economic regulation, which naturally go alongside each other. Economic regulation is very  
simple: it is what you do to protect the economy and the consumer when competition is not  
being made to work. Quite clearly here we have a situation where public policy is deciding that  
Manx Utilities is going to have lots of exemptions.

2145 That brings us on to the role of public bodies, because the definition that is used of 'public  
bodies' who have all these responsibilities under the Act, is based on the Freedom of  
Information Act definition, which I just cannot accept. To me, if you have obligations under the  
Freedom of Information Act that is completely different from having obligations in terms of  
climate change or in terms of competition. Moreover, interestingly, the interpretation of the  
2150 Freedom of Information Act definition of public bodies is different in this Bill to the other one  
that is before us today, in terms of the Competition Bill. So we need at least to think this through  
further.

In terms of where we look for our international inspiration for all of these things, there is a  
distinct bias at the moment in the legislation before us today because Scotland is mentioned as  
2155 being one of the sources of law that we can use. But I am not sure why Wales is not mentioned.  
The Chief Minister has often mentioned his excellent conversations with the First Minister of  
Wales, which I have participated in. There is great stuff going on in Wales, but that does not get  
mentioned in this legislation. And why not other spaces?

2160 The Department of Infrastructure is a massive fan of the United Nations Economic  
Commission for Europe when it comes to Equality Act regulations for bus transport and so on.  
The United Nations Economic Commission for Europe has excellent regulations about public  
participation in climate change work. UNECE Aarhus Principles are profound. Why would we not  
take into account all the substantial body of work that they have done as being a potential  
source of regulation for this? So that section there needs a profound piece of attention to it,  
2165 because it seems to be very biased at the moment just looking to Scotland or to the UK.

2170 Moving on to the point that Mrs Caine made, most powerfully, which is about how this all costs. So when I asked the question of the Treasury Minister back in August about how the Climate Change Transformation funds were going to be used, I got the answer that the terms of reference were still being worked on. They have probably been finalised now, but I am not sure that I know about what they are, and so on. So we certainly need to have a better understanding of that as we move this Bill forward, because this is all going to cost and we need to have a source of funds from somewhere.

2175 The other question I asked back in August was about how much money was available from the state for space heating for housing. Back 20 years ago we had three or four schemes that provided grants and loans for these schemes. Twenty years ago we had about half a million pounds a year provided for these schemes. In 2018-19 we had £400 provided for this type of measure. So we do have a big lacuna in the public purse – *if* the public purse is going to be involved in helping achieve some of these issues.

2180 I also want to remind people in this House that we did actually approve upstairs £50 million of bond issuance to help us with this, so that is in the in-principle approval for Tynwald to create public funds from the Manx public for support for this sort of socially good purpose.

2185 Then the final specific point – which I will come back to with amendments, if necessary, working with colleagues – is that at the Post Office, a very progressive forward-thinking organisation, (*Laughter*) (**Mr Edge:** Hear, hear.) we have been thinking through how we would undertake our public duties under this Act. We have actually submitted into the consultation various places how we would do that, because obviously it is introducing an element of competitive disadvantage for a public body like the Post Office, relative to the people that we have to compete against in the logistics business, and so on.

2190 So it is pretty complicated to actually say that *one* person in a competitive market has obligations that the other people do not have. We need to be very careful about that. I really do hope that the Manx Utilities Authority, as I am sure is another progressive forward-thinking body, has been thinking through how *its* pitch is relative to the large users of electricity that are currently the customers of Manx Utilities, who could perhaps choose to generate electricity themselves, cheaper and cleaner. I can think of customers who are 5% or 6% of Manx Utilities customer base in the electricity market who might quite like to actually get involved in making all of their own electricity; and why shouldn't they, in principle? We need to be very careful if we take away that right from them.

2200 So in closing, in the next week I will be bringing to Members' attention a beautiful Tynwald in 2005 when Tynwald resolved on the same sitting about the strategic plan being urgent for 2010, no later than 2010, how we had to deal with brownfield sites and derelict properties and vacant properties. (**A Member:** Hear, hear.) Also, how we had to tackle the climate change emergency – all in that exact same sitting in 2005. It was passed, very little was said against it, but nothing happened.

2205 So we have to be very wary that we are not greenwashing and that we are not just producing yet another report and yet another Tynwald resolution, this time enshrined in legislation, that *may* come to pass at some point in the future. Most importantly, I hope that the Minister can commit he will give the time for Members, for the public, experts outside this Hon. Court to take part and to be engaged in this very significant piece of legislation. (**A Member:** Hear, hear.)

