

London Luton Airport Expansion

Buckinghamshire Council Response to Action Points Raised in Issue Specific Hearing 2

PINS REFERENCE: **TR020001**

October 2023



Directorate for Planning, Growth & Sustainability
Planning & Environment
Buckinghamshire Council
King George V House, King George V Road
Amersham, Buckinghamshire, HP6 5AW

CONTENTS

1	Introduction	3
1.1.	Terms of Reference	3
2	ISH2 Actions	3
2.1.	Action 1: Confirm whether or not the report by Chris Smith Aviation Consultancy Ltd changes their position regarding the development.	3
2.2.	Action 18: Submit comments made by David Johnson on behalf of BC in relation to carbon trading.	3

1 Introduction

1.1. Terms of Reference

- 1.1.1. Buckinghamshire Council (the Council) is a neighbouring authority for the London Luton Airport Expansion Development Consent Order (DCO) referred to as 'the Scheme'.
- 1.1.2. This document provides the Council's response to the Action Points from the Issue Specific Hearing on need, socio-economic matters, Greenhouse Gas and Climate Change (ISH2), held on the morning of Wednesday 27 September 2023.

2 ISH2 Actions

2.1. Action 1: Confirm whether or not the report by Chris Smith Aviation Consultancy Ltd changes their position regarding the development.

- 2.1.1. The Council can confirm that the Chris Smith Aviation Consultancy Report does not change the Council's position in relation to need. The Council is not taking points against the Applicant's needs case.

2.2. Action 18: Submit comments made by David Johnson on behalf of BC in relation to carbon trading.

- 2.2.1. In paragraph 12.11.7 of the Greenhouse Gases (GHG) chapter of the Environmental Statement [APP-038], the Applicant states that the UK Emissions Trading Scheme ("UK ETS") and CORSIA will provide controlling mechanisms to prevent aviation emissions from exceeding carbon budgets in the event that "*any or all of the mitigation measures*" within the Jet Zero High Ambition Scenario are not implemented in full. This is an important note because it places a significant weight upon the UK ETS and CORSIA to ensure that the DCO under consideration does not prejudice the ability of future Government policy to stay within future carbon budgets.
- 2.2.2. Further, the Applicant later states in Table 12.23 of Chapter 12 – Greenhouse Gases - of the Environmental Statement [APP-038] that six sensitivity scenarios were considered for the GHG sensitivity analysis. Scenario 4 "*Next Generation Aircraft*" outlines that "*in other technical ... assessments ... [Zero Emissions Aircraft (ZEA) are] included as a sensitivity test.*" Before asserting that this is not necessary for the GHG assessment "*due to their explicit inclusion as an assumption*" within the Jet Zero Strategy. As such, the Applicant has not undertaken sensitivity analyses upon the delivery of ZEA's, Sustainable Aviation Fuel, or incremental efficiency improvements within their GHG analyses. In light of this, the reality is that the application relies upon the UK ETS and CORSIA proceeding in line with the Jet Zero Strategy (High Ambition Scenario) to be allowed by the Secretary of State

to conclude that the Authorised Development would not detrimentally impact the SoS's ability to comply with future carbon budgets.

- 2.2.3. There are at least two key sets of assumptions within JSZ, outlined within the Analytical Annex, which are of relevance here. Firstly, that the price per tonne of CO₂ within UK ETS and CORSIA will converge between 2030 and 2050. The beginning and end points of this convergence are shown in the following:

	2030	2050
UK ETS	150	378
CORSIA	6	378
	£/tCO ₂ e	

Table 1: Price Convergence for UK ETS & CORSIA (Source: Jet Zero Analytical Annex)

- 2.2.4. The above shows that the convergence assumed within Jet Zero is substantial, given that in 2030 the cost per tonne within UK ETS is 25 times more expensive than CORSIA; for this to reach a 1:1 ratio by 2050 will require “*significant international co-operation*” (Jet Zero Analytical Annex) and is recognised as a challenge within the same analytical annex.
- 2.2.5. Secondly, that CORSIA will be extended. It currently runs out in 2035. This is particularly relevant given the operational window of the Authorised Development which extends well beyond 2035 and the fact that long haul flights, which would fall outside of the UK ETS, would not begin until 2037.
- 2.2.6. There is material uncertainty around these two key assumptions. That is not to challenge the Jet Zero Strategy but rather to recognise, as the Analytical Annex for the High Ambition Scenario itself does, that it is ambitious and that its assumptions are subject to material risk. Indeed, the recognition of this is found in Jet Zero and this aspect of the strategy cannot be overlooked.
- 2.2.7. As BC understands, the Applicant stated at the hearing that the pricing forecasts, which is built into its demand modelling of passenger movements through to 2050, uses a forecast provided by BEIS (now DESNZ). This, critically, is a forecast rather than government policy and as such cannot be relied upon in the same way that the Applicant contends that the Jet Zero Strategy may be. The Applicant suggested at the Hearing that they may have conducted sensitivity studies (a Monte Carlo Analysis was mentioned) upon the impact of the cost development of UK ETS and CORSIA taking a different path to the baseline forecast, but this has not been explicitly referred to or explained within the submission on GHGs. If the Applicant places such weight upon UK ETS and CORSIA, then the sensitivity studies conducted (and their impact upon cumulative GHG emissions) must be explained in detail.
- 2.2.8. The Applicant also stated at the hearing that the “*right to fly*” and to fly cheaply, was a key driver attracting positive weight to the application and should be given

weight by the Inspectorate in their decision making. However, if the developments relied upon in the Jet Zero Strategy do not come forward as anticipated, the price of carbon will have been driven higher in order to maintain carbon budget commitments. A necessary corollary of this is that future low-cost air travel will be less accessible to the wider public or, putting it another way, low-cost air travel is contingent upon the delivery of the Jet Zero developments. If they do not come forward, prices will rise and this pillar of the Applicant's argument may be undermined.

- 2.2.9. All of the above clearly shows that there is significantly greater uncertainty within the development of UK ETS and CORSIA than the GHG Chapter [APP-038] allows for. The assertion by the Applicant that UK ETS and CORSIA provide sufficient controlling mechanisms to render sensitivity analyses upon Jet Zero Strategy developments unnecessary (See Table 12.23 [APP-038]) is not sufficiently evidenced at this point.
- 2.2.10. It is the Council's view that the Applicant should:
- Make explicit the sensitivity analyses conducted on UK ETS and CORSIA price development within its models.
 - Show the effect of the above within the GHG assessment [APP-038].
 - Show also how the sensitivity analyses above account for failure of any or all of the Jet Zero Strategy measures to come forward and show the effect upon both price and cumulative emissions of each or all of these measures not coming forward (i.e. efficiency savings, SAF savings, ZEA savings (see Inset 12.4 [APP-038]));
 - The above notwithstanding, the Council believe that Table 12.23 within [APP-038] should be extended to include sensitivity analyses upon Efficiency savings, SAF savings and ZEA savings not coming forward upon cumulative carbon emissions; and
 - The above must demonstrate beyond doubt that the Scheme is robust to the sensitivities inherent within future technological development and that the Authorised Development would not increase GHG emissions to the extent that future Governments are unable to meet future carbon budgets.