



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 power further ambition to address the challenges of climate change.

The 25th Conference of the Parties (COP 25) of the United Nations Framework Convention on Climate Change (UNFCCC) hosted by Chile in Madrid, Spain in December 2019, aims to complete the Paris Agreement and to set the stage for implementation and enhanced ambition for the next round of national targets in 2020.

The BCSE and its members are committed to the implementation of the Paris Agreement and a multilateral approach to addressing climate change. The private sector, in partnership with national and local governments, is making an impact through climate action. **BCSE members are reducing emissions, enhancing the resilience of their operations and communities and creating jobs and economic opportunities.**

The Power of Clean Energy

The BCSE attends the annual UN Climate Change Conference to highlight the rapid and sweeping transformation that is occurring in the energy sector and to share how clean energy is reducing emissions and improving resilience.

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 3.5 million jobs are supported by clean energy sectors.ⁱ

Heading the Call 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.” At COP 25, the Chilean Presidency will work to refocus the world's attention towards achieving carbon neutrality by 2050 and over the course of the next year countries will be asked to submit even more ambitious NDCs.

The BCSE believes that both countries and companies are well positioned to increase their ambition towards greater climate response because of aligning market factors. These include falling technology prices and a growing demand and supply of new sources of low- and zero- carbon energy. The rapid expansion of information technologies such as big data analytics, artificial intelligence and the internet of things are enabling new levels of system-wide integration and optimization.ⁱⁱ These trends are accelerating transformations in not only the energy sector, but also in transportation, industry, the built environment and across procurement and supply chains.

As technology prices continue to drop, new sources of low- and zero-carbon energy come online and digital connectivity expands rapidly, the world is well-equipped to make emissions reductions across sectors.

The costs to produce solar photovoltaic modules have decreased by 92% over the past decade, the price index for wind turbines is down nearly 55% since 2009 and lithium-ion battery pack prices have dropped 85% since 2010.ⁱⁱⁱ These market changes show that more ambitious greenhouse gas emission (GHG) reductions can be made with fewer investment dollars.



Our economies can increase energy productivity and improve energy access as clean energy is deployed more broadly. According to a 2018 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 low-carbon jobs in 2030 and avoid over 700,000 premature deaths due to air pollution.^{iv} The world will invest \$90 trillion in infrastructure by 2030, more than its current stock.^v

Furthermore, according to the Global Commission on Adaptation, investing \$1.8 trillion globally in five areas of resilience from 2020 to 2030 could generate \$7.1 trillion in total net benefits. Utilizing clean energy and energy efficiency to make new infrastructure resilient, one of the five areas, is a means to achieve what the report calls the “triple dividend” that avoids future losses, generates positive economic gains through innovation and delivers additional social and environmental benefits.^{vi}

These market trends and the findings of these global reports make the economic argument for governments and businesses alike to make smart investments in clean energy, infrastructure and development pathways that also help us achieve our climate goals.

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) and to accelerate the transition to electric vehicles (EV100), among others.^{vii} Businesses are committed, in both the United States and abroad, to making smart, low-carbon investments in their supply chains and operations and to help their customers make climate-smart decisions as well.

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 changes 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.

Embracing a diverse portfolio of clean energy solutions can enable a country to meet its mitigation targets, enhance climate resilience and create new jobs and climate-friendly and inclusive pathways of economic growth.

Similarly, the BCSE believes that embracing a diverse portfolio of clean energy solutions can enable a country to meet its mitigation targets, enhance climate resilience and create new jobs and 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 Time is Now to Complete the Paris Rulebook and Accelerate Implementation

The urgency of the science, as reflected by the findings of the Intergovernmental Panel on Climate Change (IPCC) *Special Report on Global Warming of 1.5°C*, demands that countries complete the negotiations on the Paris Agreement Rulebook at COP 25 and turn their focus to deploying the technology and policy solutions, realizing financial commitments and developing means of implementation.

