National Communication sector replacement proposal

User feedback request



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Any enquiries regarding this publication should be sent to us at: Greenhousegas.statistics@beis.gov.uk

Introduction

To ensure UK territorial greenhouse gas (GHG) emissions statistics best meet users' needs, BEIS is seeking feedback on replacing the 'National Communication' (NC) sector categorisation of UK emissions sources presented in BEIS publications from February 2024.

Please respond by 30 April 2023 so that BEIS has time to consider and incorporate your feedback in development of the replacement sectors ahead of publication in February 2024.

Background

UK territorial GHG emissions statistics are based on the UK GHG Inventory which is produced in accordance with <u>international guidelines</u>. These seek to ensure that global emissions estimates are transparent, accurate, complete, comparable, and consistent. The UK GHG Inventory must therefore be produced using a sector categorisation specified internationally. However, this is not best suited for users of UK territorial GHG emissions statistics, for example due to lack of alignment with policy.

As well as incorporating information on the source and activity of emissions, the NC sector categorisation is largely a (multi-level) aggregation of the international categorisation. NC sectors are defined in the introduction of the final UK GHG emissions statistical release and shown in full in table 1.2 of the accompanying tables.

The UK's territorial GHG emission estimates are used by central government departments, devolved governments and local authorities to understand emissions in the areas they are responsible for, to develop policies to reduce emissions and to set targets and serve a variety of users including policymakers, academics, companies, and the public.

Other published sector categorisations

As well as the NC sector categorisation presented in the main tables of UK territorial GHG emissions statistics, supplementary tables are also presented by Standard Industrial Classification (SIC). These emissions estimates allow comparisons with other SIC level data, such as economic data published by the Office for National

Statistics (ONS). These supplementary tables will be unaffected by the replacement of NC sectors, except for table 8.9 which will show how the SIC level estimates breakdown by the NC sector replacement rather than NC sectors.

Rationale for replacing NC sectors

The NC sectors do not meet users' needs as well as they could. Internal stakeholder feedback has found they are misaligned with policy responsibilities. For example, alternative, more policy aligned sectors have been developed by BEIS (and Devolved Administrations (DAs)) for strategies (e.g. <u>Net Zero Strategy</u>) and by the Climate Change Committee (CCC) for advice to Parliament (e.g. <u>2022 progress report</u>).

In addition, it is not possible to identify key emissions sources using the various levels of the NC sector categorisation, such as heating buildings, energy from waste, non-road mobile machinery, and upstream oil and gas.

The proposed replacement sectors aim to be better aligned with policy and identify these key emissions sources.

Proposed replacement sectors

Table 1 provides a summary of the structure and approximate breakdown available from the proposed replacement sectors as well as significant differences from the NC sector categorisation. Like the hierarchical NC sector categorisation, the replacement sectors will also provide further breakdowns of emissions (at three levels).

Proposed replacement sectors (level 1)	NC sectors (level 1)	Emissions sources in scope
Agriculture	Agriculture	Livestock enteric fermentation and manure management, agricultural soils, agricultural machinery.
Buildings	Business Public Residential	Commercial fuel combustion, air-conditioning and refrigeration, product use. Public fuel combustion. Residential fuel combustion, air-conditioning and refrigeration, product use.
Domestic transport	Business	Air-conditioning and refrigeration Fuel combustion from transport including road, rail, waterborne (inc. shipping
Fuel supply	Transport Energy Supply	and fishing), aviation, military. Coal mining and handling, solid fuel transformation (exc. coke production), oil and gas (e.g. exploration, production and transport), oil refineries.
Land use, land use change and forestry (LULUCF)	LULUCF	Emissions and removals from forestry, peatlands, settlements and other carbon stock change from land use (e.g. in the biomass pool).
Manufacturing and construction	Business Energy Supply Industrial	Fuel combustion, industrial processes and product use from manufacturing, and production, industrial buildings, industrial non-road mobile machinery, autogeneration from non-major power producers Iron and steel coke production Industrial processes (e.g. mineral, chemical and metal production).
Power supply	processes Energy Supply	Electricity and heat generation from major power producers including energy from waste.
Waste	Waste Management	Landfill, biological treatment of waste (inc. composting), wastewater handling, waste incineration not used to generate energy (e.g. chemical waste, accidental fires)

Supplementary tables and datasets showing emissions by 'end-user' NC sector are also published at UK, devolved administration and LA level. These largely follow the same 'source' based approach as NC sectors shown above but reallocate emissions from energy supply to the sectors that use that energy. Equivalent changes to those proposed in Table 1 will be reflected across BEIS publications on UK territorial emissions statistics in 2024, including emissions projections.

Note

Following the replacement of NC sectors, it will still be possible to produce emissions estimates by NC sector using the detailed data (i.e. IPCC, source, activity) available in the dataset published alongside UK territorial emissions statistics.

Key questions

Any feedback on the proposed replacement sectors would be appreciated. Please include your rationale so that we can better understand your feedback. Some general questions in case helpful for structuring your response:

- 1. Have you any issues with the current or proposed structure? (e.g. sector scope)
- 2. Are there any key emissions sources that you cannot identify using the current or proposed structure?
- Fluorinated gas emissions sources (e.g. air conditioning, refrigeration, heat pumps, product uses) have largely been allocated to the sector in which their end-use occur. Have you any issues if they were instead allocated to their own sector?
 (i.e. approach taken in the UK <u>Net Zero Strategy</u> on basis of policy alignment)
- 4. Are there any additional breakdowns you would be interested in seeing in future?
 (e.g. residential fuel combustion by end-use, public fuel combustion by industry)

Timeline and future development

BEIS will consider user feedback on the proposed replacement sectors and where possible incorporate it into the final development of the sectors throughout 2023.

From February 2024 (start of the UK 1990-2020 GHG Inventory cycle), UK territorial GHG emissions statistics will use the replacement sectors rather than NC sectors currently published.

The replacement sectors will be reviewed annually as part of the UK national inventory improvement programme to ensure they keep up with new emissions sources and technologies (e.g. carbon capture, usage and storage).

Response

Please respond via email to: <u>Greenhousegas.statistics@beis.gov.uk</u>

When responding, please state whether you are responding as an individual or representing the views of an organisation as well as providing rationale for you feedback.

Please respond by 30 April 2023 so that BEIS has time to consider and incorporate your feedback in development of the replacement sectors ahead of publication in February 2024.