

EURELECTRIC's views on the road map for global climate action from the High Level champions

The European electricity sector has strongly welcomed the Paris Agreement as a major landmark in addressing the global climate change challenge. It provides a clear confirmation by the international community of the irreversible transition to a low carbon world which will steer the global clean energy transition.

We consider the Paris Agreement as a truly international climate agreement and believe that it provides the necessary signal to governments, businesses and the general public of the universal commitment to fight climate change. The provisions in the Agreement on the long term goal and the ambition mechanism, as well as the key elements relating to the development of a rules-based transparency and accountability system, will ensure that we achieve a robust and durable global climate regime which will create new and innovative opportunities for low carbon development.

As the attention now shifts to the implementation of the Paris Agreement, we would like to stress the importance of maintaining international political momentum in the months and years to come. Parties should work to ensure the swift implementation of the Paris Agreement and the intended nationally determined contributions (INDCs) and should proceed with the ratification of the Agreement.

The European electricity sector strongly believes that decarbonisation is essential to guarantee the long-term sustainability of the global economy, and we are committed to leading this transition. As electricity becomes increasingly low carbon, the electrification of key sectors of the economy, such as transport, heating and cooling sectors, will play an important role in achieving decarbonisation ambition.

EURELECTRIC is also particularly pleased with the inclusion of the provisions in the Paris Agreement which recognise the role of enhanced cooperation through market approaches and carbon pricing in achieving the global low carbon transition. Market based mechanisms, such as carbon markets, are the most effective tool for mitigating greenhouse gas emissions and stimulating investments in low carbon technologies and energy efficiency. We therefore also call for efforts to pursue the implementation of Article 6 of the Paris Agreement on market approaches, with a view to the development of a global carbon market in the longer term.

1) The current situation

Is this general presentation an accurate description of the current state of play? If not, what can we do more?

The high level champions point out the following needs in describing the situation:

-) to quick-start implementation with a sense of urgency and ambition;
-) create an interface with the real world and solutions, particularly the involvement of non-Party stakeholders;
-) maintain the political momentum.

The European electricity sector is fully involved in the climate challenge both as part of the problem but especially as part of the solution to mitigate and adapt to climate change. We share the sense of urgency, the absolute need of engagement by non-Party stakeholders and more precisely of the electricity sector, as observer and provider of solutions to the global climate change challenge.

The European electricity sector provides a clean, secure and efficient supply of energy in a cost effective manner. Over the years electricity has been contributing to substantial reductions in the energy intensity of the economy production and energy related greenhouse gas (GHG) emissions, through increasingly efficient and flexible power plants, more efficient grids and an increasing share of low carbon generation plants.

- On the supply side, electricity companies are limiting emissions from electricity generation, by improving efficiency and by increasing the use of low- or non-emitting supply technologies;
- On the demand side, the greater use of energy-efficient electric technologies is one of the most significant factors supporting economic growth, improving energy efficiency and reducing GHG emissions. In particular, electric technologies can be greatly effective in reducing greenhouse gases in developing countries and economies in transition, where considerable economic growth is expected.

The role of the electricity sector worldwide will need to be strengthened if we are to achieve the ambitious commitments we are assuming in line with objectives of the Paris Agreement. A number of studies have shown that that the necessary global reductions required in order for the 2°C temperature increased not to be exceeded can be achieved, to a large extent, through the simultaneous decarbonisation of electricity and the electrification of the domestic, commercial and transport sectors when combined with significant improvements in energy efficiency. This will also lead to other environmental benefits like improvements in air quality and will also foster energy security and economic performance.

The electricity sector is fully committed with this challenge and aims to be part of the solution through an effective engagement in the process among other actions.

2) The role of the high-level champions

Is this an accurate description of the role the high-level climate champions should play with regard to the mobilization of non-state actors? Is there anything else they should do, or are there things mentioned here that they should not do?

The role of the high-level climate champions is described as providing an interface between action on the ground and the UNFCCC negotiation process, between non-Party stakeholders and Parties. It includes the tracking of implementation of existing initiatives to demonstrate credibility, promote best practices and enhance delivery and the support for new initiatives broadening the country coverage and including more initiatives coming from developing country Parties and non-Party stakeholders

We believe the role of the high-level champions can be very important especially in mobilising action and providing a credible and transparent framework to showcase it.

