The Business Council for Sustainable Energy®

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UNITED NATIONS CLIMATE CHANGE CONFERENCE

POWERING ACTION:
Clean Energy Solutions for COP 24

The Business Council for Sustainable Energy (BCSE) represents companies and trade associations in the energy efficiency, natural gas and renewable energy sectors. These industries are delivering technology solutions and low-carbon energy resources that help countries to meet their Paris Agreement goals, deliver greenhouse gas emissions (GHG) reductions today and empower further ambition to address the challenges of climate change.

The 24th Conference of the Parties (COP 24) of the United Nations Framework Convention on Climate Change (UNFCCC) hosted by Katowice, Poland in December 2018, aims to establish the Paris Rulebook for the implementation of the Paris Agreement.

With the recent release of the Inter-governmental Panel on Climate Change (IPCC)'s Special Report on Global Warming of 1.5°C and the first-ever gathering of sub-national actors at the Global Climate Action Summit, national governments must heed the urgent call and deliver a clear and transparent Rulebook that protects the integrity of the Paris Agreement and sets a common framework for action.

The "Power" of Clean Energy

The BCSE attends the UN Climate Change Conference to tell the facts about the rapid and sweeping transformation that is underway in the energy sector and to share how clean energy is reducing emissions and improving resilience.

In the Fijian tradition of the Talanoa Dialogue, the BCSE story of the "power" of clean energy shows how a diverse set of clean energy solutions can be used to meet a country's nationally determined contribution (NDC) and at the same time drive economic growth. In the United States, over 3 million jobs are supported by clean energy sectors.[i]

The Need for Greater Ambition

The IPCC Special Report states that limiting global warming to 1.5°C would require "rapid and far-reaching" transitions across all sectors, and that "global net human-caused emissions of carbon dioxide (CO2) would need to fall by about 45 percent from 2010 levels by 2030, reaching 'net zero' around 2050." The BCSE believes that as technology prices continue to drop, and new sources of energy supply come online, we will be more prepared than ever to kick-start accelerated transformations in not only the energy sector, but also in transportation, industry, the built environment and across procurement and supply chains.

The costs to produce solar photovoltaic modules have decreased by 92% over the past decade, lithium-ion battery pack prices have dropped 65% since 2013, and the price index for wind turbines is down nearly 50% since 2009.[ii] These market changes show that more ambitious greenhouse gas emission reductions can be made with fewer investment dollars.

Our economies can be more energy productive, and energy access can be improved as clean energy is deployed more broadly. According to new analysis by the Global Commission on Energy and Climate, taking ambitious climate action could deliver a direct economic gain of $26 trillion (cumulative) by 2030 compared to business-as-usual, over 65 million new

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low-carbon jobs in 2030 and avoid over 700,000 premature deaths due to air pollution.[iii] The world will invest $90 trillion in infrastructure by 2030, more than its current stock.[iv]

Making the Business Case for Clean Energy and Climate Action

The private sector is heeding this urgent call to action, as companies are making commitments to set science-based targets (SBTi), to double energy productivity (EP100), to become 100% powered by renewable energy (RE100), to accelerate the transition to electric vehicles (EV100) among others[v]. Businesses are committed, in both the United States and abroad, to making smart, low-carbon investments in their supply chains and operations, and for their customers.

Companies are choosing to source low-carbon and renewable energy, produce on-site energy through combined heat and power and distributed generation, and make operational and systems choices to better manage energy consumption. The motivations are many: increased stability through portfolio diversification, improved energy productivity, protection against unpredictable and extreme weather events, reduced greenhouse gas intensity, better air quality, improved workforce productivity, and overall efficiency and cost savings.

Similarly, the BCSE believes that embracing a diverse portfolio of clean energy solutions should enable countries to meet their mitigation targets, enhance climate resilience and create new climate-friendly and inclusive pathways of economic growth. This clean energy portfolio includes carbon capture utilization and storage; supply-side and demand-side energy efficiency in buildings, utilities and transportation; energy storage; grid modernization; natural gas; and renewable energy resources (biomass, biogas, geothermal, hydropower, solar, waste-to-energy and wind).

The Paris Rulebook: A Framework for Clean Energy Deployment

With the Paris Agreement and the NDCs pledged by its signatories, a roadmap and vision for the clean energy transformation has been provided. It is important that the implementation guidelines or "Rulebook" for the Paris Agreement provide a clear and transparent framework to track the progress of all countries toward their respective climate mitigation and adaptation goals.

This framework can provide clearer policy directions to the private sector, which can help guide investment decisions and ensure that capital flows into low-carbon solutions. It will drive innovation of the next generation of clean energy technologies. It will create a blueprint for local and sub-national governments to invest in smarter, cleaner, more resilient technology choices and infrastructure in the building, electricity, manufacturing and transportation sectors.

