

IGPS lecture: 'A View From Paris: The 2015 climate agreement & energy sector decarbonisation'
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The next global treaty on climate change will be based on countries making self-determined pledges instead of signing up to negotiated emissions cuts, according to Dr Christina Hood of the International Energy Agency.

Giving a lecture to the Institute for Governance and Policy Studies, Hood said the next big step in international climate negotiations was a treaty to supersede the Kyoto protocol, to be agreed in Paris in December 2015 and take effect from 2020.

Kyoto, which requires legally-binding emission-reduction targets for developed countries, now covers just 13% of global greenhouse gas emissions. But the new treaty was likely to allow countries to set their own approaches, in the hope of getting greater coverage and therefore larger overall reductions.

A full negotiated text of the new agreement should be tabled by December this year, with countries submitting their "intended nationally determined contributions" in the first quarter of 2015. "This has really good legs, this idea that countries are in a position to know where they can go," Hood said.

The promises that countries made could be "very different" to those made under the Kyoto protocol. They could include carbon budgets, renewable energy targets, and targets for long-term transformations via infrastructure investment.

"There will be a lot more uncertainty about where things are headed. But Kyoto only provided certainty for a limited number who were willing to participate. We are sacrificing a little bit of foresight about where we're going, in exchange for more action."

A total world carbon budget would still be part of the process "implicitly", she said. The combined national contributions would have to be assessed on whether they were consistent with the 2°C warming cap – and that could be done only with reference to some kind of carbon budget.

In the Agency's own scenarios for limiting global temperature increases to 2°C, the greatest contribution – 42% – came from energy efficiency. On a per-sector basis, the power sector was targeted for the biggest reductions.

When it came to specific policies, carbon pricing was central, because it "levels the playing field" and drove emissions reductions across-the-board, rather than relying on government to target every sector separately.

Far from being "dead", carbon pricing was being seriously looked at by many countries, including South Africa and China. "Carbon pricing, despite having a bad rap, is progressing at pace around the world," Hood said.

In addition to carbon pricing, which would make many emissions-reducing policies economically viable, there were policies that were already cost effective but not being implemented because of a lack of knowledge or political will. For instance, on current projections, around two thirds of the emissions-reducing potential of currently cost-effective energy efficiency measures would remain untapped by 2035, even with some new policies.

Setting out policies that would reduce emissions at zero cost to GDP, Hood said tackling four areas – energy efficiency, limiting the use of low efficiency coal power, reducing methane emissions from coal and gas, and the partial removal of fossil fuel subsidies – would get the world 80% of the way to remaining within the 2°C warming cap in the period to 2020.

Long-term investments in more expensive policies, such as solar power and electric vehicles, were also needed.

However, progress towards clean energy was “too slow in almost all technological areas”. In particular, if infrastructure continues to be built on our current high-emissions path, by 2017 current infrastructure would, if allowed to run for its natural lifetime, generate all the emissions permitted under [the] 2°C [scenario].

That would mean that anything built after 2017 should have zero or negative emissions – or more realistically that existing inefficient infrastructure needed to be “retired early”.

Delaying emissions-reducing policies was a false economy, Hood added. Every dollar saved between now and 2020 by delaying spending would cost countries \$4.30 in the long run as they made up the lost ground.

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