

E-news update 29 September 2008

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## CLIMATE

### 1.1. Europe 'must hurry' on climate change

29 September 2008, Politics.co.uk

Europe must step up its preparations for the continent's changing climate, a report out today warns.

The European Environment Agency says adaptation strategies need to be accelerated if the increased risk of floods and droughts, losses of biodiversity, threats to human health and economic damage is to be addressed properly.

It cites numerous ways in which climate change is already threatening Europe, including glacial retreat in Europe's mountain systems, flooding from the melting ice-caps and increased water demand in the Mediterranean. "This report makes strikingly clear that many regions and sectors across Europe are vulnerable to climate change impacts," the EEA's executive director Jacqueline McGlade said.

"Implementation of adaptation actions has only just started. We need to intensify such actions and improve information exchange on data, effectiveness and costs."

Later this year the European Commission will publish its white paper on adaptation, expected to be a landmark document framing a strategy for the continent.

The EEA wants it to be better informed with action to address what it calls "key information gaps".

It says monitoring and reporting of climate data should be undertaken in more detail, recommending a European clearing house on climate change impacts.

Link: [http://www.politics.co.uk/news/opinion-former-index/environment-and-rural-affairs/europe-must-hurry-on-climate-change-\\$1242486.htm](http://www.politics.co.uk/news/opinion-former-index/environment-and-rural-affairs/europe-must-hurry-on-climate-change-$1242486.htm)

### 1.2. Climate, Security, Stability to Dominate EU-India Summit

29 September 2008, DW-world.de

Global warming, global security and the world-wide financial crisis are set to top the agenda when the European Union and India hold their annual summit in Marseille, France on Monday.

According to the French government, which currently holds the EU's rotating presidency, the summit is set to agree an "action plan" on cooperation in peace and security issues, sustainable development, science and technology and "person-to-person contacts."

Indian Prime Minister Manmohan Singh, French President Nicolas Sarkozy and top EU officials are also set to sign a deal paving the way for cooperation on civil aviation and discuss trade relations.

But according to a draft of the summit's final declaration seen by DPA news agency, the leaders are likely to spend more time on global woes such as climate change and financial instability.

The EU has already pledged to cut its emissions of carbon dioxide (CO<sub>2</sub>, the gas most closely associated with global warming) to at least 20 percent below 1990 levels by 2020 and has urged developing powers to pledge their own cuts.

But while an earlier draft of the declaration said "the leaders agreed on the need to reduce global emissions by at least 50 percent by 2050," that phrase was omitted from the latest version, leaving only a pledge to "work towards ... a long-term global goal."

Financial crisis on the agenda

The global financial crisis is also set to dominate proceedings after Sarkozy on Tuesday called for a summit of world leaders before the end of the year to "draw the lessons" of the crisis.

The draft declaration, penned before Sarkozy's speech, says that the EU and India "discussed the pressing need to address the impact of current problems in the international financial sector" -- a message Monday's meeting is likely to reinforce.

In the same speech, Sarkozy called for the UN Security Council to be enlarged and for India, China, Mexico, South Africa and Brazil to join the Group of Eight leading industrial nations (G8).

Diplomats in Brussels said they expect Singh to raise the question of a permanent Security Council seat for India, but that the EU has no joint position on the issue.

Concerns about security

The summit is also set to discuss security problems in Pakistan and Afghanistan and Iran's controversial nuclear program. The current draft expresses "deep concern" at the security situation on the Pakistan-Afghan border and stresses that the situation "requires sustained action by the government of Pakistan."

But it strikes out a call for Iran to "respect ... UN resolutions" on halting uranium enrichment, instead calling for more diplomatic efforts and a "central" role for the UN's nuclear watchdog, the IAEA.

EU officials say the bloc would like to discuss the possibility of opening trade in peaceful nuclear technology with India after the so-called Nuclear Suppliers' Group gave the green light to such trade in early September, but that the idea is at a "very early stage."

AI urges focus on human rights

Human rights group Amnesty International meanwhile urged EU officials to take India to task over the question of the death penalty and the alleged persecution of religious minorities.

Amnesty says that at least 140 people are believed to have been sentenced to death in India in 2006-7.

The EU should also "urge the government of India to take immediate action to halt the attacks on Christians" in the state of Orissa and, more generally, "discuss the wider persecution and discrimination against religious minorities," the letter said.

Diplomatic sources in Brussels said that while the EU and India hold a regular dialogue on human rights, the summit is more likely to focus on other issues.

