

INTERVENTION

Ad-Hoc Working Group on Long-Term Cooperative Action
December 10, 2008

**Business Council for Sustainable Energy
International Council for Sustainable Energy
Global Wind Energy Council
Carbon Markets & Investors Association
Interstate Natural Gas Association of America**

Mr. Chairman, Mr. Vice Chair and distinguished delegates, thank you for the opportunity to present our views during the AWG-LCA Plenary session.

I am speaking on behalf of the International Council for Sustainable Energy, a coalition of over 750 clean energy companies and business organizations worldwide represented by the Clean Energy Council of Australia, and the European, United Kingdom, and United States Business Councils for Sustainable Energy and other business groups, such as the Global Wind Energy Council, the Interstate Natural Gas Association of America and the Carbon Markets & Investors Association.

Collectively, we represent companies and trade associations around the world with billions of dollars in financial capital and investments, and a strong commercial interest in the support and expansion of sustainable energy and energy efficiency markets as well as effective carbon markets that contribute to real reductions in greenhouse gas emissions.

In this time of severe global economic and financial challenge, governments can send strong signals to the marketplace that capital investments in infrastructure, power generation and buildings should utilize clean energy products and technologies. This will help meet growing energy demand, enhance energy security, improve economic efficiency and create jobs, while simultaneously reducing greenhouse gas emissions.

In Bali, an unprecedented set of business organizations came together to support a clear robust agenda, reflecting a strong interest from industry for government leadership in setting the targets, timeframe and conditions for businesses to invest in solutions to climate change.

In Poznan, Ministers must send the business community a clear political signal that reaching a global deal on climate in Copenhagen is their priority. We urge governments to shift towards negotiations on critical elements of the post-2012 climate agreement and the AWG-LCA has a critical role to play. The agreement should ultimately include:

- Quantifiable, mid-term and long-term greenhouse gas emission reduction targets for industrialized countries to be set by year 2009
- Actions by rapidly developing countries to reduce emissions below their business as usual scenarios
- Continuity in the legally-binding frameworks underpinning the carbon market; and the operation of a linked, transparent and compatible international carbon market
- Governance improvements to the institutional structure and transparency of the decision making system of the Clean Development Mechanism
- Common definition on targets in order to accelerate progress towards the design of financial products to leverage private capital flows to enhance technology finance and adaptation measures
- Incentive structures for technology transfer and deployment and effective instruments for measurements and compliance

- Significant progress on capacity-building for developing countries and adaptation

The agreement should support implementation of national policies that:

- Strongly encourage improvements in energy efficiency in buildings, electricity generation, manufacturing, transport, and production of goods and services and reward early action
- Stimulate the broader use of renewable energy for power generation – through measures such as portfolio standards, tax incentives, and tariff structures, and facilitate long overdue investment in modernizing and upgrading electricity grids
- Fully exploit opportunities for the efficient use of fossil fuel energy supplies, such as high efficiency combustion technology as well as natural gas, which is not only cost effective for a variety of direct uses, but is also capable of achieving efficiencies of 80 percent or higher when used in combined heat and power applications.

As businesses, we recognize the IPCC's Fourth Assessment report findings. We urge governments to consider AWG-LCA discussions on global emission reduction goals under this context.

Of importance for negotiators:

- The low stabilization levels require the peak and decline in emissions to occur more quickly
- Mitigation efforts over the next ten to fifteen years will have a sharp impact on costs and opportunities to achieve lower stabilization levels
- The range of stabilization levels assessed can be achieved by deployment of a portfolio of technologies that are currently available and those that will be commercialized in coming decades

This points to the need for urgent action now to accelerate the use of existing clean energy and energy efficient technologies as the first phase solution to climate mitigation. This can be delivered by industry if the private sector is proactively involved in your deliberations leading up to the Conference of the Parties in Copenhagen and if there are clear, predictable and long-term government signals from your decisions -- domestically and internationally -- supporting these investments.

The Bali Action Plan specifically recognizes “mobilization of public- and private-sector funding and investment, including facilitation of climate-friendly investment choices.” We welcome the opportunity to work closely with delegates to make this a reality.

Thank you.