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# Dear Fossil Fuel Industry: It's over.

Dear minister,

You can't say you're in favor of the 2 degrees target and at the same time refuse to take adequate action on short, mid and long term mitigation. That just doesn't work.

Isn't it time you admit that we simply need to phase out fossil fuels from our energy system, completely? Could Paris be that moment? "Dear fossil fuel industry, it's over." Try that! Feels good.

Doing the math with the IPCC carbon budgets for both 2 and 1.5 degrees warming clearly show that we must get carbon emissions to zero by 2050. In reality, that means phasing out fossil fuels completely – which is what the Catholic Bishops called for yesterday, along with a transition to 100% renewable energy.

Getting there in time means taking action now. Here in Lima you need to agree to:

- Take more pre-2020 action, because doing it later would be harder and more costly.
- 5-year commitment periods to increase ambition in 2025 so as to avoid locking in low targets for 15 years.
- Zero carbon by 2050 as the clearest expression of the existing temperature goal.
- Provide sufficient means of implementation so that developing countries can leapfrog to provide access to clean, renewable energy for all.

ECO has more ideas for Do's and Don'ts on Pre-2020 Ambition (inside, p. 2)



Image: Climate Action Network

### The Least-Cost, Least-Risk Long Term Goal

The current elements text provides options for countries to consider as the long-term goal. Curiously, only one of the options refers to the science of the Intergovernmental Panel on Climate Change.

The IPCC science is, in fact, consistent with several possible long-term goals, and in particular with several different end dates. It's just the background assumptions and choice of gases that differ.

However, there is one ironclad requirement for any goal that wishes to limit warming: CO<sub>2</sub> emissions must most certainly, at some point, come down to zero. The particular day of reckoning depends upon how much warming and risks we are willing to accept.

To push back the day when CO<sub>2</sub> emissions must drop to zero, one could, at least in theory, take on the rather daunting project of engaging so-called negative

emissions on a massive scale – a scenario that relies on largely untested and fantastically expensive technology. IPCC science indicates that doing so, while attempting to limit warming to 2 °C, would only push the day of reckoning back to somewhere around 2070 for CO2.

However, to limit warming without relying on experimental technology that has unknown risks and potentially extreme costs, the the IPCC tells us that to keep below 2 °C, global CO2 emissions must drop to zero by 2050. Full stop.

The long-term goal to drop carbon emissions to zero by 2050 is therefore not only consistent with the IPCC science, but it is also the goal that poses the fewest environmental and financial risks, while creating many co-benefits. And in a world of uncertainty, that is precisely the kind of goal we need.

### PRE-2020 MITIGATION AMBITION: JUST DO IT

Today's Lima Climate Action High-Level Meeting is the place for Parties to explain how they will start closing the mitigation gap. While that gap is huge, closing it is not as hard as it may sound. Here are a few easy pointers for developed countries, who should take the lead in the pre-2020 period: Obviously, you should start with fully implementing what you've already committed to do. This is particularly relevant for those who are backtracking on their 2020 commitments. But you will have to go beyond that. There are a few things you should simply stop doing – end all fossil fuel subsidies and block off the dirty fossil fuel pipeline – and others you should start doing, The EIA says that 80% of additional measures needed to close the pre-2020 mitigation gap would not impact GDP, and there are multiple co-benefits from reducing fossil fuel pollution (and everyone likes clean air and water). To help, here ECO has compiled a convenient list of a few of the big Don't's – things you simply must not do – in order to help save the climate. Even better, ECO has also identified many good Do's that you can start implementing now. No more excuses.

#### DON'T'S

**United States:** Stop building new fossil fuel infrastructure projects! Reject the Keystone XL pipeline once and for all. Reverse the illegal scheme allowing the Alberta Clipper pipeline to double its capacity. End the \$21+ billion per year in subsidies for the production of fossil fuels, and stop the \$6.5 billion in public support for expanding fossil fuel reserves. And, whatever you do, certainly don't relax regulations such as the crude oil export ban and the restriction on financing overseas coal stations.

**Australia:** Don't expand the coal mine in the Galilee Basin in Queensland. Don't turn the Great Barrier Reef into a coal export terminal (seriously!?)! And don't backtrack on your Renewable Energy Target. Finally, don't repeal progressive policies like the emissions trading scheme.

**European Union:** Just a few of many key items:

- EU: Don't spend the new "investment package" proposed by the President of the European Commission on new coal and gas power plants.
- **Germany:** Stop supporting coal projects in other countries through export credits and state guarantees by your national agencies (IPEX and Hermes).
- **Spain:** Stop Repsol's crazy offshore oil exploration in Canary Islands waters that is not only detrimental to the climate but also to biodiversity, and is opposed by local people.

**Japan:** Stop building new coal-fired power plants. The planned 35 coal stations, amounting to 14 GW are a terrible and short-sighted idea.

**Russia:** Don't allow your main gas company, Gazprom, to build a new gas pipeline to China through a World Heritage Site and a sacred place for Indigenous Peoples.

**Canada:** Stop permitting the on-going extraction of fossil fuels from tar sands and their associated pipelines. Don't permit British Columbia to go ahead with a whole new LNG sector, which could undercut renewable energies. Stop subsidizing fossil fuels to allow fair economic access to renewable energy producers.