Link: <http://www.dw-world.de/dw/article/0,2144,3677267,00.html>

### **1.3. Climate change fears after German opt-out**

24 September 2008, THE FINANCIAL TIMES

A German government decision to back an almost total exemption for industry from new rules that would force companies to pay for the carbon dioxide they emit threatens to undermine a key tenet of European Union climate policy, climate campaigners warn.

The decision is a victory for German industry, which feared European Commission proposals for an auction of carbon emission permits would cost billions of euros and restrict its ability to compete internationally.

Angela Merkel, chancellor, warned recently that although she supported the need to tackle climate change, she "could not support the destruction of German jobs through an ill-advised climate policy".

Climate campaigners said the move would open the door to a slew of objections from other states seeking to protect their own key industries during the next phase of the EU emissions trading scheme (ETS).

"There are a lot of countries that want to protect their own industries without the economic arguments to back this up," said Joris den Blanken, senior policy advisor at Greenpeace.

The European parliament's industry committee last week voted to replace the current free distribution of carbon-dioxide permits with a mandatory auction between 2013 and 2020 in a bid to help cut European greenhouse gas emissions by 20 per cent from 1990 levels.

The proposals are likely to face a vote at a plenary session of the parliament later this year but must then be ratified by the heads of member states.

The German government is not alone in seeking opt-outs. Poland is anxious that auctioning could severely affect its power companies while Italy is pushing for free carbon permits for specific sectors.

After months of internal wrangling, Germany has accepted that from 2013, power companies, including those that construct new power plants, should take part in the auction process.

However, because this is expected to lead to higher electricity costs, the government is to insist that energy-intensive industries like aluminium producers should be compensated with free carbon permits.

Germany will also push for an exemption for large emitters like the steel industry, subject to these companies using the best available emission control technology.

Remaining companies would have their purchase of certificates capped at 20 per cent of total emissions.

The German government defends its stance by claiming there is a risk of carbon-emitting industries relocating to countries where they would be free to pollute.

"As long as European companies are governed by stricter climate protection regulations than their competitors in countries like China, we have to seek to establish special rules," said Sigmar Gabriel, environment minister.

Link: [http://www.ft.com/cms/s/0/4e47f656-88ba-11dd-a179-0000779fd18c.html?nclick\\_check=1](http://www.ft.com/cms/s/0/4e47f656-88ba-11dd-a179-0000779fd18c.html?nclick_check=1)

## **ENERGY**

### **2.1. UK accused of 'sabotaging' Europe's green energy plans**

26 September 2008, The Guardian

Britain has been accused of trying to wreck Europe's plan to tackle climate change by lobbying to remove aviation from renewable energy targets.

Leaked documents from the council of the European Union show that the UK is exerting strong pressure on other EU governments. The argument being used is that biofuels made from plants or algae will not be ready for use as commercial aviation fuel until after 2020.

EU leaders pledged last year to generate 20% of all energy from renewable sources but if aviation, which contributes up to 9% of all greenhouse emissions in Europe, is omitted from the EU calculations at a meeting of energy ministers next week, it will significantly reduce the overall target and make it harder to tackle climate change.

Last night, in an unusual move, an adviser to the EU Industry Committee openly stated that British civil servants were leading the attempt by several countries including Cyprus, Italy and Malta to undermine the EU's renewable energy commitments.

Luxembourg MEP Claude Turmes, who denied that the leaked documents came from his office, said: "Britain is leading the attempt to undermine the climate change directive. Gordon Brown promised that the UK would not attempt to cut the EU 20% renewables target.

"Now UK civil servants from the Department of Business, enterprise and regulatory reform have a different strategy and are pushing for cuts. A government that is supposedly committed to tackle climate change must not try to kill the essence of this directive."

The document, seen by the Guardian, states that "member states want the aviation sector to be excluded from the denominator used to calculate the overall target. They consider that in the present state of technology we cannot expect it to be possible for biofuels that can replace kerosene to be certified for commercial aviation by 2020".

This was disputed by Virgin Atlantic. "We expect to run 5% of our fleet on biofuels, and 10% by 2020," said a spokesman. On Thursday, other aviation companies joined Virgin in committing to a similar shift to biofuels by 2020.

Britain has the largest aviation industry in Europe. If it succeeds in having it exempted, it stands to reduce by nearly 12% the amount of renewable energy it will need to generate by 2020.

Earlier this year the government set out what is considered to be an ambitious but achievable £100 billion commitment to renewables by 2020. An energy white paper, now passing through parliament, seeks to make Britain the first country in the world committed to 60% cuts in emissions.

Environment groups said that if Britain removed aviation from Europe's commitments it would open the door for other countries to plead special cases for their most polluting industries and render the directive nearly meaningless.

