



Editorial

Stress the positive

cutting emissions brings economic gain

What are your energy predictions for 2005? The EU Emissions Trading Scheme – success or failure? Oil prices – up or down? Major electricity supply outages – where and when? Some of these are difficult issues, easy to be misread. There is one issue, however, where there is greater certainty. This is that climate change, as a global driver of energy sector policy, will gather greater momentum in 2005.

The reason? Looking back on 2004, there seemed to be more frequent, and more compelling, evidence that climate disruption is gathering pace. Anyone with an eye for the natural world, particularly in temperate regions, cannot fail to be aware of the changes of the last 5–10 years. It looks very unlikely that the scary chart, the one showing average annual global temperatures heading ever skyward, will do an about-turn.

But here is a depressing thing. The political response at one level continues to be, well, glacial in its speed. In mid-December 2004, in Buenos Aires, the UN held the latest round of its international negotiations to agree on action on climate change. These meetings are known as COPs; the latest session was COP 10. WADE, as always, participated at the session to highlight the role of decentralized energy as a cost-effective climate change solution. But the outcome of COP 10 was fairly modest: an agreement on the structure of the future negotiations to establish a post-Kyoto response. Talks about talks.

At COP 10, the ‘usual suspects’ were there, slowing the process. They included some of the national delegations and several industry groups. Their persistent refrain is that the costs of climate change response will be high, that any action must be very slow if economic growth is not to take a big hit. This is much the same as the messages put out in pre-Kyoto days, so in this sense we really haven’t come very far.

Sure, there will be some losers. But here is an encouraging thing. For the first time, WADE was not alone as an industry group suggesting that cutting emissions brings overall economic gain – through proven efficiency technologies. Most notably, the Climate Group (www.theclimategroup.org) was at COP 10, representing some big companies and stating this clearly. The Group is compiling examples of national and corporate action to cut emissions that are profitable. Examples of on-site cogeneration projects and programmes are scattered liberally though their database of examples.

Strangely, this is an issue on which the environmental groups are silent. These NGOs do magnificent work at the COPs (without them, there would have been no Kyoto Protocol) but they are missing a strong negotiating trick by implicitly accepting that reducing emissions is a costly business. A cynic might suggest that for green NGOs, ‘no pain equals no gain’.

So, here is a plea for 2005, for both industry and environmental organizations. Ensure that your colleagues, your senior managers and your communications teams focus clearly on the cost and economic benefits of reducing emissions through greater efficiency in energy generation and use. The evidence is now overwhelming. The policy impact can be profound. 2005 could be a pretty good year.

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