E-news 4 May 2009

Content:

CLIMATE

1.1. U.S. climate law may not be needed for global deal
3 May 2009, Reuters
Conventional wisdom says the United States has to bring concrete commitment to international climate talks in Copenhagen in December or no other country will act.
But power shifts at the White House, the State Department and in Congress mean Washington may not have to pass a law limiting carbon dioxide emissions to convince the world it intends to help lead the fight against global warming.
The ebullient atmosphere at last week's Washington conference of the planet's biggest greenhouse gas polluters showed that, even without U.S. legislation, other countries are ready to negotiate.
"It's more positive and more constructive now ... because the position of the United States has changed so dramatically," Yvo de Boer, the U.N. climate chief, told reporters after the two-day Major Economies Forum at the State Department.
The change came with President Barack Obama, who took office determined to limit climate-warming pollution at home and participate actively in international negotiations in Copenhagen to craft a follow-up agreement to the carbon-capping Kyoto Protocol, which expires in 2012.
Under President George W. Bush, the United States was the only industrialized country to oppose the Kyoto pact, arguing that participation in the treaty would damage the U.S. economy and give fast-growing developing countries like China and India an unfair exemption from capping emissions.
Obama has made it clear he wants to cut U.S. emissions, either through regulation or legislation, by about 15 percent by 2020, bringing them down to 1990 levels. That's less than the European Union and environmentalists would like, but far more than favored by the previous Bush administration.
"ECSTASY" IN EUROPE
De Boer said the United States need not pass a fully enacted law to show its good intentions in Copenhagen. While a law would show a serious U.S. commitment, he said, it also risked prematurely locking Washington into position.
"It then becomes much more difficult to come back to the Senate and say, 'Sorry, guys, but we agreed something else in Copenhagen, would you please change the law?'" de Boer said.
Secretary of State Hillary Clinton's acknowledgment that the United States needs to "make up for lost time" to help combat the effects of climate change went a long way to raise international morale, de Boer said.
The international environmental community has been in a rare good mood since Obama was elected last November, said Robert Stavins, director of the Harvard Project on International Climate Agreements.
"If you think there is a honeymoon here, there is ecstasy
in Europe," Stavins said by telephone. "The sentiment is extremely strong ... and the honeymoon is going to continue in the international policy process, especially in the European Union."
At home, Congress, which is controlled by Obama's Democrats, is likely to make enough progress on climate change legislation to boost chances of success in Copenhagen, according to Senate Majority Leader Harry Reid.
Dan Weiss of the Center for American Progress, a liberal think tank, figures there will be enough movement in Congress to enable meaningful U.S. participation in international climate talks.
"It is possible that the Copenhagen talks will lead to a series of multi- and bi-lateral agreements rather than a single treaty," Weiss said by e-mail.
The U.S. Environmental Protection Agency said last month that greenhouse gas emissions threatened human health and welfare and therefore can be regulated as pollutants under the Clean Air Act.
The U.S. Chamber of Commerce, which opposes a cap-and-trade system the Obama team wants to use to curb emissions, released a study last week that this plan would cause 1.9 million job losses and cost the average U.S. household $1,400 by 2020.
The cap-and-trade system allows firms emitting more carbon dioxide than the limit to buy credits from those that emit less.
Link: http://www.reuters.com/article/vcCandidateFeed1/idUSTRE54216K20090503

