



Newsletter 03/03

Dear members and friends of e5,



e5, the European Business Council for Sustainable Energy, has passed a remarkable year 2003. First of all, your support was extraordinary: although the

European economy struggles, e5 has kept its membership stable. In fact, we have even registered a slight increase and continue to grow. Having in mind that membership in business associations is generally decreasing, the loyalty of the e5 members outstrips my expectations. And I am confident that we are on the right track. I would like to thank you all.

2003 has also been a remarkable year for e5, since we have adopted a new strategy. Both public appearance and content management have been re-aligned. You can read about it in the first article of this newsletter. The content of the newsletter is in line with the topics of the news and press section on the e5 website: "Bring Kyoto into Force" highlights our efforts in pushing for an implementation of the Kyoto Protocol that mirrors the interest of climate business. "Climate is Business" focuses on the [2004 International Conference for Renewable Energies](#). We will present our "Leapfrogging now!" campaign and inform you about the schedule of activities that e5 envisages for this outstanding conference next year in Bonn. "e to the power of five" reports on the issue of aviation and climate change. "Emissions Trading" presents our important role in preparing business for the implementation of the EU Emissions Trading Directive. We have also been active in influencing the shape of the EU emissions trading scheme.

Looking forward to 2004, I am pleased to name two significant advances for e5. First, we will soon open our representation office in Brussels. Second, in anticipation of the accession of ten new EU member states in May 2004, we will launch our Central and Eastern Europe outreach program. I envisage a great opportunity for e5 to expand its activities to the new EU members and push forward the issue of climate-friendly business.

I am looking forward to working for you and I wish us all together a successful year 2004.

With warmest regards,

Sebastian Gallehr
Chair of the Board - e5

e5 Launches New Format

You may have noticed recently that our public appearance has changed. First, we have streamlined our name – e5 is now the Business Council for Sustainable Energy. Second, the e5 Logo has been re-aligned, as you can see below. Last but not least, the superior 5 now stands on normal ground – e⁵ has become e5.

So far as to changes in our public appearance. What are the alterations regarding the e5 strategy? To state more precisely whose interests we represent, we have redefined our target groups. They can be summarised as follows:

- Renewable energy,
- Energy efficiency - demand side (transport, telecommunication, building and electronic product improvement), and
- Energy efficiency - supply side (cogeneration, control engineering, fuel cells).

e5 plays a crucial role in facilitating discussion between business, politics and civil society. We lobby for interest-centered pressure groups and act as a political driver. Our new office in Brussels, e.g., will put a major focus on the proposed DSM directive. Together with the WWF, e5 will launch a business campaign to lobby for pragmatic and sustainable regulation. Our core content for 2004 is:

- Emissions trading
- Eco taxation
- Kyoto Protocol
- 2004 International Conference for Renewable Energies in Bonn
- EU Directive - Demand Side Management (DSM)

e5 members benefit from political decisions that are tailored to their interest. At the same time, e5 upholds the ties between members and provides an excellent communication network.

Bring Kyoto into Force

Lunch with European Parliamentarians

Following a request from Dr. Rolf Linkohr, MEP of the Party of European Socialists (PPS), e5 organised a two hour lunch debate in Brussels on December 2, 2003.



Dr. Rolf Linkohr

Business representatives and parliamentarians, 22 people in all, met in Brussels to discuss the Joint Implementation (JI) and Clean Development Mechanism (CDM). e5 seized the opportunity to lobby for the interest of its members and sharpen the parliamentarians' view on some practical aspects when the Kyoto mechanisms are going to be implemented.

Due to a persistent lobbying effort in Brussels, e5 has gained a high reputation among parliamentarians. Many MEPs consider e5 an ideal platform for bringing together business and politics on sustainable energy related issues.

The linking directive on the Kyoto mechanisms will hopefully pass parliament in spring 2004. e5 continued to lobby for the implementation of the Kyoto Protocol at the EU level in 2003. In 2002, the EU emissions trading directive topped the agenda. This year, one priority issue of e5 was the proposed CDM/JI linking directive. It supplements the emissions trading directive and is supposed to clarify how the two market mechanisms of the Kyoto Protocol can be part of the European emissions trading scheme.

For a summary of the 2 December lunch debate, click [here](#).

COP9 and e-WARD



The Ninth Conference of the Parties to the UN Climate Change Convention (COP9) took place from December 2 to 12 in Milan. The two weeks presence of e5 sends a strong signal to the international community that e5 is a key player in international climate business. Julio Lambing, who represented e5 in Milan, pushed for the e5 idea in numerous talks with representatives from business and politics.

