



## THE PRINCE OF WALES'S

UK CORPORATE LEADERS GROUP ON CLIMATE CHANGE  
UNIVERSITY OF CAMBRIDGE PROGRAMME FOR SUSTAINABILITY LEADERSHIP

The Right Honourable David Cameron MP  
Prime Minister  
10 Downing Street  
London  
SW1A 2AA

12 November 2012

Dear Prime Minister

As you know the UK's power infrastructure underpins the significant majority of our economy. It is therefore a concern to note the on-going divergence of views at the heart of government on the future of this sector, including possible questions of the UK's commitment to its climate change targets. As recently noted by Lord Heseltine, this uncertainty is paralysing investment and undermining the UK's growth prospects.

As members of The Prince of Wales's Corporate Leaders Group on Climate Change we have long asserted that attempts to set a strong economy at odds with effective policies on climate change are self-defeating. The only successful long-term plan to grow the UK economy will be one which takes account of climate change, both to reduce the risk of a changing climate to business and to support access for British business to the rapidly growing global market for low carbon goods and services.

Whilst the EU ETS should be the principle policy mechanism for decarbonising the power sector we nevertheless recognise that a low carbon investment signal is needed today. Therefore we suggest that the Committee on Climate Change's recommendation of an indicative target for the carbon emissions intensity of the UK power sector in 2030 introduced through secondary legislation is a useful step to help deliver the required certainty and should be adopted.

In doing this, the Government should be very clear how low carbon investment will be delivered in a cost-effective manner. This includes looking at the right incentives to support development of less mature low-carbon technologies and ensuring competitiveness impacts will be addressed, especially by securing comparable EU targets for 2030.

We believe that constructive UK leadership is vital to deliver action both at home in the UK, but also in encouraging others in Europe to deliver maximum ambition and a level playing field for UK businesses.



Yours sincerely

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Chief Executive Officer, Unilever

**Ian Cheshire**

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**Peter Simpson**

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**Neil Carson**

Chief Executive, Johnson Matthey

**Peter Maskell**

Chairman & Managing Director, Philips  
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**Colin Matthews**

Chief Executive Officer, Heathrow Airport

*CC: Deputy Prime Minister;*

*Chancellor of the Exchequer;*

*Foreign Secretary;*

*Secretary of State for Energy and Climate Change;*

*Secretary of State for Business, Innovation and Skills*

**Please direct any responses or inquiries to:**

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