1.2. To meet climate goal, cut fossil fuels use: study
30 April 2009, AFP
Meeting a widely-supported goal to tackle global warming means that humanity will be able to burn less than a quarter of the proven reserves of fossil fuels by 2050, a study released on Wednesday said.
The paper, published by the British journal Nature, implies only a revolution in energy use can achieve the aim of limiting warming to less than two degrees Celsius (3.8 degrees Fahrenheit) above pre-industrial levels.
To achieve the objective -- embraced by the European Union (EU) and many scientists -- means that only 1,000 billion tonnes of carbon dioxide (CO_2) can be emitted between 2000 and 2050, it said.
By comparison, the world has emitted a third of that amount in just nine years.
"If we continue burning fossil fuels as we do, we will have exhausted the carbon budget in merely 20 years, and global warming will go well beyond two degrees," said the study's lead author, Malte Meinshausen of the Potsdam Institute for Climate Impact Research in Berlin.
Fossil fuels -- coal, gas and oil -- provide the backbone of the world's energy supplies.
But they are also the main source of heat-trapping carbon gases blamed for warming Earth's atmosphere and driving changes to weather patterns.

Boosting efficient use of these fuels so that they are no longer dangerous or switching to cleaner alternatives carries an economic cost, and this is the biggest stumbling block in efforts to defuse the threat.
Meinshausen said the change should not be delayed and cautioned that even with a 2 C (3.8 F) warming, there would still be unprecedented risk.
"Only a fast switch away from fossil fuels will give us a reasonable chance to avoid considerable warming," he said in a press release.
"We shouldn't forget that a 2 C [3.8 F] global mean warming would take us far beyond the natural temperature variations that life on Earth has experienced since we humans have been around."
"To keep warming below 2 C [3.8 F], we cannot burn and emit the CO2 from more than a quarter of the economically recoverable fossil fuels up to 2050, and in the end, only a small fraction of all known fossil-fuel reserves," said co-author Bill Hare, also of the Potsdam Institute.
The study said world emissions of greenhouse gases have to be cut by more than 50 percent by 2050 levels compared to 1990 levels if the risk of busting the 2 C (3.6 F) ceiling is to be limited to 25 percent. In addition, reductions would have to be made from 2020.
The Group of Eight (G8) countries have pledged an emissions reduction of at least 50 percent by 2050.
But they have not identified a benchmark year against which this should be measured nor set an intermediate date by which emissions cuts should start.
Negotiations are underway under the UN's Framework Convention on Climate Change (UNFCCC) for agreeing on emissions cuts beyond 2012, when current pledges under the Kyoto Protocol expire. The UNFCCC wants to wrap up a deal in a conference in Copenhagen in December.
The world has already warmed by about 0.8 C (1.44 F) since the start of the Industrial Revolution, and another 0.5 C (O.9 F) or so is considered inevitable over coming decades given past greenhouse gas emissions.
Link: http://www.google.com/hostednews/afp/article/ALeqM5gF52i9rVnG_OvU4Vxn1mGFe1UmQQ

1.3. Rich and poor still divided over climate pact
29 April 2009, EurActiv
Over 30 national proposals submitted to the UN in recent weeks have revealed that a significant divide must still be bridged between rich and poor countries if a new global climate agreement is to be concluded in December.
The proposals are to form the basis of a negotiating text for the post-Kyoto treaty, and will set the tone for the next round of UN negotiations in June. Differing views on sharing the cost of climate change, which have been a stumbling block, persist in the submissions.
Financing still elusive
Developing countries called on industrialised countries to commit around 0.5-2% of their GDP to funding mitigation and adaptation measures in poor countries. Moreover, the idea of using revenue from emission allowance auctioning to do so was floated by China, India and Indonesia, among others.
Rich countries, meanwhile, have been slow to come up with concrete proposals. The EU's stance is that the bulk of such financing will have to come from the private sector and carbon markets, and the bloc is yet to commit concrete sums to aiding developing countries (EurActiv 18/03/09).
The two-day meeting of the world's 17 biggest greenhouse gas emitters, which ended in Washington yesterday (28 April), indicated the scale of the problems that the world must address before agreement can be reached.
US President Barack Obama had called the meeting, under the framework of 'The Major Economies Forum on Energy and Climate' launched by his predecessor George W. Bush, to forge a consensus on issues like financing and targets for emission cuts by industrialised countries.
Todd Stern, the US special envoy for climate change, said he had come out of the meeting "if anything, a bit more optimistic". "I would not downplay or underestimate the difficulty of getting an agreement in Copenhagen in the first instance, and the enormous difficulty of wrestling this problem to the ground," he nevertheless warned.
Although financing for developing countries was meant to be a major theme of the discussions, participants never even got as far as talking about it. They ran out of time after prolonged discussions on mitigation.
"Unfortunately, the meeting saw no real progress towards greener development pathways for developing countries, and no new financial and technical support from developed countries to make that development possible," Carroll Muffet of Greenpeace said.
Mid-term targets falling short
Developing countries generally insisted that industrialised countries should commit to cuts of at least 40% below 1990 levels by 2020.
China insisted that it made no sense to talk about long-term targets for all parties before developed countries had agreed to such reductions.
In fact, the EU is the only bloc of nations with a binding commitment to a 20% cut from 1990 levels by 2020. It has pledged to raise this to 30% if other developed nations take on comparable targets.
The US, which has previously been focused on setting an 80% long-term reduction target for 2050, has now indicated that it will push for strong mid-term targets too.
During the Major Economies Forum, Stern said the US would suggest a collective target that was at least as ambitious as the 14% cut below 2005 levels by 2020 as proposed by President Obama for the States. It might even propose targets in line with a draft Congress bill which would cut them by 20%.
"There's no mystery," Stern said, pointing out that the US target would fall somewhere in between the two proposals.