2210 Thank you very much, Mr Speaker.

**The Speaker:** I call on the mover to reply, Mr Boot.

**Mr Boot:** Thank you, Mr Speaker.

2215 I thank everyone for their contributions, and quite lengthy in some cases. It is interesting ... I mean, I am quite happy to commit to leaving more time before we take clauses (**A Member:** Hear, hear.) so that people can bring amendments forward. (*Interjection*) But I have to say I am slightly disappointed. We laid this before Tynwald at the beginning of the summer and the Bill

2220 was there in its embryo form, and there has been very little feedback in the meantime. The clauses were there, people could have commented on them, (*Interjections*) and I would have hoped that there would have been more interaction with the officers prior to this stage. But putting that to one side, I accept what you are saying, and I am happy to commit to looking at amendments and working with the officers in due course.

2225 Referring to individual Members' contributions specifically: I think, Mrs Caine, you feel that there are too few concrete commitments in the Bill. Well, this Bill has always been an enabling Bill. We are not setting specific targets or commitments for future administrations. It is an enabling Bill to enable progression over the next 30 years. When I did the presentation in the Barrool Suite, we talked about this. We have no idea what technology is going to be available or how things will develop over the next 30 years and I think it would be incorrect for this administration, with just nine months to run, to try and be technical and make commitments that we do not know will be the right commitments.

2230 We are a small jurisdiction. We do not want to go down the wrong avenue. It could be expensive in terms of where we are going. So I just want people to bear in mind this is an enabling Bill which will allow the application of various statutory powers and enable the Council of Ministers, with the guidance of Tynwald no doubt, and through consultation with our stakeholders, and through the Citizens' Forum, and also with advice from Professor Curran going forward, to mould the action plan. We already have an action plan that we have been working on and that is already in action now. It is not greenwashing, this is the reality of the situation.

2235 Professor Curran did not recommend hard interim targets for the simple reason that technology changes, and also the fact that we are getting our information two years in arrears when it comes to carbon reporting. So the preferred method was to lay a report before Tynwald on an annual basis with a five-yearly emissions review, with five-yearly plans. I think that is a good way forward.

2240 There was some reference by two Members, I believe, to the fact that we do not commit to a Tynwald debate. Well, any document or report that is laid before Tynwald can be debated, and I am sure the Council of Ministers now and in the future will take that on board. If debate is what Tynwald Members want, then a debate can be had. So the fact that it is not in the Bill does not actually stop a debate taking place.

2245 Public bodies – and Mrs Caine referred to 'must', 'might', 'need to'. I think the idea of the Bill is to get people on board, and I think most public bodies will work within and have the commitment to climate change. When it comes to penalties, the ultimate penalty for any administration will be subjecting themselves to Tynwald scrutiny going forward, and that will be the measure of the success for where things are going. Putting financial penalties in which affect Government, I do not think is appropriate. It is a political decision as to where we go.

2250 Countries around the world have already made commitments in terms of where they are going and 2050 seems to be the consensus of opinion when it comes to the target. I think already on the Island through the action plan we have at the moment, we have some positive outcomes. I will talk more about that later.

2255 I refer to Mr Shimmins and I thank him for his 'qualified support' as he put it. It is interesting that some of the things that he raised basically sit with where Mrs Caine is in terms of the commitment, but we *have* followed Professor Curran's advice – well, not to the word, but in a fair way – (*Laughter*) to ensure that we get a Bill that is fit for purpose. We did debate appropriate dates and how we would go forward previously. So we have sort of been following that advice all the way through and the officers certainly have spent a lot of time making sure that we work with a Bill that is enabling.

2260 Attribution of emissions: I believe in attributing them to the Isle of Man and working with Isle of Man emissions rather than simply offsetting. I remember Mr Hooper suggesting that we could offset all our emissions by simply paying offset fees to other jurisdictions – Brazil, the Amazon, or wherever. I do not believe that is an acceptable solution for a responsible country that wants to have its own schemes and show positive progress, because that means that we can sit on our

2270 laurels and do nothing. So I think local attribution is absolutely the right way forward, although there may obviously be room for looking at other schemes in due course.

Mr Shimmins referred to annual reporting and various other things, and I have referred to that. *Any* report that is laid before Tynwald is debatable and I am sure that Members will ensure that it is debated if they do not believe that we are going in the right direction.

