

E-news update September 17 2007

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CLIMATE

- 1.1. Czech, Swedish, French leaders for road map on climate protection
14 September 2007, ČTK

The Czech Republic, Sweden and France want to prepare an EU road map designed to improve climate and environment, the three countries' environment ministers, Martin Bursík, Andreas Carlgren and Jean-Louis Borloo, said after a meeting in Prague on Thursday.

They agreed that climate protection will be one of the key priorities of their countries' EU presidency.

France will preside the EU in the second half of 2008, the Czechs in the first and the Swedes in the second half of 2009.

The three ministers coordinated their priorities on Thursday. The planned road map concerning climate changes is to aim at the 2008-2009 period, Bursík told journalists.

The period of the French, Czech and Swedish presidency will coincide with the final phase of the worldwide negotiations about ways to prevent climate changes after 2012 when the Kyoto Protocol on reduction of air pollution expires.

"The EU has an ambitious and good climate protection policy, but it must be implemented in practice every day. In addition, further big polluters, mainly the USA but also China, Russia, India etc must get involved in it," said Bursík.

Climate protection will not be the only environmental priority during the three countries' presidency. Other key tasks are the quality of the air, the handling of waste, biodiversity protection, chemical policy, the development of modern, environment-friendly technologies and water protection, Bursík said.

Bursík, Czech deputy prime minister and chairman of the junior ruling Green Party (SZ), has repeatedly clashed with President Vaclav Klaus, a conservative, over their approach to environment-related issues.

Bursík believes that human activities contribute to the global climate change, while Klaus asserts the opposite. He says there is no need to cut emissions as this would threaten countries' development.

Bursík, on his part, points out that the Czech government has pledged in the EU to cut emissions and take further measures. According to Bursík, Klaus's opinion is a rarity that cannot be taken seriously and that will discredit the Czech Republic internationally.

1.2. UNFCCC workshop on adaptation planning and practices concludes in Rome 12 September 2007, UNFCCC

The Secretariat of the United Nations Framework Convention on Climate Change (UNFCCC) today concluded a three-day workshop in Rome on planning and practices to help communities, national governments, and organizations to adapt to the impacts of climate change. The workshop was held in collaboration with the Food and Agriculture Organization of the United Nations (FAO).

The meeting enabled around 150 experts representing developed and developing countries, along with intergovernmental and non-governmental organizations, to share their experience in adaptation planning and practices in the areas of agriculture and food security, water resources, coastal zones and health and on how to integrate and coordinate adaptation across different sectors and at different levels to contribute to the overall efforts to achieve sustainable development.

»The impacts of climate change - such as changes in temperature and rainfall, increasing sea level and more frequent extreme weather events, such as droughts and floods - already have the potential to affect most of the world's countries and can lead to tremendous losses in human lives and economic productivity,« said Roberto Acosta, Coordinator of UNFCCC's Adaptation, Technology and Science Programme.

The recently released fourth assessment of the Intergovernmental Panel on Climate Change (IPCC) concluded that adverse climate change impacts will increase in the future, making it necessary for countries to plan for those expected impacts and to undertake appropriate measures to adapt to them.

Participants identified gaps and needs which currently inhibit adaptation planning and implementation, and shared good practices for practitioners and decision-makers which can be replicated in a wide range sectors to enable countries and communities to better plan for and design adaptation to climate change.

Participants discussed how to take forward recommendations aimed at enhancing adaptation planning and practices. Many organizations outlined how they will pick up some of the recommendations - be it relating to tailoring data, methods and information for users, developing guidebooks on how to plan and implement adaptation, or supporting the development of legal and institutional frameworks to promote collaboration and integration across sectors and at different levels.

The workshop was the second such event organized under the Nairobi work programme on impacts, vulnerability and adaptation to climate change as mandated by the annual Conference of the Parties of the UNFCCC. The Nairobi work programme aims to assist all countries, in particular developing countries, to improve their understanding and assessment of impacts and vulnerability to climate change and to make informed decisions on practical adaptation actions.

The first workshop was held in Cairo in June to allow countries to exchange their experiences on assessing and dealing with current and future climate related risks and extreme events. Subsequent workshops will be held in 2008 focussing on methods and tools, data and observations, and climate modelling and socio-economic information.

More information available <http://unfccc.int/4036.php>.

1.3. Berlin climate meeting helps to pave way for Bali 12 September 2007, AFP

A 20-nation meeting in Berlin has helped lay the foundation for negotiations in Bali in December about a new climate change treaty to replace the Kyoto Protocol, a UN official said Tuesday.