The US numbers are nevertheless far less ambitious than those proposed by the EU. As they take 2005 as the base level, even the stricter target floated by Congressman Henry Waxman would only stabilise emissions at 1990 levels by 2020.
Stern reportedly said in March that insisting on US cuts of 25-40% would lead to a stalemate. But developing countries are unlikely to be satisfied with the proposed figures, considering the historical responsibilities for global warming borne by the industrialised world.
Link: http://www.euractiv.com/en/climate-change/rich-poor-divided-climate-pact/article-181843

EMISSIONS

2.1. UK says no future without coal
28 April 2009, EurActiv
Ahead of a two-day meeting of climate ministers from 16 major world economies hosted by US President Barack Obama in Washington, UK Energy Minister Ed Miliband urged world leaders to acknowledge that coal would remain part of the world's energy mix.
"We must try every energy option to shift to a low-carbon world," Miliband wrote in The Times newspaper yesterday (27 April). He defended the UK government's recent about-turn in policy after last week's announcement of a ban on new coal plants without carbon capture and storage (CCS) facilities.
"The most important technology the world can develop is the technology to capture carbon emissions and store them permanently deep underground," he said, arguing that it is important to keep coal stations operating to reduce dependence on imported gas.
The UK government last week (23 April) announced that it would not allow any more coal plants to be built without carbon capture and underground storage (CCS) facilities. It pledged to build up to four energy "clusters", generating around 300MW of power, before 2020.
In a statement to the House of Commons, Miliband said there is an international imperative to make coal clean, as many countries keep on building new coal-fired plants at an accelerated pace, taking the world further away from halting climate change.
The UK intends to become the leader in developing CCS. Its need to do so is real, as it last week pledged a major emissions cut of 34% from 1990 levels by 2020. At the same time, a third of existing power stations are going to close in the next decade, as they fail to meet EU pollution standards.
The demonstration projects are estimated to cost £0.75-1.5billion. This could be paid for by a feed-in tariff or a fixed price on carbon stored, for example.
Nevertheless, environmentalists warned that CCS has yet to be tested on a commercial scale. They were concerned that the UK would become the first country to require every coal station to be fitted with the technology before there are any guarantees that it will work.
Green MEP Caroline Lucas said it would be better to use government money on tried technologies that deliver emissions cuts and create jobs more quickly. "Investment in renewables, for example, could generate four times as many jobs 10 years sooner than CCS," she said.
Greenpeace UK Director John Sauven said the UK did not need new coal, but should prioritise energy efficiency and renewable energy.
"Nevertheless, if the government still chooses to proceed with coal and CCS, then first and foremost it must rule out a fleet of new unabated coal plants operating for half a century and destroying our chances of meeting our climate change targets or showing leadership to the rest of the world in cutting CO_2," he wrote on the Guardian website.
Link: http://www.euractiv.com/en/climate-change/uk-future-coal/article-181698