2275 Mr Shimmins also referred to oil versus gas and why are we favouring one over the other? We refer to fossil fuels. Fossil fuels are fossil fuels and I think it would be inappropriate for us to start saying that gas is better than oil, and looking at the Competition Bill and Government favouring one supplier over another. I think that is a difficult one. What we want to do is achieve zero use of fossil fuels, and the way to do that is perhaps classifying them as one type of fuel.

2280 Mr Shimmins referred to peatland. We have an action plan in hand and we are already committed to restoring a thousand acres of peatland. That may sound slightly strange because the peatland is already there, but the reality is that a lot of the peatland in the Isle of Man has been improved for stock grazing and cropping in the past, so there is a requirement if we want to restore its proper carbon capture to restore this. The process is time-consuming. It is not very  
2285 expensive, but we have already made a commitment and we have banned the harvesting of peat for fuel.

When it comes to vehicle licensing and the polluting vehicles, the amendments to the Licensing and Registration of Vehicles Act in the Schedule to the Bill enables the Council of  
2290 Ministers to ban registration of high polluting cars, and I suspect that will be something that does happen in the not-too-distant future. I am not sure about vehicles being dumped here or polluting vehicles, but that is for another day.

Mr Shimmins, again, he talked about planning and building regulations. We are already evolving those processes and building regulations have been amended recently inasmuch that we are looking at near-passive houses by 2025. So we are making good progress in that respect.

2295 Mr Hooper, with the old chestnut of whether the date of 2050 should be earlier. All I can say is that 2050 is in line with most other jurisdictions now – the UK, New Zealand, Denmark, etc. It *is* a 2050 date, but it could be earlier if technology evolves and we are able to meet net zero before 2050. So the 2050 date is a target date, but it might be earlier.

I think I must go back to the fact that the Bill *is* enabling. It has got to be flexible enough to be  
2300 relevant for the next 30 years. When it comes to domestic carbon offsetting, nothing in the Bill prevents companies or Government aid from investing in international green projects. The Bill allows us to be innovative on Island, offsetting using blue carbon as well as restoring high-carbon ecosystems, and that is beyond just tree planting which we all know about. There may be some new, innovative things we can do on Island, and that is for the future; but within my Department  
2305 I know we are looking at green carbon capture and how we can best respond with land use to that.

Plans must be introduced on a five-yearly basis and by 2022 there is a requirement to introduce a proper interim target that will pay attention to the retrospective time lag. So if the target perhaps is 2035, by then we will have had a fairly good dataset to work on as to what  
2310 progress is being made.

Mr Hooper made the point that the consultation summary was late in coming out. I have to apologise for the fact that it was not available earlier, but this perhaps reflects the speed at which the officer team has been having to react to try to meet our commitment to have this  
2315 Climate Change Bill before you. I hope that now you will have an opportunity to examine the consultation. I can tell you that that consultation was taken fully into consideration. Obviously, a consultation is a consultation, and different stakeholders come back with different comments. A number of the consultation recommendations were adopted, the primary one being that most of the bits of the Bill will come into force as soon as the Bill receives Royal Assent. So I do believe that we have taken consideration of those consultation responses by allowing a longer time  
2320 period for the clauses stage. I think we can also take some of that consultation response, if it is going to be fed through to Members, further into consideration.

In terms of domestic effort, and Mr Hooper covered this as well as the earlier speakers, I think it is important that we try and reflect what we are doing on an Island basis, not just move to offsetting as I referred to earlier. We want to be responsible for what we are doing, on Island. I think that is the way forward.

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Mr Hooper did talk about Land Registry and peatland. I think there is a bit of a mix-up here. The peatland register that we are talking about is a conservation matter. It is a register of a conservation effort, not land as such. That is how I see it, and no doubt there can be further discussion on that as necessary.

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I move on to Mr Baker and I thank him for his support. As Chair of the MU he has obviously got an insight into consultation that has taken place with the MU stakeholders in terms of the resilience of our electric supply, and also changes to the overall mix of renewables. I also thank the MU for piloting air-source heat pumps and rolling out the new electric vehicle charging schemes around the Island. That is moving in the right direction. All of these things are long-term projects that are slow to progress. It is not easy to roll out a charging system for the whole Island that takes into account the problems that individuals may have, that need to have public charging and do not have gardens, but we are making progress in that.

