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“We ask countries like India and China to build a new green paradigm of economic growth by an efficient economy”

ANA LÁZARO - ENERGÉTICA XXI

Two months before Copenhagen Climate Summit, the Executive Director of International Energy Agency explains the challenges to walk toward energy efficiency, reduction of CO₂ emissions and expansion of renewable energies.

Nowadays, the world lives a difficult situation but, is this economical crisis an opportunity to stimulate green energies?

Yes, this climate change challenge is the great opportunity to invest into the low carbon technologies or more energy efficiency and diversifying the sources of energy, and it also enhances energy security. This is the big reason because the IEA is now pushing hard on the low carbon technologies and energy efficiency. Especially, this economic crisis also provided the opportunity because many countries are putting public money into the stimulus packages. Stimulus packages can focus more to the green element or sustainability element, like the housing sector –more investment and more energy efficient appliances or lighting bulbs–, or transportation sector –more efficient cars–. All this needs huge investments at the beginning and then, energy efficiency comes later in many years time. This stimulus package comes as an opportunity to enhance the economy but, at the same time, sustainability. IEA is describing it as not a simple new deal but a “green energy new deal” that is necessary at this moment.

We have seen in the United States an important change with the election of Barack Obama. Do think this change has influenced



other countries around the world?

I think the United States is a very good example. They have a new government that put more focus on climate change, energy efficiency, new technologies, and much higher car fuel standards, also investments into low carbon technologies. This is a really good contribution to the global discussion which is aiming at these climate change challenges and mitigation of the CO₂ emissions. For the negotiation in certainly helps. It also helps the forecasts on sustainability investment. The G20 have been talking about economic recovery and future investment. Suddenly we believe that how to make this green recovery is the key for the sustainability as well as economical recovery. I think European governments are doing a lot of similar efforts

but when we calculate all the G20 stimulus packages still we need more to reach the trajectory of two degrees centigrade increasing atmospheric temperature (we call it 450 ppm stabilisation). To achieve that we need four times more of the investment which the G20 countries had planned this year. Not necessarily expanding all packages but the green elements in the package must be increased much, much more, also in private sector investments. So we are in the right direction, but we have to do more in every year from now to 2020 or 2030. That is what we are asking for.

What do you expect of the Copenhagen Summit?

That is a good point. Nobody knows what

is going to happen in Copenhagen. We are contributing to the Copenhagen negotiators about what is the magnitude of CO₂ reduction necessary in addition to what individual countries or regions are planning now including India, China and Russia. We calculated in the next world energy outlook the necessary investments, technologies, efficiency efforts in each country. We call it the "special excerpt of world energy outlook" and will be published on the 6th of October in Bangkok, when the negotiators are meeting. What it means is that we think because of the economic crisis the CO₂ emission will decline this year 2009 compared to last year 2008. Last year we thought it would increase another digit but it actually lost one digit, last year so it means two digit differences from the trajectory we had expected last year meaning that if this trajectory continues it could be much easier for us to achieve some targets compared to the last year.

But still we calculated this impact and the efforts of all countries and regions. The current effort is about 550 ppm stabilization. This means that atmospheric temperature will rise about three degrees. We need to make more efforts to make it 450 ppm stabilisation or two degrees centigrade increase. So all countries in Copenhagen should do more than what they currently propose and by doing so we can reach this 450 ppm stabilization. IEA going to provide data, which informs each individual country how much more effort they have to do. For Europe, the region, how much more we have to do. What kinds of investments are necessary, which technologies are important? Also we are assessing how monetary needs from northern countries investing in southern countries by the credit market or CDM mechanism. We are providing the numbers to help the negotiators to come to some agreement in Copenhagen.

What role do you think countries like India, Russia and China are playing in this context?

What we are expecting, of course, is that especially China and India are growing rapidly. This economic growth is very important for the world and the economy, so maintaining such economic growth and reducing the emissions from the business as

usual trajectory. Business as usual trajectory means a government do not use or take several policies about efficiency or renewable energies, so from that trajectory they can reduce CO₂ emission in some levels. Already we have calculated that China has substantially reduced the CO₂ emissions from business as usual (mind) by efficiency targets of more renewables into their electric generation so their contribution must be maintaining the economy growth but at the same time reducing the CO₂ emissions. How to decouple this growth and CO₂ emission? By new technologies or implementing efficiency.

In that sense we are asking these countries to build a new green paradigm of economic growth by an efficient economy or way of life or just different from what Europe or the US has succeeded in economic growth. More efficient lifestyle, more efficient transportation or a renewable energy based power sector. These are the challenges for developing countries. Without their success it will be very difficult to achieve the lower reduction of CO₂ emission.

What do you think about the debate of nuclear power?

We think that nuclear is a very politically touchy subject. I said in the conference that yes, Germany, for example, took a very great decision recently. The people are more in favour of the open nuclear policy now. But it depends on each country. Each country can make its own decision. It is up to Spanish citizens how you proceed but as a group of countries like the European Union are global, this option is necessary because this creates not a single solution but should be a part of the solution. And we have to have an open option for that. So for Spain is now thinking about phasing out policy of nuclear but to the challenge of emission reduction, phasing out may not really help Spain in this very challenging target of emission reduction.

And also I'm saying that especially nuclear is very much politicized. By changing governments, the policy changes, it's on and off, on and off, just changing nuclear policies. If that happens, the private sector a very much discouraged to invest, in a huge amount money over a very long period of time. We sincerely hope that Gov-

ernments can give a more steady policy of nuclear to help the private sector investment.

The Spanish Government is working in a Sustainable Economy Law that improves renewable energies and energy efficiency. What do you think about these kinds of laws?

We think Spain is a really leading country of using renewable energy: wind, solar... This is very much commendable for other countries. Using the feed in tariffs and also using the mechanisms of a deregulated electricity market, connecting with Portugal, and even to the other European countries. So interconnection also helps to stabilize the usual intermittent energy sources. I think this country is a good model for producing renewable energy production. At the same time we are really commending countries using electric vehicles, use of electricity for transportation, and reducing fuel dependency. By doing electric vehicles can also potentially offer storage of electricity when the renewable energy is produced at the same moment.

With the smart grid coming I think its combination of renewable electric production with electric vehicles makes good sense. We are strongly recommending Spain to move to this option.

The Spanish Government was thinking about introducing a "green tax" like the France model. Finally, they decided not to do this at the moment. Can these types of "green tax" change the energetic model?

We think that yes. I have been saying, because of this challenge of climate change as well as supply and demand in the fuels situation, the energy of the future will be at very high prices. This carbon tax or green tax is one of the reasons. To make strong incentives to the consumers to save carbon tax, or carbon prices through carbon trade makes good sense. Yes, it is politically difficult, we understand, to increase the tax but the government should send a clear message to the public: in the future the price of energy is getting higher and higher and we have to save and be more efficient.