2.2. Rudd delays emissions trading
4 May 2009, Business
The introduction of the Federal Government's emissions trading scheme (ETS) has been delayed by one year to mid-2011.
The government had planned to introduce the ETS in July 2010, despite opposition from business, green groups and the coalition.
Legislation setting up the scheme was due to be introduced to parliament next month.
Prime Minister Kevin Rudd made the announcement in Canberra today, also saying that the government had decided to increase the upper limit of its carbon reduction target range to 25% of 2000 emission levels by 2020, if global agreements on emissions cuts are reached.
The government's commitment to cut emissions by at least 5% by 2020 remains intact.
GFC affected decision
Mr Rudd said the delay and "significant" changes to the scheme were made because of three factors.
First, the impact of the global financial crisis on the Australian economy. Second, the need "to continue to provide maximum impetus for a strong outcome at the Copenhagen (climate) meeting due at the end of the year".
And third, because it was in Australia's fundamental national interest to provide "business certainty and investment certainty for the future".
The emissions trading scheme will be phased in from July 1, 2011.
A one-year fixed price period will be introduced - permits will cost $10 per tonne of carbon in 2011-12 - with the transition to full market trading to begin on July 1, 2012.

"This, we believe, represents an appropriate response to the current uncertainty," Mr Rudd told reporters in Canberra.

Buffer for business

A new "global recession buffer" will be provided as part of the assistance package for emissions-intensive trade-exposed industries, Mr Rudd said.

Industries eligible for 60% assistance will receive a 10% buffer "for a finite period", while industries eligible for 90% assistance will receive a 5% buffer.

Eligible businesses will receive funding to undertake energy efficiency measures from July 1 this year.

Major emissions industries and political opponents had complained about the planned July 1 next year start of the scheme, saying it would hamper an economic recovery as Australia teeters on the edge of recession amid the global slowdown.

"Half of the market was expecting it and even the other half was a bit sceptical even though they wanted the scheme to go ahead," Nextgen head of environmental products Fernando Broder said.

"We've seen a couple of deals in AEUs (Australian Emission Units) already but they were conditional on the scheme being up and running," he said. "Most of the players were a bit sceptical in terms of trading, or their risk managers didn't want them to do deals, and I guess we will see that sort of behaviour continuing until there's come certainty to when the scheme will start."

Changes may ease passing

A slower start but tougher reduction target might help the government push the carbon-trading laws through an obstructive upper house of parliament dominated by the coalition, five Green senators and two swing-vote independents.

The coalition has been calling for the scheme to be delayed and the influential Greens want tougher interim targets.

Mr Rudd said the government would negotiate the passage of the carbon pollution reduction scheme legislation through parliament with the coalition, the minor parties and independents.

He challenged Opposition Leader Malcolm Turnbull "to get off the fence" on emissions trading.

"It's time to act in the national interest and to secure this legislation and certainty for the future."

Mr Rudd, when asked whether he was breaking an election promise with his changes to the scheme, said the government was making a "slower start" to the ETS with better "green outcomes".

Climate Change Minister Penny Wong said it was in the national interest to have the legislation passed this year. The changes would support the global agreement Australia needed, she said.

Mr Rudd is due to go to elections in late 2010. The delay will ensure he can go to the election campaign without the added complication of bedding down the new carbon trade scheme.

His promise in 2007 to ratify the Kyoto Protocol was a key issue in his election victory. The delay means the issue will be back on the agenda for the next election campaign.