"We have laid the foundation for formal talks," the executive secretary of the UN Framework Convention on Climate Change (UNFCCC), Yvo de Boer, said in Berlin.

He said the two-day meeting of ministers of the Group of Eight plus 12 other major energy consumers that ended in Berlin on Tuesday had helped forge greater understanding between the haves and the have-nots on combating global warming.

"I have heard here in Berlin that all nations want to make progress in Bali, and that they want the conference there to establish clear goals and greater involvement on the part of developing countries," de Boer added.

"Everybody already has a climate change policy and everybody is ready to go further."

The UNFCCC hopes that its conference in Bali, Indonesia will deliver a roadmap for negotiating cuts in greenhouse gas emissions that will be implemented after 2012, when the Kyoto Protocol runs out.

But deeply conflicting views between countries about how to act to stop the Earth from overheating means that the UN officials will have their work cut out to prevent it all ending in deadlock.

One problem is configuring a treaty encouraging cuts by the United States, which opposes the cap on emissions set down under Kyoto and is pushing for a voluntary, technology-driven approach.

Another problem is what kind of commitments large developing countries should make under post-2012 Kyoto.

German Environment Minister Sigmar Gabriel said there were encouraging signs that a global consensus was slowly emerging to avert a looming disaster.

This, and hardening public opinion, will "make it very difficult for nations to opt out of the process," Gabriel said.

"Recalcitrant governments are facing more and more pressure," he said, referring to the United States, the world's number one greenhouse gas emitter, which walked away from Kyoto in 2001.

Little detail was known about positions taken at the Berlin meeting -- the third and penultimate in the G8's so-called Gleneagles Process on climate change, clean energy and sustainable development.

Veterans of climate negotiations expect some of the major players in this process to declare their hand only at a time closer to the Bali conference or possibly at Bali itself.

That conference will be preceded by two major meetings in the United States.

On September 24, UN Secretary-General Ban Ki-moon will host a 30-nation meeting in New York.

Three days later US Secretary of State Condoleezza Rice will chair a meeting of 16 countries that together account for some 90 percent of global emissions in Washington.

1.4. US states win right to set carbon target

14 September 2007, http://environment.independent.co.uk/climate_change/article2961304.ece

The US state of Vermont has won a landmark victory in the battle against global warming being waged at local level across America in defiance of the Bush Administration.

A federal judge has ruled against an alliance of US and European car companies seeking to kill off Vermont's tough new greenhouse gas standards for motor vehicles. The regulations are modelled on California's groundbreaking pollution standards for cars which were adopted in the teeth of opposition from President George Bush.

Earlier this year the US Supreme Court recognised for the first time the phenomenon of global warming and its potentially catastrophic effects upon the environment. Now, the courts have said that, as a result, individual states have the authority "to monitor and regulate emissions", in effect to adopt tougher rules than those at than federal level on carbon dioxide pollution from cars.

Irate car manufacturers hope to have the ruling overturned in a higher court. They had sued Vermont saying it was usurping federal authority by passing its own laws to limit the sale of polluting vehicles.

California's Governor Arnold Schwarzenegger called the Vermont ruling an "important victory in the fight against global warming." The car industry should "stop wasting millions on legal fees and start paying their engineers to build these cars to be cleaner", said David Bookbinder, of the Sierra Club environmental organisation.

The ruling will quicken the pace of change to further reduce emissions. California has been leading the way in forcing polluting industries to reduce their emissions, despite the unwillingness of the Bush Administration to do so.

Congress has deemed that California alone – traditionally to the fore in fighting pollution – can draw up rules on pollution that are tougher than federal standards. Other states have the right to follow the tighter California standards, once approved.

Car companies, including Daimler-Chrysler complained bitterly that the cost of meeting these goals meant that few if any of US-made cars and trucks would be sold in Vermont by 2016. But Judge William Sessions rejected a variety of challenges from auto manufacturers, including their contention that the states were.

"It is improbable that an industry that prides itself on its modernity, flexibility and innovativeness will be unable to meet the requirements of the regulation, especially with the range of technological possibilities and alternatives currently before it," he wrote.

He was also dubious of claims that as many as 65,000 jobs would be lost across the country if California's pollution standards were taken up by other states.

In 2002, California became the first US state to force car companies to start reducing emissions of carbon dioxide. It has subsequently set some of the strictest standards in the world. Vermont adopted the same standards, as did other states, including Connecticut, New Jersey, New York and Pennsylvania.

The Alliance of Automobile Manufacturers, which brought the lawsuit in Vermont, is planning an appeal.