Intervention at the High Level Segment of COP 9:

"Looking forward, 2012 is less than a decade away. For investor confidence, business needs clear signals on where the international process is headed. The Councils support the model of an international regime, with binding emission reduction commitments for developed countries and market-based mechanisms, like emissions trading, the Clean Development Mechanism and Joint Implementation, to enable cost-effective emission reduction."

Lisa Jacobsen on behalf of the US, UK, Australian and European Business Councils for Sustainable Energy

At a minister roundtable, e5 launched an intervention, together with its sister organisations from the US, Australia and the UK. It called for precise rules to warrant investment security, and requested the CDM Executive Board to develop standardised baselines. Also, e5 attended a high-level dinner.



e-WARD: Jos Delbeke, Paul Metz (e5), Karsten Sach

On December 11, e5 organised a dinner reception and proclaimed the "Climate is Business e-WARD 2003". Since 2000, e5 confers the e-WARD to two well-known personalities from politics and business.

Prize-winners in 2003 were Jos Delbeke and his team from the Environment Directorate-General of the EU Commission, the Canadian energy supplier Transalta and Zdravko Genchev, Vice-Chairman of the [UNECE Energy Efficiency 21 Project](#). Karsten Sach from the German Federal Environment Ministry, Vice President of the climate negotiations and leader of the German delegation to COP9, was one of the prize-speakers. The press release on the e-WARD ceremony is posted on the web. (Click [here](#).)

Climate is Business

Renewables 2004

Bonn will host the International Conference for Renewable Energies from June 1 to 4, 2004. The [renewables 2004](#) will address financing and market development, enabling political framework conditions, as well as capacity building in the fields of education, research, networks, cooperation, etc.



Internationale Konferenz
für Erneuerbare Energien, Bonn
International Conference
for Renewable Energies, Bonn

On behalf of e5, Ignacio Campino from Deutsche Telekom AG is member of the steering committee of the conference. Deutsche Telekom AG is a well-known

actor of global climate business. The company deals proactively with climate change and strongly supports the activities of e5. The nomination of Mr.

Campino underlines the importance of e5 at the conference. The steering committee provides a great channel for the business interest of our members.

The conference is of particular importance to e5 and its members. At this unique global platform, the renewable energy sector can present new technology and create business connections. e5, on the other hand, has the opportunity to support business by channelling the interest of the renewable energy sector, mediating between business and politics, and providing excellent networking service.

Leapfrogging now! campaign

On the occasion of the conference, e5 will present its "Leapfrogging now!" campaign (working title). e5 strives to put the presentation on the official agenda of the conference. Alternatively, e5 will organise a side-event.

Closing the gap between politics and economics is the central message of the campaign. As of today, national policies and business action induced by climate change do not match; suitable framework conditions are still lacking. Yet, the leap into a sustainable energy era has already begun. It is up to policy makers to support the new "technology generation" based on renewable energy and high-end efficiency measures.

e5 has launched the "leapfrogging campaign" to make politics recognise the new energy era, and to foster its world-wide implementation. The presentation of the campaign will bring together companies and policy makers from U.S.A., China, Japan, Indonesia, Brazil, India, Russia, South Africa and the EU, representing 70 per cent of the world population and energy consumption. They will meet and start a dialogue formulating the interests linked to renewable energy. e5 will take care that the event is not confined to companies from the energy sector. All companies with an interest in renewable energy will be offered a platform where they can describe the peculiarities of the renewable energy sector and call for suitable framework conditions.

Together with its member Deutsche Telekom, e5 strives to make the upper management of international corporations attend to the presentation. e5 also aims to gain the participation of high-ranking environmental policy makers.

SME and foreign markets

Small and medium sized enterprises (SME) form the backbone of the renewable energy sector. Focusing on the great potential that SME projects carry in foreign markets, e5 recognises three areas of concern: (1) the acquisition of capital, (2) networking between German and foreign SME and (3) joint ventures with African SME.

German technology in renewable energy heads the global market. Yet, SME face particular problems in the acquisition of capital when exploring foreign markets. e5 seeks to tailor adequate solutions that sustain the investment abroad. At the conference, e5 will raise the question of how institutional capital

can be attracted to secure SME and their foreign investment.