Link: http://business.brisbanetimes.com.au/business/rudd-delays-emissions-trading-20090504-arz1.html

2.3. U.N.'s Top Climate Change Official: A New Willingness to Tackle Emissions

29 April 2009, U.S. News

Major developing countries like China are doing far more to address climate change than most Americans realize, the top climate change official at the United Nations said yesterday after a meeting in Washington of ministers from the world's biggest greenhouse gas emitters.

The two-day meeting, requested by President Obama, brought together officials from 16 of the world's major economic powers—the United States, the European Union, China, and India, among others—for a special, intimate round of negotiations as they work toward signing a new climate change treaty with the rest of the world by the end of the year.

Though the meeting itself yielded no real breakthroughs, observers say it indicated a new willingness between the United States and major developing countries to cooperate. In particular, it offered hints that the United States is making progress on what is arguably its top concern in international negotiations: making sure that China, India, and other major developing countries actually participate in the push for a new treaty by December.

Yvo de Boer, the U.N.'s climate chief, called the meeting "very positive and constructive" and said it was "helped tremendously" by the support of Obama and Secretary of State Hillary Clinton. "There was a recognition around the table that this is a global crisis that cannot be solved without a global response," de Boer said. "There is a universal recognition that the whole world needs to act on this."

Such words, however, seem to fly in the face of what many U.S. lawmakers are saying about the rest of the world. Last week, during a flurry of hearings on global warming legislation in the House, critics of Obama's efforts said they worried that China, India, and other major developing countries will not agree to control their emissions and warned that a U.S. cap on emissions will send jobs overseas.

Observers say there are signs that these concerns are outdated. "There is a disconnect," said de Boer. "In some countries, the fact that the Chinese are acting on climate change is hugely underappreciated."

China, he said, is now the largest investor worldwide in clean energy technology. "I think many people are not aware of that," he said. And according to a report by HSBC Global Research in February, almost 40 percent of the spending in China's economic stimulus package is supposed to go toward renewable energy, electric grid improvements, pollution control efforts, and other clean-energy-related projects.

And yet there is still a lot of uncertainty and disagreement among negotiators, particularly over the size of emissions cuts and how quickly China, the United States, and other countries will be willing to make them. Major

developing countries say their decisions will be based on how far developed countries are willing to go to help them pay to lower their emissions.
These debates, which were largely skirted in this week's talks, will be taken up next month, when officials from the 16 countries reconvene in Paris to continue talking and negotiating as they prepare for Copenhagen, where world leaders will meet in December to formally hammer out a climate change deal.
Link: http://www.usnews.com/articles/news/energy/2009/04/29/uns-top-climate-change-official-a-new-willingness-to-tackle-emissions.html

2.4. Monsieur Obama: You could do better on CO2 targets
28 April 2009, The Wall Street Journal
Another big meeting of climate-change diplomats has come and gone, and once again, journalists are struggling to understand what exactly was accomplished.
No concrete changes came from the Major Economies Forum on Energy and Climate meeting this week in Washington D.C.
At a briefing with journalists, Yvo de Boer, head of the United Nations Climate Change Secretariat, caused chortles when – in response to a question about what the diplomats had agreed to – he said "it's undeniably correct that this was the first meeting." After the laughter died down, Mr. de Boer said the main achievement had been "to allow people to get comfortable" with one another and set the agenda for more meetings later this year.
But behind the scenes, it is clear that some diplomats are challenging the Obama administration to commit to a more aggressive schedule for cutting U.S. emissions.
On Wednesday, France's special ambassador in charge of climate change Brice Lalonde, pulled the curtain back a bit further on the closed-door talks.
"The question was, 'could you do better on the targets'?" Mr. Lalonde said, referring to the Obama administration's call for returning U.S. emissions to 1990 levels by 2020. The Obama administration has said that cutting emissions by 25% below 1990 levels by 2020 – as some European nations want - isn't politically doable or even necessary, because steeper reductions could make up for less steep cuts in the early years.
Mr. Lalonde says he and his counterparts are not convinced, thus far, this is the case.
"We said, 'listen, we understand there can be more than one pathway'," to cutting emissions, Mr. Lalonde said. "But the later you go, it's more and more difficult."
Link: http://blogs.wsj.com/environmentalcapital/2009/04/29/monsieur-obama-you-could-do-better-on-co2-targets/

