

Scan Sheet

eCase DECC CU -
New Case



System User 4406/04

1. eCase Case Ref.

2. Case type (please circle)

MC - Minister's Case, PO - Private Office
TO - Treat Official, TFR - Transfer Case

☒ MC ☐ PO ☐ TO ☐ TFR

3. Case Title

Urgent Contact Case
Ref: 185534

4. Department/Directorate (Team)

5. Subject

6. Date Post Opened and Scanned (Date
Received)

7. Urgency (please circle)

☒ HIGH

8. Handling Instructions

Contribution requested
416 - [REDACTED]
716 - EU ETS

9. Addressee minister (if applicable)

Barker Hendry Huhne Marland

10. Responding minister (if applicable)

Barker Hendry Huhne Marland

11. Allocated to (Drafter)

Cent registered - 4/6 [REDACTED]
- 7/6 - EU ETS

Post Opening Tracking Sheet

MC Pile



MC697

This is a CONTACT case

1. Date Post Opened and Scanned -

2. CONTACT Case Ref No. -

185534

3. Allocated to -

4. Handling Instructions

Level of urgency (Please circle) -

HIGH

MEDIUM

LOW

Handle as (Please circle) -

MC

PO case

DWO

INVITE

OGD Transfer

No Reply

Minister signing (if applicable) Please circle -

HB

PW

JoanR JS

JR

Lead Policy Area (Division and policy contact, if applicable) -

INTERNATIONAL CLIMATE
CHANGE

CCU Drafter -

Any other comments -

CLIMATE CHANGE
AGREEMENTS

5. Date and Time logged on the database -

PLEASE TURN OVER FOR QA AND OTHER DETAILS

QA Comments

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Date submitted to Private Office:

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Rejected in Private Office: Y ☐ N ☐

Date submitted to Minister:

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If applicable: (a) date returned by Minister to Private Office for further action

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(b) date returned to CCU for further action

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(e) date re-submitted to Private Office by CCU

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(f) date re-submitted to Minister

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Date returned to CCU

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Comments (if any)

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PHILIP DUNNE MP
(LUDLOW)



HOUSE OF COMMONS
LONDON SW1A 0AA



Mr Charles Hendry MP
Minister of State
Department for Energy & Climate Change
Nobel House, 17 Smith Square
London SW1P 3JR

21st May 2010
Ref:RD.21/05/1718

Dear Charles

May I first of all congratulate you on your new position.

I have been approached by Mr Will Savage, the Chief Executive of Aluminium Federation Ltd, National Metalforming Centre, 47 Birmingham Road, West Bromwich, West Midlands B70 6PY. As you will see from the enclosed copy of his letter to your predecessor, the Federation is opposed to the proposals to impose a target reduction of a further [redacted] for the UK's Aluminium Climate Change Agreement members by 2015. I should welcome your comments on the points that have been raised.

Naturally I would like to write to Mr Savage again as soon as possible and I should therefore appreciate an early reply.

Yours ever



Philip Dunne
MP for Ludlow

*P.S. I enclose a copy of my speech on the
Aluminium Industry from last January which covers
this issue.*

Tel: [redacted]
Website: www.philipdunne.com

WS/KC/TS
6 April 2010

Climate Change Agreements Team
Department of Energy and Climate Change
Area 1A, 3 Whitehall Place
London SW1A 2AW

Dear [REDACTED]

Re: ALFED Target Setting for New Climate Change Agreements

You will have received a holding email from ALFED's Climate Change advisor, [REDACTED] dated 30th March, expressing our incredulity at DECC's proposal to impose a target reduction of a further [REDACTED] for the UK's Aluminium Climate Change Agreement members, by 2015.

As you know, the Aluminium Sector has repeatedly met the already stringent targets for Milestones I to IV of the current Climate Change Agreement. Our industry has worked tirelessly to achieve this performance, which gets harder at each milestone.

The UK's Aluminium Sector is already using best available techniques, (BAT), and little, if any, further technological scope exists for improvement in energy efficiency.

The economic environment that has existed since the credit crunch, and which is likely to prevail for a long time to come, is acting as a further constraint on our Sector's ability to invest in energy saving equipment / techniques, even if these opportunities existed.

DECC's proposal, if imposed, will be yet another blow to UK manufacturing's competitiveness. This will be a major contributor to further, unnecessary closures in the UK manufacturing sector, with inevitable job and revenue losses. It will further accelerate Carbon Leakage, as industry moves to other parts of the world where these regulatory burdens do not exist.

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The [redacted] proposed reduction comes on top of, and is additional to, the Budget intention to reduce the existing CCL Rebate from 80% to 65%. This is a further disincentive for many Climate Change Agreement members to remain in the scheme.

As ALFED has already made clear to Ministers, this reduction will cost the aluminium industry alone [redacted]. A cost which, for many of our members, [redacted] will result in operating losses.

In addition, the Budget proposal to index the Levy by inflation from 1 April 2011, will further compound the cost to industry of remaining in the scheme.

The closure of the UK Emissions Trading Scheme, with its inevitable effect on the increase in the cost of carbon, will further impact the financial performance of the aluminium companies who have struggled to meet the current stringent targets.

The EU ETS Phase III, coming in 2013, will, through the electricity pass-through costs, further increase the cost of energy to our Members.

From the above, you will see that the UK Aluminium Industry cannot accept DECC's proposal for a further [redacted] tightening in our sector target. We wish to meet with your officials, once we have had time to consult with our Members, to bring our case to you. We firmly believe that your request for a 30th April response will not give our Sector enough time to collate the evidence required to support our case.

It is abundantly clear from DECC's proposals and the actions of UK Government that British manufacturing industry is being sacrificed on the altar of global emissions reduction targets, when most of the rest of the world will not have these targets imposed upon them. If allowed to go ahead, these proposals will not result in reduced global emissions. Significant amounts of UK production will be lost to other countries where energy efficiency and environmental emissions are inferior to our own, but where industry is valued for the wealth and employment it creates.

Yours sincerely,



Colin Davies
President



Will Savage
Chief Executive

CC: Rt. Hon. Pat McFadden MP, Minister of State for Business Innovation & Skills
The Rt Hon Lord Mandelson, Secretary of State for Business
Rt. Hon. David Cameron MP, Leader, Conservative Party
Rt Hon Kenneth Clarke, QC, MP, Shadow Secretary of State for Business
Philip Dunne MP