The BCSE will work at COP 24 to ensure that the discussions and decisions on the Paris Rulebook, as well as NDC implementation:

- Recognize that if we are to hold the increase in global average temperature to well below 2°C above preindustrial levels, **new, innovative approaches to working with the private sector to deliver sustainable solutions** will be required. There is great opportunity in partnering with the private sector to increase the ambition of NDCs and to build out practical investment and technology pathways for countries to meet their NDC targets. (Articles 2, 4)

- **Expand the reach of market-based policies and carbon pricing** through NDCs and a Paris Agreement framework that encourages enhanced ambition, including sector-wide approaches; that establishes robust carbon accounting rules and measures and a transparent reporting framework to protect environmental integrity; and that prevents the double counting of emissions reductions. The early setting of operational rules for cross-border transfers and a new mitigation mechanism will accelerate private sector investment in low-carbon opportunities. (Article 6)

- Demonstrate continued support for **international climate finance** by donor countries post-2020 and for climate-related finance mechanisms. The **Green Climate Fund (GCF)** is oriented in the right direction, and it must continue to work with the private sector to ensure that

attractive financing tools and a more streamlined project process are implemented to leverage greater levels of private sector investment. (Article 9)

- Agree to a new **Technology Framework** that builds on the existing Technology Mechanism and continues to **protect innovation systems.** When the private sector makes investment decisions in a country, it assesses a potential market based on the existence of stable policies, sound governance and infrastructure, and effective legal frameworks that encourage competition and innovation and that protect intellectual property rights (IPRs). A robust Technology Framework will enable the deployment of existing clean energy solutions and the creation of next generation low-carbon technology solutions. (Article 10)
- Reaffirm the shared commitment to transparency and data integrity by all countries and ensure that the **measurement, reporting and verification (MRV)** system for emissions and mitigation actions utilizes the latest technologies and borrows from best practices already in place for corporate greenhouse gas emissions reporting and disclosure. (Article 13)
- Recognize that **public-private partnerships,** such as *Sustainable Energy for All* and the *Energy Efficiency Accelerators* focused on buildings, district energy, lighting, appliances, vehicles and industry, are collaborative efforts that will drive action and help countries meet NDC goals.

Facilitating the Global Clean Energy Transition

The BCSE was inspired by the depth and breadth of climate sub-national action at the Global Climate Action Summit. The sharing of a diversity of perspectives and experiences of a range of stakeholders in the Talanoa Dialogue reminds us that despite our differences that we are all that "we are all in the same boat." The IPCC Special Report both warns of the potential impacts of climate inaction, but also the possibility that the worst scenarios can be avoided.

In this context, the next steps of national governments are critical. It is time to deliver a strong Paris Rulebook that will protect the integrity of the Paris Agreement, create trust between countries and drive clear, cost-effective and efficient emissions reductions an unprecedented scale.

Even stronger, more ambitious climate targets are achievable because of the market trends we are witnessing today. Technology costs are falling, the advancement of the internet of things and data analytics is generating data and knowledge at an unprecedented pace, and innovative financing models are enabling an increased scale of investments. Businesses, cities and states have demonstrated policy and financial investments into building low-carbon society. Countries are well positioned to take advantage of all these factors and deploy clean energy solutions that have been successfully implemented and are cost-effective and reliable.

The BCSE urges all Parties to power greater climate action by increasing political ambition and activating frameworks that deploy the broad range of clean energy technologies and resources.

ENDNOTES

i. National Association of State Energy Officials and Energy Futures Initiative. U.S. Energy and Employment Report. (2018)

ii. Bloomberg New Energy Finance and BCSE, Sustainable Energy in America Factbook. (2018) pg. 59, 68 and 122.

iii. New Climate Economy. Unlocking the Inclusive Growth Story of the 21st Century: Accelerating Climate Action in Urgent Time. (2018)

iv. New Climate Economy. The Sustainable Infrastructure Imperative: Financing for Better Growth and Development. (2016)

v. See We Mean Business action platform.

ABOUT THE BCSE

The Business Council for Sustainable Energy (BCSE) is a broad coalition of clean energy business sectors, including renewable energy, supply-side and demand-side energy efficiency, and natural gas and electric utilities in North America. The BCSE is an advocate for policies that increase the use of commercially available clean energy technologies and drive investment into a low-carbon, diversified energy portfolio. The BCSE has represented the views of clean energy industries in the United Nations Framework Convention on Climate Change (UNFCCC) since 1992. For more information, please visit http://www.bcse.org to download the Sustainable Energy in America Factbook for the latest market data, and follow on Twitter:@BCSECleanEnergy.