Robin Webster, Friends of the Earth's energy campaigner accused business minister John Hutton of trying to wreck the EU renewables deal: "His special pleading for the aviation industry could unravel this priceless agreement. It's time Brown stepped in and saved Britain's reputation in Brussels."

He added: "The government is working behind the scenes to sabotage Europe's renewable energy plans. This short sighted approach will leave families facing spiralling fuel prices and saddle the country with a multi-billion pound bill for dealing with the consequences of climate change."

This is the third time that DBerr officials have been exposed by the Guardian trying to undermine EU renewables energy targets. Last year Gordon Brown reacted angrily to other leaked documents showing that Britain was trying to persuade EU countries to set lower renewable targets.

The latest papers seen by the Guardian also show Britain trying to water down a series of renewable energy proposals in other areas. DBerr officials want to change a pledge that all new and refurbished buildings should be fitted with renewable energy sources like solar or wind power. Instead, countries would only have to increase "gradually" the minimum level of energy from renewable sources.

In addition, the UK is pressing for countries to be allowed to choose the speed at which they introduce renewable energy and is eager to allow large projects started before 2020 to be included.

These proposals would allow governments pass on the necessity to switch to renewables to future administrations and could allow them to start major projects as late as 2019 and claim credit for them even if they were not finished for a decade or more.

It further wants to change the rules that would give renewable electricity projects priority access to national grids. Last week other leaked papers showed that Britain wanted Brussels to offset more domestic carbon savings through investment in clean projects in the developing world.

The move would let firms and countries import more carbon credits to count against their pollution targets. It would allow Europe to make less effort to cut its pollution, while keeping it on course to meet its target of reducing carbon emissions by 20% by 2020.

Link: <http://www.guardian.co.uk/environment/2008/sep/26/biofuels.climatechange>

## **2.2. Portugal Opens Pioneer Commercial Wave Power Plant**

24 September 2008, Planet Ark Reuters

LISBON - The world's first commercial power plant converting the energy of sea waves into electricity started working off Portugal's coast on Tuesday in a project that should be expanded nearly 10-fold over the next few years.

Three articulated steel "sea-snakes" moored to the seabed three miles off Portugal's northern coast, each about the length of a nuclear submarine, generate a total of 2.25 megawatts, enough to supply 1,500 households with electricity.

"It's logged into the national grid, which makes it the world's first commercial wave power project," said Anthony Kennaway, a spokesman for Babcock and Brown investment firm which runs the Agucadoura project in northern Portugal.

This first phase of the project cost about 8.5 million euros (US\$12.55 million).

Agucadoura's capacity is a drop in the ocean compared to over 2,000 megawatts in installed wind turbines in the country, while the cost of this energy is way higher than wind or conventional energy sources.

"The price is not competitive at the moment and the project was possible because of the feed-in tariff in Portugal, which basically allows (us) to continue developing the technology ... But we hope that in 15 years wave power will be where wind is now, that is extremely competitive."

"Portugal could be for wave power what Denmark was for wind," Kennaway said.

### **WAVES OF PORTUGAL**

In a sign things may be looking up for wave power, Portugal's main energy company EDP and engineering firm EFACEC each took a 15.4 percent stake in the project. Babcock, which has been trying to sell its European energy assets to boost liquidity, reduced its share to 46.2 percent from 75 percent and Scottish firm Pelamis Wave Power, which makes the wave converters, to 23 percent from 25 percent.

EDP, which is an active player in wind power, Babcock and EFACEC also set up a joint company called "Waves of Portugal" to focus on the development of experimental wave energy projects.

Renewable energy, including water dams, accounts for 40 percent of power consumption in Portugal. Some experts say wave energy could meet up to 20 percent of the country's needs in the future.

Feed-in tariffs provide long-term incentives to invest in renewable energy. Under this system used in many countries national power utilities are ordered by governments to buy, or feed in, from renewable energy sources at above market rates. These rates vary depending on the capital cost and commercial maturity of each technology. The Agucadoura project is supported by a specific feed-in tariff equivalent to approximately 0.23 euros per kWh.

A total of 25 semi-submerged "sea-snakes" should be installed in the next few years, boosting the wave park capacity to 21 MW, Kennaway said. The machines, each 140 meters (yards) long and 3.5 meters in diameter, are positioned head-on towards the waves so that its sections move with the waves.

Each joint of the Pelamis contains a hydraulic pump, which pumps high-pressure liquid through motors that in their turn drive power generators. The energy is then transmitted to a substation on shore via subsea cables.