"The court's opinion is a sweeping rejection of the auto industry's claim that California and other states" lack authority to regulate heat-trapping gases, Richard J Lazarus, a law professor at Georgetown University in Washington DC told The New York Times.

The world's leader... for pollution

Among the world's top economies, the US still stands out as the number one polluter. With just 5 per cent of the world's population, the US is the world's largest producer of greenhouse gases and responsible for almost a quarter of global emissions of carbon dioxide. Motor vehicle emissions are one of the leading causes of air pollution, with China, the US, Russia, Mexico and Japan the world leaders in emissions. However, squeaky clean Canada is the number two country, ranked per capita. The worst pollution sources include chemical plants, coal-fired power plants, oil refineries, nuclear waste disposal, incinerators, large livestock farms, plastic and metal production and other heavy industry.

ENERGY

2.1. Fossil fuel efficiency projects to receive much-needed investment under Kyoto Protocol's clean development mechanism

14 September 2007, UNFCCC

Projects that increase the burning efficiency of fossil fuels can now qualify for registration under the Kyoto Protocol's clean development mechanism (CDM), thanks to a decision taken by the mechanism's independent Executive Board.

The CDM Executive Board has approved a methodology for monitoring emissions from fossil fuel efficiency projects and for setting the emissions baseline against which their emission reductions can be measured. A critical challenge that the Board had to overcome in fine-tuning the methodology was to find a way to prevent such projects from inadvertently prolonging the use of fossil fuel or competing against renewable sources of energy. One way the Board did this was by building in a phase-out feature that limits the number of certified emission reduction credits (CERs) that can be earned. Another way was by limiting the number of projects eligible in a given country, based on a percentage of the fossil fuel (covered by the project) used in the country.

"Fossil fuel will remain a big part of the world's energy mix for decades to come. It's essential that we burn that fuel as efficiently as possible," said Hans Jürgen Stehr, Chair of the CDM Executive Board.

Baseline and monitoring methodologies are a key features of each CDM project type, and are, among other things, designed to ensure that the reductions claimed are real, measurable, verifiable and additional to what would have occurred without the project.

Under the CDM, projects in developing countries can earn saleable CERs by reducing greenhouse gas emissions. Industrialized countries can use these CERs to meet a part of their commitments under the Kyoto Protocol. The potential to earn CERs is expected to help reduce the high cost barrier to developing and then deploying clean-burn technologies.

There are currently more than 780 CDM projects registered in 48 countries. These projects, and the approximately 1320 others in the registration pipeline, are expected to generate 2.2 billion CERs, each equivalent to one tonne of carbon dioxide, by the end of the first commitment period of the Kyoto Protocol in 2012.

2.2. Renewable energy to be a priority for nation

15 September 2007, China Daily

China plans to put even greater effort into developing its renewable energy industry and cut greenhouse gas emissions to maintain sustainable economic growth in the coming years.

Investments worth more than two trillion yuan, or 10 percent of the nation's gross domestic product (GDP) in 2006, are needed to meet the renewable energy target by 2020, according to the National Development and Reform Commission (NDRC).

Addressing a press conference in Beijing early this week, Chen Deming, vice minister of NDRC, reiterated that China's medium and long-term target is to boost its fledging renewable energy industry, which is expected to play an important role in sustaining the country's future economic development.

NDRC plans to raise the ratio of renewable energy in total energy consumption to 10 percent by 2010 and 15 percent by 2020, compared to eight percent at present, Chen said.

Currently, coal annually accounts for more than 70 percent of China's total energy consumption, leaving great potential for the development of hydropower, marsh gas, solar, wind and other clean and renewable energies, he added.

Ambitious plan

According to its ambitious development plan, China's installed hydropower, wind power and solar power generation capacity will increase by 190 million kilowatts, 29 million kilowatts and 1.73 million kilowatts respectively between 2006 and 2020.

By 2020, the nation's installed hydropower, wind power and solar power generation capacity will reach more than 300 million kilowatts, 30 million kilowatts and 1.8 million kilowatts respectively.

To achieve this goal, China will have to seek greater international financial support and cooperation to develop its renewable energy industries in the years ahead, Chen said

The Chinese government also expects and encourages more domestic small and medium-sized enterprises (SMEs), especially private firms, to join hands in the development of the country's renewable energy industry, the vice-minister added.

He believes there is enough room for both foreign and domestic companies in the huge renewable energy sector.

2.3. Breaking up is hard to do

13 September 2007, The Economist print edition

Attempts to reform Europe's energy markets are losing out to protectionism

"What is important is that Europe defends its own interests. It is absolutely not a question of protectionism," said Jean-Pierre Jouyet, France's European affairs minister. He thinks the separation or "unbundling" of energy production and transmission assets, as advocated by the European Commission, would weaken the competitiveness of operators without guaranteeing lower prices to consumers. And he warned that Europe does not want a market that will be structured "in a way that punishes European operators with regard to others, and I mean in particular the big Russian operators."