Furthermore, e5 seeks to lead a sales co-operative between project managers from the SME renewable sector and institutional investors. In such co-operative, e5 sees the opportunity to merge product development, product presentation and networking. Special know-how on institutional capital, a broad project portfolio and minimal overhead could ease the flow of capital. A cornerstone in the sales co-operative initiative is the Re-Next programme of the [B.U.N.D Berlin e.V.](#) It addresses SME from Eastern Germany and provides export and financing support. For further information contact Ms. Nadine Bethge: bethge@bund-berlin.de.

e5 will also highlight the issue of co-operation between African and European SME in the renewable energy sector. Together with the [European Climate Forum](#), e5 will organise a workshop. What investments mechanisms exist for joint ventures and what projects and technologies have the greatest potential to be funded by private investors are some of the questions to be addressed. Credit safeguarding, linkage of investors and SME as well as technology options will form part of the discussion. For further information contact Martin Welp, European Climate Forum: martin.welp@pik-potsdam.de.

Media partnership

In a first step, e5 will co-operate with the "Europäische Zeitung", a



monthly magazine based in Bonn. This is to ensure media coverage of the e5 actions at the conference. In addition, e5 envisages partnership with other newspapers such as the Financial Times Deutschland or the Herald Tribune.

e5 and "Europäische Zeitung" will publish a special issue on renewable energy before the conference will start. The issue will compound around 100 pages with various topics on renewable energy, as well as practical information and conference guidance, such as cards or calendars.

e to the power of five

Aviation and Climate Change

Aviation is the means of mass transport with the worst rating in terms of climate protection. The emissions of aircraft, e.g., contrails and nitrogen oxides, have a two to four times higher warming impact than CO₂ emissions. Yet, aviation is the means of transport with highest growth rates at national and international scale. Until 2015, world demand will double the level of 1995; by 2050, even moderate scenarios show a six-fold increase. Thus, the emissions of planes will grow substantially, which technical progress cannot compensate.

Political steps are required to prevent this development. Together with [ECC Kohtes Klewes](#) and [GERMANWATCH](#), and supported by [Nordrhein-Westfaelische Stiftung fuer Umwelt und Entwicklung](#), e5 has initiated a project in the highly industrialised German region of Nordrhein-Westfalen: "[Clean Business Travel](#)". The air traffic in this region grows every year. The project is designed to show how business travel by aviation in Nordrhein-Westfalen can be replaced by telecommunication or climate-friendly means of public transport. The compensation of emissions by projects focusing on climate protection is another option.

Emissions Trading

Capacity Building

e5 continued to push for the implementation of the EU emissions trading system in 2003. The offer for an orientation study on emissions trading was sent to 900 German companies. Although the feedback was no better than satisfactory, we managed to raise awareness and make companies feel that they have to get prepared for the trading scheme, due to start in 2005. The [German Federal Environment Ministry](#) referred to the study on its website ([click here](#)). The Ministry strongly welcomed our research, not least due to the fact that e5 was the only business institution providing orientation in emissions trading in the first half of 2003. e5 would like to thank Mr. Franz-Josef Schafhausen from the BMU. He heads the emissions trading working group of the Ministry and has always shown great willingness to co-operate with e5.

e5 has been taking great effort in building capacity amongst companies that the forthcoming EU emissions trading scheme will take under obligation. It is a primary matter of e5 to prepare these companies for the allocation of CO₂ allowances and provide profound support.

Apart from the study, Sebastian Gallehr and Julio Lambing from e5 spoke at various conferences for capacity building in emissions trading.

Benchmarking

Together with the Dutch energy provider and e5-member Essent Duurzaam, e5 has launched a benchmarking initiative in 2003. The initiative proposes EU-wide benchmarking as a key for allocating CO₂ allowances within the EU emissions trading system. It was our objective to have a passage included in the EU Emissions Trading Directive that qualifies benchmarking as a favourable procedure compared to other free allocation methods.

On April 23, 2003, e5 organised an expert roundtable in Maastricht, with 35 business representatives attending. Paul van Son from Essent, Stefan Singer from the WWF, Stéphane Cools from the Ministry of the Walloon Region in Belgium, Alexander de Roo, shadow rapporteur to the EU Emissions Trading Directive, belonged to the

exclusive selection of speakers. They explained the various aspects of benchmarking and lent their know-how to the audience. The presentations are posted on the web ([click here](#)). You can also download from there the position paper on benchmarking that e5 prepared in the follow-up to the Maastricht workshop.

