NO 3RD RUNWAY COALITION

PRESS RELEASE

27 January 2022

For immediate use

EMISSIONS COST OF HEATHROW EXPANSION JUST DOUBLED

The carbon abatement costs of Heathrow expansion have doubled, from £50bn to £100bn, since Parliament approved the principle of the project in 2018, a fresh study of the Government's new carbon pricing structure has found (1).

The study, conducted by the New Economics Foundation (NEF) confirms that the carbon value of Heathrow's proposed third runway is now twice the figure presented to ministers and parliamentarians by the Department for Transport in the Airports National Policy Statement (ANPS) in 2018 (2).

Carbon values represent the 'clean-up' or abatement costs that will be required to offset the carbon emissions of an activity or project. These were revised by the Government, this autumn, to bring them into line with its new, legally binding Net Zero obligations, passed in June 2019, increasing both short- and long-term costs up to threefold (3).

In respect of the prospects of Heathrow Expansion, this is significant. The legislation on which Parliamentarians voted (the ANPS) projected a Net Present Value (i.e. the total economic benefits of the scheme LESS the costs to the wider economy) to be between plus £3bn and minus £2.5bn.

With the carbon abatement cost element of Heathrow Expansion have increased exponentially, the total economic impact of the scheme can now only come at a great cost to the UK economy; a startling change from what was presented to parliamentarians in 2018, to secure their assent for the project.

Paul McGuinness, Chair of the No 3rd Runway Coalition, said:

"As was perhaps inevitable, Heathrow expansion's carbon costs have escalated exponentially, even before they've put more greenhouse gas emitting planes into our atmosphere. The ever-growing case for the Government to cancel Heathrow expansion has become incontrovertible.

"Even when parliamentarians supported the principle of Heathrow expansion, the project's total economic benefit to the UK was assessed at only between minus £2.5bn and plus £3bn. But now the carbon abatement cost element of Heathrow expansion has risen so significantly, the total economic impact of the scheme can only come at a very great cost to the UK economy. And had Parliament had this knowledge in 2018, it is surely doubtful that they would have supported it".

David Simmonds MP, Co-Chair of the <u>All-Party Parliamentary Group on Airport</u> Communities, said:

"This report highlights the need to get the detail right when considering our future aviation picture and the Government's Jet Zero review. We cannot afford to underestimate the implications for major projects such as Heathrow expansion and future generations will not thank us for creating complicated financial mechanisms which won't do anything to actually help the environment."

Paul Beckford, Coordinator of <u>Heathrow Association for the Control of Aircraft</u> Noise, said:

"This research shows that Government need to think again about supporting any investments in carbon intensive infrastructure. The costs of expansion at Heathrow have always outweighed the benefits and it is now clearer than ever that a 3rd runway is not compatible with the UK's Net Zero future. It is time for the Government to review the Airports National Policy Statement and update cost benefit analysis to reflect this material change in the value of carbon."

ENDS.

Notes:

- 1. 'The £62bn carbon giveaway' New Economics Foundation, 27 January 2022 https://neweconomics.org/2022/01/the-62bn-carbon-giveaway
- Updated Appraisal Report: Airport Expansion in the South East, Department for Transport, October 2017, pp. 33–39
 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/653879/updated-appraisal-report-airport-capacity-in-the-south-east.pdf. Data in this document was used to prepare the Airports National Policy Statement, which was presented to Parliament.
- Valuation of greenhouse gas emissions: for policy appraisal and evaluation, Department for Business, Energy and Industrial Strategy, 2 September 2021 https://www.gov.uk/government/publications/valuing-greenhouse-gas-emissions-for-policy-appraisal-and-evaluation#annex-l-carbon-values-in-2020-prices-per-tonne-of-co2

For more information, contact:

• Rob Barnstone on 07806947050 or robeno3rdrunwaycoalition.co.uk