- Concerning mobilisation, it is essential to recognise that all sectors and agents have a role to play in the climate challenge. Clearly identifying and defining the roles of each one will help substantially the process. Private sector involvement is crucial, but business typology is wide and diverse in terms of sectors, regions, etc., and therefore different approaches may be necessary. The work of the high-level champions can be essential in achieving a broader participation of business including from the developing countries and small and medium enterprises.
- In tracking the implementation of existing initiatives, there is a wide spectrum of initiatives that need to be streamlined in order to enhance credibility and to facilitate the process. From individual commitments to collaborative associations or initiatives, companies are involved in a wide range of actions. The high-level climate champions could help clarifying and providing a platform to clearly communicate what is contained in each initiative to reinforce and optimize the process.
- The high-level champions can also help in the development of public-private partnerships in a wide range of issues that are meant to be a key element of the process. The Nationally Determined Contributions (NDCs) offer a clear platform to work together collaboratively. The private sector can be very helpful and collaborate in the process of elaborating and implementing developing countries NDCs and the high level champions could help providing this interface. NDCs could be, from our point of view, an instrument to promote and increase the collaboration between countries and to give visibility to the investors.
- An innovative platform for information sharing could be very helpful to ensure openness, flexibility and inclusivity of the engagement model.
- To foster communication and exchange of views on climate negotiations between governments and the private sector, the high-level champions could continue organising "Business dialogues" between international business leaders, politicians, negotiators and policy-makers serving as a link between the process and the private sector. These dialogues could be structured around specific areas and/or sectors to facilitate the achievement of useful conclusions that could feed the negotiating process. A key objective of the latter would be to render explicit to the negotiators and other stakeholders the reality 'on the ground' for our sector and to identify possible barriers to overcome for a full implementation of the Paris Agreement.

3) Transparency and tracking

How do we assess the initiatives? What would be the ideal set of criteria? Who would assess them? What should be the role of the Non-State Actor Zone for Climate Action (NAZCA)?

We agree that there is a need to ensure that the initiatives and coalitions achieve the targets they have set and that these targets are consistent with the Paris Agreement. Every commitment must include as much as possible quantified and time-bound objectives. In order to create a dynamic, and an upward spiral of ambition, these objectives can usefully be set for 2020, 2030 and 2050. Reporting must be implemented, following a recognised methodology (including scopes, years of reference, covered GHGs, etc.) and in a spirit of transparency/external verification. In this sense, there are numerous initiatives in which companies report their performance and commitments. It is essential to provide a comparable framework but there is no need to increase the reporting obligations of companies. Existing disclosed information could be used and tailored to fit this purpose. Initiatives (such as the Carbon Disclosure Project, the Global Reporting Initiative) already disclose information from companies and can offer a valuable input.

The Nationally Determined Contributions will be affected by the transparency framework, and therefore a whole new set of criteria and recommendations will be developed. The tracking process of initiatives from the private sector may also benefit from this work.

In general, reporting methodologies have to be developed for the sectors or companies that still lack them, but in the case of sectors and/or companies already reporting under existing international standards or initiatives the existing work needs to be optimized.

4) High-level event

What do Parties and non-Party stakeholders expect from the high-level event at COP 22? To have a real impact at COP 24 in 2018, the Climate Action Summit showcasing the results of non-state actor initiatives would need to take place sufficiently in advance. Should it be organized in the summer of 2018?

The high-level event proposed for COP22 is a good opportunity to showcase the results and evolution of climate action by non-Party stakeholders and to discuss them with negotiators. The event could include discussion on the report of the outcomes of the Technical Expert Meetings and business dialogues held that year and a report from the high-level champions on the state of play. It can be an opportunity to review and assess the quantity and quality of climate action.

It is necessary to try to avoid the proliferation of a myriad of international meetings, and clearly communicate the aims of each meeting. The high level champions could organize those meetings seeking for an equilibrated participation among sectors, regions, etc. We agree with

the organisation of the Action summit in summer 2018 and we would welcome a clear calendar of meetings in which the participation of the private sector is to be required for each year independently of the existence of a more permanent channel of communication.

5) The role of the TEMS

Do you share the belief that the format of the TEMs should evolve in the light of the Global Climate Action Agenda? How could we ensure that the TEMs are more solution-oriented?

In general, we believe that the UNFCCC process needs to build on existing work. This is a long process in which we have been building upon initiatives, tools, mechanisms, rules, etc. that delivered lessons that we need to keep in mind.

It is well known that to address the emissions gap, there is a range of policies, measures and actions that could be replicated and scaled up to accelerate pre-2020 mitigation action. Within the UNFCCC work on pre-2020 action, technical expert meetings (TEMs) were designed to enable Parties and non-State actors to jointly identify opportunities for actions with high mitigation potential and their co-benefits. In this technical process, that we find very useful, Parties have already identified six thematic areas with high mitigation potential, opportunities for action and various co-benefits: renewable energy, energy efficiency, the urban environment including transport, carbon capture, use and storage, methane and other non-CO2 GHGs and land use.

We believe that these meetings are a good opportunity for government officials and civil society, and particularly directly involved technicians, business and finance stakeholders to discuss concrete measures to reduce greenhouse gases as well as their mitigation and/or adaptation potential, barriers and opportunities in the fight against climate change.

The TEMS could also deal with other technical issues like for example the barriers to action identified by the Secretariat¹:

-) Lack of institutional, regulatory and legal frameworks
-) Existence of inefficient subsidies
-) Lack of carbon pricing
-) Inadequate finance, technology and capacity building support

We believe these are very useful discussions and should continue providing concrete input to the process. The Sessions have to be designed and programmed to be concrete, focused, and if possible connected to initiatives of the action agenda and therefore the high-level champions could channel this collaboration between public and private agents.

¹ Climate Action now, summary for policy makers 2015, UNFCCC