



## Editorial

# Out of the closet?

## still some hope of mitigating climate change

Climate change is out of the closet. So said someone who moves within well connected circles among the Washington DC energy community. It was a comment they made at a senior US energy policy forum in July to indicate that US policymakers are finally taking the carbon issue seriously.

If true, it's pretty good news for every living thing on this planet. Let's hope therefore that it is. To the rest of the world, however, the noises emerging from the White House today are just the same as those we've been hearing for the last 5 years. The G8 climate change communiqué, also in July, was successfully watered down by Mr Bush to the point that it had no flavour at all. It simply contains a series of bland aspirations rather than specific commitments. Given the intensifying clamour of urgency rising from the world's scientific community about the need to act yesterday, the incremental progress from the US administration continues to defy belief.

So, since it seems that – at least to a European onlooker – climate change does in fact remain in the White House closet, what are the prospects for serious responses to climate change that will effectively incentivize high-efficiency cogeneration systems?

Well, on one hand, they seem pretty dismal, particularly at the political level. The EU, supposedly in the vanguard of the international political response, is going to miss its own Kyoto objectives by a mile and will have to import great piles of 'assigned amounts' of surplus permits from other countries, together with some CDM credits. This is hardly fertile ground for an ambitious round of Kyoto-2 negotiations to agree emission reductions for 2020. With Japan and Canada in similar positions, it's not looking likely that the international community will take the necessary steps to achieve the massive long-term reductions that are necessary. On this evidence, we can put away those woolly jumpers for good. Bring on those nine month summers and global droughts.

On the other hand, there is some cause for serious optimism – and industry is leading the way, driven on by increasing energy costs and the recognition that a low-carbon future is a one-way bet – whatever the pace of the Kyoto process. Cutting energy waste, and so reducing exposure to fuel-price hikes, is now a matter of life or death for growing numbers of industrial and commercial users. To achieve competitive advantage, energy equipment manufacturers are accelerating the development of new energy technologies and are continuously improving existing ones. This means that energy users throughout the world are increasingly able to implement ever more efficient energy solutions, including on-site cogeneration. And not only in the OECD countries. The world's most efficient super-critical boilers have been installed in China.

Provided that the political process keeps going forward and doesn't stall completely, it is quite possible that this drive for efficiency, together with greater competition in energy markets, and persistent high energy prices, will bring about the 50%–80% carbon emission reductions that are necessary by the middle of this century.

If so, the prospects for on-site cogeneration – already improving markedly around the world – will continue to improve substantially. Climate change may well remain in the US President's closet a while longer. But for the rest of us it's out in the open and beckoning us on.

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