Mr Jouyet was speaking at the European Parliament a few days after the announcement of the merger of GDF and Suez, two French utilities that will together become the world's third-biggest utility. His words put an end to any hopes that the French government might compromise in the debate over the commission's plans to reform energy markets. France thinks the European Union (EU) needs vertically integrated energy giants that both provide the juice and also transmit if they are to be able to stand up to Russia's Gazprom and other big producers. France already has two giants, Electricité de France (EDF) and GDF Suez, and is planning to create a third through a link-up between Areva, the world's biggest nuclear company, Alstom, an engineering group, and Bouygues, a construction and telecoms conglomerate.

France's energy strategy is diametrically opposed to the commission's plan to make the market more competitive. After months of consultation and investigation, Andris Piebalgs, the EU energy commissioner, concluded that big vertically integrated firms such as France's EDF and GDF and Germany's E.ON and RWE are the main reason why Europe's energy market is so dysfunctional. They keep prices high, shut rivals out of their transmission networks and avoid reinvesting their profits in improving their networks because to do so would increase competition. Breaking them up, says Mr Piebalgs—seconded by Neelie Kroes, Europe's competition commissioner—would make the market more efficient and improve security of supply.

Yet when Mr Piebalgs presents a draft law on energy regulation to the commission on September 19th, he is not expected to propose anything half so radical as a compulsory dismantling. Instead he is likely to give firms the choice between "independent transmission system operation" (ITSO), which is EU jargon for full unbundling of production and transmission, and "independent system operation" (ISO), a watered-down scheme that lets companies keep the transmission networks—as long as an independent operator manages them. Perhaps he had no choice. Not only France is stonewalling, but Germany, Austria, Bulgaria, Cyprus, Greece, Luxembourg, Latvia and Slovakia are too. These nine

sent a letter to the commission in July rejecting unbundling after a group of eight other countries, led by Denmark, fired off a letter to support it. All the countries in the Danish group have already introduced ITSO, or full unbundling.

France's most powerful ally among the antis is Germany. In a recent speech Wulf Bernotat, boss of E.ON, compared the commission's pursuit of unbundling to the hunting of a mythical beast, and called for strong European energy companies. Michael Glos, Germany's economics minister, thinks unbundling is not a "cure all".

German regulators argue that they have done a lot to reduce the oligopoly held by E.ON and RWE. Electricity and gas prices for consumers across the EU were freed on July 1st, allowing smaller firms to compete for E.ON and RWE customers. In August an association of consumer groups started a campaign to encourage Germans to switch to cheaper suppliers. The deregulation of retail prices has caused RWE to abandon a plan to increase prices. And in June the government proposed capping the price that big power companies and municipal plants can charge for delivery through their grids. The cap would be set at the price of the cheapest network.

All this, say the Germans, shows that it is possible to create a competitive market without resorting to unbundling. Yet the electricity market in Germany is far from functioning properly. The prices seen on the Leipzig electricity exchange are much higher than producers' actual cost of production. According to the commission, German companies pay €150 (\$208) per megawatt hour for electricity, but businesses in neighbouring Austria pay €100.

Commercial customers in different countries are charged energy prices that vary by as much as 100% across what is supposed to be a single market. The reason, says Dieter Helm, an expert on energy policy at the University of Oxford, is that the EU started to deregulate more than ten years ago without changing the structure of the market. Britain's example shows that deregulation works only when you modify the market structure first, through measures such as unbundling. The EU has got it backwards.

The commission admits that giving countries the choice between ISO and ITSO is only second best. A conflict of interest persists within a vertically integrated company, even if the management of the network is outsourced. ISO needs Chinese walls and close regulation. Some argue that it requires the setting up of an EU energy regulator. Claude Turmes, a Green MEP, thinks ISO is a "Potemkin village" that provides only the illusion of competition, and worries that a new regulator will lack clout.

Given the choice between ISO and ITSO, many French and German politicians would prefer to do nothing. They sound a warning about Russia's energy strategy—"superbundling". According to Colette Lewiner at Capgemini, a consultancy, Russia is seeking control over pipelines coming from former Soviet countries that have either gas, such as Turkmenistan or Kazakhstan, or a strategic position on the road to the EU. Russian firms would welcome unbundling across the EU, because they are mustard keen to buy into EU transmission networks and suppliers to tighten their grip on the EU energy market. One-quarter of EU gas comes from Russia, and this is expected to rise to 50% by 2030.

