

# E.ON expectations on a Copenhagen climate agreement 2009

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## E.ON calls on the International Community gathering for COP15 to strengthen and intensify the process to fight Climate Change.

As one of the world's largest private electricity, gas and heat supplier E.ON is strongly committed to the protection of the environment and to actively contributing to tackling climate change. E.ON aims to reduce the CO<sub>2</sub> intensity of its power generation portfolio by half compared to 1990 levels to 0.36 t CO<sub>2</sub>/MWh by 2030.

The business community needs an enabling framework and a level playing field to successfully tackle climate change whilst adding value to business and society. For any international concerted effort to be successful the following perspectives need consideration and decisive action:

- Any energy related discussion to fight climate change needs also a balanced consideration of security of supply and the affordability for consumers.
- A functioning global carbon market with a global price setting mechanism for carbon.
- Energy efficiency has to be increased through technological innovations, changing consumption and production patterns as well as through consumer behavior.
- Increased transfer of appropriate technology and implementation of appropriate financial mechanisms to support developing countries.

E.ON is concerned that under the current economic conditions, international climate change decision making may be driven by national economic interests. The climate change issue is international by nature and we call on all governments to maintain a strong international global perspective in addressing solutions and measures to limit global warming to 2 °C as stated by the Intergovernmental Panel on Climate Change (IPCC).

E.ON calls on all stakeholders engaged in the negotiations of the Copenhagen agreement,

- to define greenhouse gases (GHG) emission targets for all developed countries, emerging countries and nationally appropriate mitigation actions for developing countries to prevent the transfer of CO<sub>2</sub> intensive production to "no carbon constraints" countries (risk of carbon leakage),
- to tailor a single global carbon market (cap and trade, stepwise auctioning) via the link of all existing emission trading mechanisms in an effective way with the dual objectives of (1) facilitating a global price setting mechanism for carbon and (2) stimulating the most efficient low carbon emission reduction technologies,
- to use the revenues from the auctioning of emission rights generated in each country through the emission trading scheme to stimulate climate friendly investments, technology transfer, efficiency measures and if applicable a reduction of energy taxation,
- to include all important GHG emitting sectors i.e. energy sector, transport, manufacturing, construction and agriculture in the Copenhagen agreement,

- to sustain the Joint Implementation ("JI") and the Clean Development Mechanism ("CDM") as long as there is a difference in targets for the different developing stages of countries i.e. developed countries, emerging countries and developing countries,
- to strengthen the JI/CDM mechanisms since they have been by far the most effective and fair mechanisms to reduce GHG emissions to date. JI/CDM have contributed to the reduction of 250 million tons of CO<sub>2</sub>eq through the implementation of projects in developing countries and through technology transfer. The emission reduction impact of JI/CDM-projects by the end of 2012 is estimated to grow up to 1.5-2 billion tons of CO<sub>2</sub>eq,
- to extend the scope of JI/CDM to include cost-effective and efficient reduction measures without technology restriction e.g. Carbon Capture and Storage. Rules on additionality need to be redefined and project approval and credit issuance processes need to be redesigned for much higher execution speed while maintaining compliance with high ethical and integrity standards,
- to incorporate deforestation and reforestation explicitly in the financial mechanisms as well as in the JI/CDM mechanisms subject to robust monitoring, reporting and verification,
- to avoid volumetric restrictions inside of the JI/CDM mechanisms for governments and businesses to achieve their emission reduction targets,
- to explore cooperative sectoral approaches framework to allow emission reductions across sectors and countries as a mechanism in the global single carbon market. It shall be a concerted action of governments, private industries and international financial institutions in developed, emerging and developing countries to ensure the adequate and economic support for the development of new technologies and the deployment of the emergent ones on a long term horizon,
- to support and reward companies which invest into GHG reduction technologies in a very early stage, bearing a high capital investment and high technology risk - i.e. an "early adopters" - stimulation package, and
- to assist developing countries with a funding solution mechanism for climate change adaptation taking into account existing and planned development spendings to those countries.