## TRANSPORT

### 3.1. Cars and CO2: MEPs stand up for fuel-efficient cars

25 September 2008, T&E

Brussels, Belgium - Despite enormous pressure from the car industry and car producing countries, the European Parliament has stood firm on plans to reduce fuel consumption and carbon dioxide emissions from new cars. In a critical vote this morning, the parliament's environment committee pledged overwhelming support for a European Commission proposal that the average new car should emit no more than 130 grammes of carbon dioxide per kilometre by 2012. MEPs also demanded a longer term target for 2020.

An earlier vote by the parliament's industry committee had called for a postponement and weakening of the short-term target to 2015. That was completely rejected.

MEPs have also demanded a long-term target, of 95 g/km by 2020, though that target will be subject to a review in 2014 which creates a degree of uncertainty over its effect.

The Parliament also backed penalties for carmakers who fail to comply with the new targets, again agreeing with the Commission that penalties should rise to 95 dollars per gramme of CO2 exceeded.

Jos Dings, director of T&E said:

"The Parliament appears to have stood up to the demands of the car industry and four or five car producing member states and has sent a strong signal that Europeans need fuel efficient cars now, not in five or ten years time. The short-term target is achievable with currently available technology. The long term target agreed today should send the message to the car industry that it needs to change its ways and put all its efforts into developing the next generation of fuel efficient cars."

An expected compromise agreement negotiated and widely reported in the media earlier this week was thrown out. That package contained a number of loopholes, including the postponement of the 2012 target. But that proposal was thrown out and MEPs instead voted individually on hundreds of individual amendments. For that reason the precise details of everything that has been agreed will require further analysis.

Link: <http://www.transportenvironment.org/News/2008/9/MEPs-stand-up-for-fuel-efficient-cars/>

### 3.2. Car lobby loses fight to ease emission rules

26 September 2008, The Guardian

MEPs yesterday put the European parliament on a collision course with Germany's chancellor, Angela Merkel, and its powerful car lobby by rejecting Berlin's campaign to water down European proposals for slashing greenhouse gases from road traffic.

In a move that stunned the car industry and green campaigners, the parliament's environment committee voted by a sweeping majority to force car manufacturers to reduce the carbon dioxide emissions of new vehicles by 2012 and to maintain stringent fines on those that fail to do so.

The MEPs threw out amendments that the car lobby had introduced which would have eased the costs to industry and delayed the measures. By voting them down, the MEPs rejected a Franco-German pact hatched by Merkel and France's president, Nicolas Sarkozy, in June.

As part of its drive to lead the world in tackling climate change, the European commission last year proposed that all new cars would have to cut their CO2 emissions to 130 grammes per kilometre by 2012, roughly a 17% reduction on average emission levels. The German auto industry, a world leader in the large car sector, cried foul and mounted ferocious lobbying to dilute the proposals.

Merkel has fought energetically for months to get the proposed regime weakened. At a summit in June with Sarkozy (who is currently chairing the EU and responsible for steering the climate-change package into law by the end of the year), both leaders agreed that the original commission proposals should be weakened by staggering the cuts until 2015, and halving the proposed fines levied on car firms for each offending vehicle they produced from €95 (£75) per excess gramme/kilometre to €50.

The environment committee yesterday rejected both compromise measures, backing the commission's initial proposals and stipulating that CO2 emissions should come down further, to 95g/km by 2020. The parliament's industry committee had already caved in to pressure and supported the diluted proposals.

"The parliament appears to have stood up to the demands of the car industry and four or five car-producing member states, and has sent a strong signal that Europeans need fuel-efficient cars now, not in five or 10 years," said Jos Tings, of the Transport and Environment pressure group.

"The lobby from the car industry lost," said Chris Davies, the Liberal Democrats' environment spokesman. "MEPs today stood up for tougher measures to combat global warming and sent a strong message to corporate lobbyists to back off. A good day for democracy."

The result was all the more surprising since, under intense car industry pressure, the two biggest caucuses in the parliament, the centre-right European People's party and the socialists, had tabled amendments in line with the Merkel-Sarkozy deal. But in the end the committee's vote was 46-19.

The CO2 emissions of cars make up about 14% of such emissions in Europe. The commission proposals are a key part of the overall climate-change package to cut greenhouse gas emissions by 20% by 2020 - proposals that need to be turned into law by the end of the year if the EU is to maintain its credibility as a world leader in the fight against global warming. The overall package has to be agreed by the commission, the parliament and the 27 EU governments, meaning there is now likely to be a showdown between Berlin and the parliament before Christmas.