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When it comes to renewables the commitment for 20 MW, about 25% of our peak supply, is definitely a step in the right direction. The PIN process will determine whether there is someone coming forward with a viable solution in that respect, but we should not forget that we still have an agreement with Ørsted for offshore wind. I think that is 800 MW of power there. And with the changes that are coming with the European Union – and the UK is going to be free of the EU shackles in terms of what it does with the Crown Dependencies – the Contract for Difference that has caused so much of a problem in the past in securing a contract that would be able to use that 800 MW in the UK – because there is no Contract for Difference that has been available in Manx territorial sea – may well evaporate. I have indeed been writing to the appropriate Minister in the UK and that could be a big game changer for the Isle of Man. If we suddenly get 800 MW of green energy generated in our territorial sea, even if we do not get an interconnector direct to the Island, bringing it back to the Island via an interconnector may supply all our green energy needs in the future.

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That is a good example of why this is an enabling Bill rather than a Bill that sets everything in aspic, because we need to adapt to changes that are going to come forward. The smart grid is another move forward that will enable load sharing and is able to determine when power is used at peak supply and that with changes to the electricity bill will, I am sure, make a very useful addition to our armoury going forward in terms of what we *are* able to do with local supply and generation.

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Mr Peake, I thank you very much for seconding the Bill. I think, as you pointed out, that technology will move on. I hope your work with the Citizens' Forum will bring forth good results. I think that is a good move and a sensible move.

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Mr Thomas I have already responded to, in terms of bringing clauses later. I am happy to commit to that, and I understand the rationale behind it. You talked about action plans, oversight and accountability. The accountability of this Climate Change Bill will be in this House and another place. That is where the real accountability will be, and it will be with the public generally when we share what we are doing and report it. If we are not making progress it will be obvious, and then I guess electorally Members will pay the price. But the ultimate sanction on what is going on, responsibility and oversight and accountability will be through our parliamentary structure.

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You talked about peatland. I think I have explained the situation with regard to that; and independent scrutiny once again, accountability, we have Professor Curran still in the loop and we have the Citizens' Forum, which I am sure we will hold us to account and scrutinise what is going on. I am not sure that they should be directly involved in this Bill, and there have been two full consultations plus stakeholder consultation. The Citizens' Forum, as I see it, is more about

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scrutinising what we do in terms of action plans rather than actually having input into the Bill. The Bill is the responsibility of this House, and us; not to those outside.

2375 You talked about Manx Gas, and I think you are conflating Manx Gas in a way that I do not think is appropriate to an enabling Bill of this sort. Mr Peake referred to a cheaper, cleaner energy and I think we are all signed up to that, it is where we get it from and how the technologies develop. The Ørsted scheme is an example of a game changer that may or may not happen in the near future.

2380 Mr Thomas talked about *vires* for other jurisdictions. Where we refer to the UK legislation, that of course does still include Wales, Scotland and Northern Ireland, so I think that point is covered off. We refer to Scotland specifically because we have extracted a lot of what you see in this Bill from the Scottish Bill. I thank the Scots for doing that.

2385 You also ask about finance and the £5 million-plus schemes, or lack of schemes that we have had in the past. There has been a lack of schemes, and I have to admit that, but finances have been tight and it has been difficult to persuade Members that we should spend a lot of money on various house improvement schemes. But now that we have the Climate Change Board, I think there will be more emphasis on looking at home improvements as a climate change aspect, rather than just as improving homes. That is a double win for everyone, because at the end of the day if homes are more comfortable and they cost less to heat, who can complain about that?

2390 Looking at the Bond issue, I think that is something obviously that could be revisited in due course, but I think at the moment we have sufficient funds for the immediate future and it is one of those things *for* the future.

2395 I think in summing up and closing, I remain happy to engage – we are meeting Mr Hooper later in the week – with any Members and the officer team to look at the Bill in terms of clauses. We have not set any hard targets but there will be duties to set an interim target by 2022, which I referred to earlier, which I think is important. That will be the responsibility of the next administration and they will also set the next five-year plan. So this is an enabling Bill, and I hope you can support it.

2400 We have made a lot of progress over the last few ... well, it was May 2019 when the Chief Minister acknowledged the Climate Change Emergency. A lot has happened since then, and with the COVID pandemic there could have been a scenario where the Bill was knocked off course, but it was not, and I thank the officer team for keeping it on track. (**A Member:** Hear, hear.)

2405 So with that, I beg to move.

**The Speaker:** I put the question that the Climate Change Bill 2020 be read for a second time. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

2410 Minister, given the comments of Members, it would be really appreciated if you could advise the House at the earliest possible opportunity of what date you intend to move clauses so that drafters and Members can plan accordingly.

**Mr Boot:** I will do so. Thank you.

**The Speaker:** Thank you.