YES TO KYOTO

Business Support for Climate Treaty in Kyoto

Bonn, October 29, 1997. On Tuesday October 28 during the UN-Climate Negotiations in Bonn (AGBM 8) three organisations - the European Business Council for a Sustainable Energy Future, the U.S. Business Council for Sustainable Energy and the International Cogeneration Alliance - expressed their support for

- a first legally binding greenhouse gas target in 2005
- a clear greenhouse gas reduction target in 2010
- introduction of emission trading mechanisms and Joint Implementation
- harmonisation of emission and efficiency standards.

Presentations highlighted technologies that will be stimulated by a Kyoto Protocol: much more efficient use of energy in power generation and transportation as well as renewables.

Mark Schroeder, Enron Corp., a leading US and Europe based energy trading and services company, stressed the need to integrate the liberalisation of energy markets and the climate protection policy. This would improve not only the economic efficiency but also the carbon efficiency: "Well designed energy regulation will not damage the economy and give better price signals to the marketplace than detailed emission regulation."

Joachim Benemann, Pilkington Solar, showed that the solar thermal electricity generation has improved to a competitive position in the commercial power production market. Specifically in the geographical sunbelt of the earth, where a strong growth of energy demand is expected, solar thermal power plants can play an important role in the future electricity generation. "Environment-oriented governmental policies and financial support for market development are now needed to maintain the momentum of this innovation. The financial gap between conventional and solar energy must be bridged."

Johannes Ebner, Daimler Benz, described how fuel cells - in parallel to further improvement of conventional vehicles - can play a key role in significant reduction of emissions by transportation. He announced that Daimler Benz will start mass production of fuel cell cars in 2004/2005. The present higher price level of this technology is a business risk that should be overcome by worldwide harmonisation of framework conditions, like efficiency and emission standards. "A common voluntary action of the worldwide car industry to reach this harmonisation cannot be expected. We look to our respective governments to initiate the foundation in Kyoto."

Michael Brown, Cogen Europe, the association for the promotion of cogeneration/combined heat and power, stressed the need for an early target in Kyoto. "Cogeneration, in particular with natural gas, is not only a climate friendly but now the most cost effective way into the energy future. We need the combination of liberalised energy markets and internalisation of the external costs." Brown also pointed out that for European Business there are not only Joint Implementation potentials in Eastern Europe, but also in the United States with their relatively low energy efficiency.

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