ENERGY

3.1. Enforcement of EU renewables law 'faltering'
30 April 2009, EurActiv
The European Commission insists that the EU's new Renewable Energy Directive gives it sufficient power to ensure national compliance, after it admitted that the Union is unlikely to meet its goal of sourcing 12% of its energy from renewables in 2010.
The Commission's latest progress report, published on 24 April, showed that member states have been making patchy progress towards their 2010 targets for the share of renewable energies in the electricity and transport sectors. It thus concluded that the EU would only reach a 19% share for electricity (instead of 21%), and 4% instead of 5.75% in the transport sector.
Germany leads the group of member states that have already reached their targets, but many countries continue to fall behind. In the electricity sector, for example, renewable shares have not grown at all, and in seven countries have even declined since 2004.
The Commission argued that cumbersome administrative procedures, grid access and lack of adequate support measures are to blame for member states' poor performance. It argued that an enhanced legislative framework is needed to overcome these well-known barriers.
The EU executive stated that with the recent Renewable Energy Directive agreed in December as part of a package of climate legislation (EurActiv 09/12/08), the Union is in a "far better position" to facilitate the development of renewable energy sources over the next 12 years.
Enforcement remains an issue
The current directive mandates the Commission to start infringement proceedings against member states that fail to fulfil their obligations. It has initiated 61 legal proceedings since 2004, most of which were against Italy. 16 remain unresolved, with the new directive set to come into force next month.
Speaking at a sustainable energy seminar in Brussels, Dörte Fouquet, director of the European Renewable Energies Federation (EREF), argued that the lack of binding interim targets or penalty mechanisms are the weakest points of the new directive.
"When you have just a binding target in 2020, a lot is on the shoulders of the Commission to push the member states to do something," she said, warning that pre-court procedures could drag on for years.
Hans van Steen, head of unit at the EU executive's transport and energy directorate, countered that the Commission did not share this assessment of the weaknesses. The major drawback, he said, is in the area of buildings and heating, not the lack of enforcement measures.
Van Steen said that at a meeting discussing the way forward for renewables in autumn 2006, Germany and Denmark had been the only member states to support binding interim targets. It was thus necessary to compromise with indicative interim targets to get the binding 20% target for 2020 contained in the new directive, he stressed.

"We still feel that the Commission has the legal means to enforce the directive, and we have the indicative trajectory fixed in the directive. We feel that we have to use that as a benchmark for member states," van Steen said.
He said the directive clearly stated that member states were obliged to "introduce measures effectively designed to ensure that the share of energy from renewable sources equals or exceeds that shown in the indicative trajectory". If they fall behind their targets and these measures are not in place, the Commission can sue them.
"Under the existing directive, we have only an indicative end-target, and we have still managed to convince the Commission's legal service that we have to take legal action against a number of member states," he said, insisting that effectively enforcing the new directive with a binding end-target should be perfectly possible.
Link: http://www.euractiv.com/en/energy/enforcement-eu-renewables-law-faltering/article-181863

PUBLICATIONS

4.1. Proposed Regulation to Implement the Low Carbon Fuel Standard
5 March 2009, California Environmental Protection Agency
Link: http://www.arb.ca.gov/fuels/lcfs/030409lcfs_isor_vol1.pdf

4.2. SUBMISSION BY THE CZECH REPUBLIC ON BEHALF OF THE EUROPEAN COMMUNITY AND ITS MEMBER STATES
Prague, 28 April 2009
Link: http://unfccc.int/files/kyoto_protocol/application/pdf/czechec280409.pdf

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