So far Europeans have kept energy largely within national borders, and as a result the cost of energy is higher and security of supply is lower, says Mr Helm. There is no European grid, no European gas storage and not much of a European energy market. Whatever the commission proposes on the September 19th, that seems unlikely to change.

2.4. OECD slams agrofuels - Friends of the Earth Europe urges EU to scrap 10 percent target

11 September 2007, Friends of the Earth Europe

Today Friends of the Earth Europe called for the EU to scrap its target for using plant-based agrofuels for transport, after a leaked paper revealed the OECD's grave concerns about their social and environmental effects.

Adrian Bebb, Agrofuels Campaign Coordinator for Friends of the Earth Europe said: "Hurtling headfirst down the agrofuels path will be a big mistake, and the OECD is the latest of a series of respected international bodies to warn against it. The EU risks stimulating further destruction and poverty in developing countries if it sticks with its current agrofuels target."

The report appears as a background document ahead of today's Roundtable on Sustainable Development - which will be attended by a number of European Ministers. The report raises numerous concerns, including:

- The environmental impact of agrofuels can be even worse than that of petrol and diesel. Natural forests, wetlands and pasture land will be replaced with dedicated crops grown for energy.

- Large scale expansion of agrofuels will significantly impact on the wider global economy. Food will get increasingly expensive for at least the next ten years.

Within the background document are two critical recommendations:

- Governments are failing to respond to the growing concerns about agrofuels. They should not create new mandates for agrofuels and should instead phase out their current support.

- More attention should be focused on reducing energy demand and improving vehicle efficiency as this will cost less than subsidising inefficient new sources of supply like agrofuels.

European Heads of State agreed in March this year to a target that 10 percent of transport fuels should be met by plant-based agrofuels by 2020. The target however is conditional on agrofuels being produced sustainably and also on the successful commercialisation of so-called 'second generation fuels', which are produced by converting biomass to liquid. The OECD paper questions whether either are possible.

Mr Bebb continued: "The EU should put the brakes on agrofuels by dropping its recently-adopted target and forcing the automobile industry to clean up their cars. Agrofuels are a false substitute for actually improving vehicle efficiency and taxpayers money should instead be used to support real solutions to our climate and energy problems."

2.5. US gets more countries to join in GNEP nuke-energy programme

16 September 2007, AFP

Eleven countries joined the United States and four other key nuclear fuel nations on Sunday in an effort to promote nuclear power as an energy solution through a Global Nuclear Energy Partnership (GNEP).

The 11 signed a statement of principles which described GNEP as "cooperation of those states that share the common vision of the necessity of the expansion of nuclear energy for peaceful purposes worldwide in a safe and secure manner."

Nuclear energy is increasingly seen as a key technology since it makes electricity without adding to the greenhouse gases which cause global warming.

GNEP started as a US initiative in February 2006 and had its first meeting in May this year in Washington when the United States hosted fellow members China, France, Japan and Russia.

The United States is seeking to promote nuclear power while guarding against the danger of spreading nuclear weapons that arises when states like Iran develop key technologies, such as uranium enrichment, on their own.

The key to GNP is supplying states with nuclear fuel, such as uranium, and helping them get nuclear reactors that do not present proliferation risks.

The United States wants GNEP to organize countries that have secure, advanced nuclear capabilities to provide fuel to other nations who agree to use nuclear energy just for power generation under the auspices of the Vienna-based UN nuclear watchdog International Atomic Energy Agency (IAEA).

US Energy Secretary Samuel Bodman said Sunday that GNEP had no specific projects yet.

"Our task today is to formally commit to the principles espoused by GNEP and to begin discussions with like-minded countries that seek to develop civilian nuclear power in a safe and secure manner and who, not coincidentally, have been reaching out to us," Bodman said in a speech at the GNEP meeting, which also included 22 candidate partner and observer countries.

The 11 countries which signed on Sunday to join GNEP were Australia, Bulgaria, Ghana, Hungary, Jordan, Kazakhstan, Lithuania, Poland, Romania, Slovenia and Ukraine.

CONFERENCES

3.1. Short Training Course on Energy

September 17 - 21 2007 at Venice International University, on the Island of S. Servolo, Venice, Italy.

For further information and application visit:

<http://www.univiu.org/research/ten/newsandevents/shortcoursesept2007/shortcoursesept07>

3.2. General Conference of the Union of the Baltic Cities

27 - 28 September 2007 in Pärnu, Estonia

More info: <http://www.reiser.ee/conference/ubc.htm>.