On June 3, e5 prepared a round table dinner in Strasbourg on the subject *Allocating emission permits – the business approach to a viable solution*



Maastricht Workshop

for climate protection. 25 members of the EU parliament and some representatives of the energy, chemical and cement industry in Europe met international experts and discussed the implications of different allocation methods for the business world and the environment. Hans Warmenhoven from Price Waterhouse Coopers moderated the four hour dinner debate; our member Dr. Peter Liese, MEP of the European People's Party (PPE), held the introductory speech.



Strasbourg dinner - from left to right: Sebastian Gallehr, Hans Warmenhoven, Dr. Peter Liese, Paul van Son

The lobbying of e5 proved successful – the actual version of the EU Emissions Trading Directive, amended on July 23, refers explicitly to a harmonised benchmarking approach in Art.30(2)(c,k) and Annex III(3).

Unilateral projects

In 2003, e5 did broad and intensive research on unilateral projects. 30 experts from government, research institutes, industry and the consulting business were addressed. e5 asked for the impact of a JI/CDM linking directive where so-called

"domestic offset projects" would form part of. The discussion at EU level is ongoing: Germany, France and the UK favour the integration of unilateral projects in the EU emissions trading scheme, whereas the EU commission is pretty reluctant. e5 prepared a position paper on the new JI/CDM linking directive.

Comings and Goings

The e5 team has expanded and is looking forward to provide you with profound and professional support. Since the beginning of 2002 already, **Julio Lambing** supported e5 by raising funds, lobbying for e5, and providing know-how to e5 members and friends. He is now assistant to the executive board. He has done excellent in managing emissions trading projects, or networking with EU institutions and national governments. At COP9 in Milan in December of this year, Mr. Lambing has represented e5 with great success.

Heidrun Rothweiler is our public relations manager since November 1st. She has been working as a journalist, with a focus on climate and energy issues. Having a Master of Laws in international environmental law, Ms. Rothweiler provides profound knowledge on legal issues of climate protection.

Our new manager of EU public affairs, **Loren W. Hurst**, will lead the Brussels office. Mr. Hurst resides in Brussels and brings a wealth of experience in association management, public affairs and marketing. He has spent extended periods as an association manager, public affairs manager, and researcher in Central and Eastern European countries.

Tobias Cottmann is new deputy of the executive board. We would like to thank Mr. Cottmann for his strong and constructive commitment in his first year after joining us.



On October 1, 2003, he has taken over from **Klaus Milke**, who continues to support e5 as advisor to the executive board. We would like to give our warmest thanks to one of the founders of e5. Mr. Milke has always supported e5 most proactively. Without his

involvement and strategy management, the Council would not have become what it is today.

We also would like to thank our treasurer **Dieter Wunderlich**. In 2003 again, he has done a great job.

Unfortunately, our office manager **Maren Barry** had to leave us due to health problems. We would like to thank her for her excellent work and wish her a soon recovery – all the best, Maren.

Since Ms. Barry left us at short notice, we could not yet fill the vacancy. We apologise if our administration is running low flame at the moment.

Outlook 2004

e5-Office representation in Brussels

e5 is expanding its member services in 2004 with the creation of the e5 Brussels Representative Office. The Brussels office is the centre of action for the outreach activities of e5, information exchange, and member opportunities to express their views directly to EU officials and parliamentarians. e5 will dedicate its presence in Brussels to lobby for legislation and policies that favour our members' interests. Now, e5 staff are closely monitoring the development of legislative proposals, while increasing personal interaction with EU policy makers, and creating new lobbying opportunities on behalf of the e5 members. A major focus of immediate lobbying efforts will be the advocacy of a pragmatic and sustainable Demand Side Management (DSM) directive.

In May 2004, ten new EU member states will arrive in Brussels. The new e5 office is seizing the opportunity to welcome new members and expand its activities to new constituencies, regions, and members. e5 is preparing for this historic transition with a host of programs centred on the challenges and future promise of sustainable energy in the New Europe. Members can also expect regular reports on Brussels-based sustainable energy events and networking opportunities.

Accession Country Outreach Program

The upcoming accession of ten new EU members in May 2004 presents a wealth of business opportunities for those with the knowledge – and relationships – needed to capitalise on a historic event. e5 is leading the way in the Central and Eastern Europe renewable energy industry by launching our accession country outreach program. The purpose of this program is to provide a forum enabling e5 members to develop valuable business relationships, increase market knowledge, and remain engaged in a quickly developing marketplace.

Activities will include networking events for e5 members, new EU member country officials and businesses. Also, e5 will prepare a climate business agenda for the [International Environmental Fair ENVIBRNO in Brno](#) (from April 20 to 24, 2004).