Article 6

Expanding the **reach of market-based policies and carbon pricing** through NDCs can encourage enhanced ambition from countries, including sector-wide approaches. The Article 6 negotiations will determine the rules for cooperative approaches between countries to achieve national emissions reduction targets. A



strong outcome will establish robust carbon accounting rules and measures, a transparent reporting framework to protect environmental integrity and will prevent the double counting of emissions reductions. The early setting of operational rules for cross-border transfers and a new market mechanism will accelerate private sector investment in low-carbon opportunities.

The BCSE is a long-time advocate for market-based approaches and is working to enact a national price on carbon in the United States.

Finance and Technology

The Council continues to advocate for private sector engagement and support of established institutions such as the [Green Climate Fund](#), the [Climate Technology Center and Network and the Technology Executive Committee](#). The work of these institutions is to assist countries to build capacity and create markets that are attractive to investments in low-carbon, clean energy solutions. Important characteristics of a potential market include stable policies, sound governance and infrastructure and effective legal frameworks that encourage competition and innovation and that protect intellectual property rights (IPR).

Partnering for Impact

The Chilean Presidency of COP 25 is aiming to make the intergovernmental dialogue on climate change more impactful, inclusive and participatory, and to build trust across social divides and between countries. Public-private partnerships are an essential tool that can help reach our collective climate change goals. Examples of where BCSE members are engaged include:

» **Three Percent Club**—Announced at the UN Climate Action Summit in September, this is a new coalition of countries, businesses and international organizations committed to driving an annual 3% global improvement in energy efficiency. Participating countries commit to stronger policy action to put the world on a path of 3% annual efficiency improvement. In turn, private sector and supporting organizations commit to significantly improve the efficiency of their own operations and to help countries meet their

ambitious energy efficiency goals by engaging in projects, capacity building, and technical and financial assistance.

- » **Architecture for REDD+ Transactions (ART)** is a voluntary international initiative that seeks to reward countries for reduced emissions from deforestation and forest degradation, a process known as REDD+. By enhancing transparency and credibility, ART aims to help unlock new, large-scale private sector financing to facilitate sustainable land use and, in turn, protect forests.
- » **Initiative on Closing the Investment Gap (CIG) in Sustainable Infrastructure** is developing a country-led, facilitated approach to close this investment gap. This approach involves the governments of developing countries working with investors and financial sector representatives to prepare key projects so that they are well aligned with the criteria of private capital.
- » **Renewable Thermal Collaborative (RTC)** is the leading coalition for organizations that are committed to scaling up renewable heating and cooling at their facilities and dramatically cutting carbon emissions. RTC members recognize the growing demand and necessity for renewable heating and cooling and the urgent need to meet this demand in a manner that delivers sustainable, cost-competitive options at scale. The RTC members include manufacturers and state and local governments.
- » **We Are Still In (WASI)** is a coalition of cities, states, tribes, businesses, universities, healthcare organizations and faith groups in the United States that remain committed to achieving the goals of the Paris Agreement.

Global Need is Urgent and Readily Available Technologies Can Make Significant Progress Today

As the public discourse around climate change intensifies, BCSE members know that more ambitious climate targets are achievable because of the current market trends.

Technology costs are falling, the internet of things (IoT) and analytics are generating data and knowledge at an unprecedented pace, and innovative financing models



are increasing the scale of investments. Businesses, cities and states have demonstrated policies and financial investments that are reducing the carbon footprint of our communities.

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 and its members are willing partners to work together and set our collective aims even higher to go further, faster.

ENDNOTES

- i. National Association of State Energy Officials and Energy Futures Initiative. *U.S. Energy and Employment Report*. (2019)
- ii. Alliance to Save Energy, *Active Efficiency* (2019).
- iii. Bloomberg New Energy Finance and BCSE, *Sustainable Energy in America Factbook*. (2019) pg. 61, 70, 128.
- iv. New Climate Economy. *Unlocking the Inclusive Growth Story of the 21st Century: Accelerating Climate Action in Urgent Time*. (2018)
- v. New Climate Economy. *The Sustainable Infrastructure Imperative: Financing for Better Growth and Development*. (2016)
- vi. Global Commission on Adaptation. *Adapt Now: The Global Call for Leadership on Climate Resilience*. (2019)
- vii. 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.

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