

# BUSINESS ACTION FOR ENERGY

Working for Sustainable Solutions

## CLIMATE CHANGE



### The Issue

Business recognizes that climate change presents serious environmental and economic risks. Addressing these is clearly a high-priority, long-term concern for governments, business and society as a whole. All countries face the challenges of mitigating climate change and adapting to its potential impacts. Both developed and developing countries will have to pursue integrated and harmonious sustainable economic growth and climate change policies, recognizing that developing countries are particularly vulnerable to climate change.

### Key Policy Recommendations

1. Climate change is a global challenge that requires a global solution. Addressing climate change internationally will take the commitment and actions of all major actors to succeed. Business supports the UNFCCC and its objectives, and is an engaged partner in the UNFCCC, and in national and regional policy development and implementation.
2. All primary energy resources will need to be considered, and existing and new technologies will be directed to more efficient and less greenhouse gas emitting performance. Business is investing in technology development and the deployment of advanced lower carbon, renewable and more efficient technologies.
3. Business supports energy efficiency to help reduce energy costs, energy consumption and negative environmental impacts, including climate change.
4. Well-designed, long-term policy frameworks are essential to addressing the challenges of climate change, including: realistic long-term frameworks and cooperative approaches; the commitment and participation of all major emitters; barriers to investment. Market-based approaches like global emissions trading should be designed and implemented to be cost-effective and technology transfer and cooperation should be promoted.
5. Significant investment is required to maintain, grow and deliver the energy supplies required to meet future demand in a sustainable manner and to address climate change mitigation and adaptation.
6. Business believes that multi-stakeholder partnerships can help address climate change challenges. Successful partnerships allow the participants' strengths and areas of expertise to be combined for practical and visible results. The business community works with partners to identify, develop, commercialize and deploy technologies suited to individual national priorities, resource availability and development strategies.

### Successful Case Studies and Partnerships

#### 1. Suez/Electrabel – From coal to biomass.

Suez/Electrabel is reducing greenhouse gas and acid pollutant emissions, and promoting renewable sources of energy through the conversion of a 50-year old coal-fired power plant into one firing only biomass. Electrabel is continually modernizing its power stations

*BAE is an ad-hoc, temporary business initiative bringing together a comprehensive network of global businesses. It brings together international, regional and sector organizations and major energy producers and consumers.*



with the implementation of new technologies, and the proportion of electricity derived from renewable sources is steadily increasing.

## 2. BP's Energy Efficiency Program – Energy savings reduce greenhouse gas emissions.

BP introduced a structured energy management program and five-year investment plan across its operations in 2004. By taking a systematic approach, BP has continued to see increasing benefits during the two full years of their US\$ 350 million energy efficiency program. By the end of 2005, BP estimated that annual energy savings were over 15 million GJ, resulting in a reduction of some 1,000,000 metric tons of greenhouse gases per annum.

## 3. BP/Ford/Princeton Carbon Mitigation Initiative, USA – Strategic alliance to combat climate change.

The Carbon Mitigation Initiative – a partnership between BP, the Ford Motor Company and Princeton University – is seeking compelling and sustainable solutions to the carbon and climate change problem through a long-term research program. In 2000, BP chose Princeton University to establish a “carbon mitigation research institute”, based on the university’s proposal and its access to key staff and resources, particularly for CO<sub>2</sub> capture and storage technology, the hydrogen electric economy and earth system modeling. Ford Motor Company, with which BP was already developing a strategic alliance, also joined as a key partner, increasing financial support and extending involvement across the supply chain. Ford brought a useful perspective on transportation issues, along with its technical knowledge on fuel cells, fuels and efficiency and experience in product development. *Source: IPIECA oil & gas industry partnership publication, 2006.*

## 4. The Global Climate and Energy Project – Researching cost-effective technologies to reduce emissions and meet the world’s energy needs.

The Global Climate and Energy Project (GCEP) between Stanford University, ExxonMobil, General Electric, Schlumberger and Toyota aims to accelerate the development of breakthrough leads in commercially viable technologies that are able to meet global energy demand while dramatically lowering greenhouse gas emissions. GCEP’s areas of research include the study of: biomass, wind, solar and other renewable energies; advanced combustion; production and use of hydrogen; carbon capture and storage; advanced transportation; advanced materials; advanced coal; and power production, distribution and storage. In addressing these areas, researchers seek technological leads that may overcome current barriers to large-scale commercial applications, such as cost, performance, safety, environmental and regulatory compliance, and consumer acceptance.



*BAE is an ad-hoc, temporary business initiative bringing together a comprehensive network of global businesses. It brings together international, regional and sector organizations and major energy producers and consumers.*