#### DO'S

**United States:** Replicate the examples of cities like Seattle, Portland, San Francisco and New York that are actively reducing emissions. Take a close look at all the successful renewable energy and energy efficiency policies in many states and scale them up.

**Australia:** Support and replicate positive actions by cities like Sydney and local councils targeting carbon neutrality by 2020 or 2030, and the Australian Renewable Energy Agency supporting innovative community energy projects. Increase the renewable energy target and retire old, inefficient coal-fired power plants. Enact regulations that phases down HFCs in line with amendments proposed by US and others to the Montreal Protocol. Strengthen efficiency measures.

**European Union:** There are many actions that EU can do and that Member States can do themselves as well:

- EU: Fully implement the Energy Efficiency Directive (rather than just ignoring the 2020 energy efficiency target), which will reduce emissions and create massive local jobs. Cancel the over 2 billion surplus allowances in the EU ETS, and take that as a starting point for a fundamental reform of the ETS.
- **UK:** Aim for a coal phase out by mid-2020, generating health co-benefits. Prioritise energy efficiency and start a big programme retrofitting households.
- France: Accelerate the deployment of RE, in particular solar PV and wind. Reinstate and enhance the tax on pollution and road damage by trucks that just got cancelled. Finally, introduce a strong, wider carbon and energy tax that increases between 2015 and 2020 in a predictable manner.
- **Germany:** Fully implement and strengthen the new Climate Plan that will lead the phase out 22+Mt CO2 from dirty coal power plants, Reform the land use sector. Finally, increase targets on the deployment of renewables.
- **Poland:** Take bold steps to transform your coal-addicted energy system to renewables. Use the solidarity mechanisms provided by the EU climate and energy framework to develop renewable energy sources and improve energy efficiency measures
- **Spain:** Create an electricity market that favours small-scale photovoltaic electricity on a massive scale, instead of creating a market which has almost stopped photovoltaic solar in its tracks

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**Japan:** In the process of developing an energy strategy for 2030, put strong constraints on carbon in general (e.g. a price on carbon).

**Norway:** Allow your gargantuan fossil fuel-based sovereign wealth fund to invest 5% of its portfolio directly in infrastructure for production and distributions of renewable energy. Rapidly reduce the share of fossil fuels in the portfolio, starting with the most polluting sources like coal and tar sands.

**Canada:** Finally make good on the promise to regulate the oil and gas sector (see Wednesday's ECO) and restore federal renewable energy funding and the federal residential energy efficiency retrofit program. Encourage other states to follow Ontario and phase out coal within 6 years.

## Renewable Energy, Latin American Style

Today there is a lot of attention on increasing pre-2020 ambition. Our host region provides many great examples showing what is possible. The equation is quite simple: more investment in sustainable renewable energy and less money to perverse fossil fuel subsidies equals great benefit to everyone in LAC and the entire world. They are inspiring other countries — both developed and developing — for a path towards 100% renewable energy with sustainable energy access for all by 2050 at the latest.

**Brazil's** electricity generation from renewables has almost doubled in ten years. Brazil's supporting mechanisms – a fixed tariff for electricity fed into the grid and the more recently introduced technology specific auctions – have led to it becoming the region's renewable energy giant.

**Chile** has a highly attractive investment environment for renewable energies, due to its policy set-up which includes a Law for Fostering Non-Conventional Renewable Energy.

**Costa Rica** has decided to go for a target of 100% renewable energy by 2021. That's an inspiring example for other countries in the region and globally.

**Mexico** this year passed a Programme on Renewable Energy, setting the goal of 25% electricity coming from renewables before 2018, up from 15% in 2012.

**Nicaragua** is the renewable energy paradise of Central America, and over the period 2008-2012 had the highest annual growth in Latin America for non-hydro renewable power generation with almost 30%.

**Peru,** our host country, is planning to use solar energy to provide electricity to 500,000 poor households, and has 10 micro finance institutions that support renewable energy.

**Uruguay** has the highest share of GDP in renewable energy among Latin American countries, a clearly articulated energy vision, supported by the necessary regulations, which will allow it to reach 100% electrification, 50% share of renewables in the primary energy supply, and 15% power generation from modern renewables by 2015.

# **Ending Dependency:** Fossil Fuel Subsidies

As recently reported by the International Energy Agency, fossil fuel subsidies in 2012 came in at US \$544 billion – five times greater than those for renewable energy at US \$101 billion. The IMF puts the estimate at an astounding US \$2 trillion when indirect subsidies are taken into account.

Taxpayers around the world are, effectively, paying to destabilize the climate. Subsidies are granted in rich countries to their coal, oil and gas industries, and also in poor countries to make fuel for middle class car owners cheaper while worsening air pollution and taking desperately needed funds from health care, education and housing.

In Latin America, fossil fuels are cheapest in Venezuela, Bolivia and Ecuador. There are some sad ironies here – Venezuela has a Ministry which has among its mandates the implementation of "eco-socialism"; the other two have codified respect for Pacha Mama and Rights of Nature in their constitutions. Other countries in Latin America, such as Mexico, also provide billions in subsidies for the production and consumption of fossil fuels.

Subsidies generally benefit those who use the most fuel – not the poor. If the substantial resources currently devoted to these subsidies were spent on improving public services or directly transferred to the poor, the social impact would be positive.

While rich countries must take the lead in stopping exploration and production subsidies, all countries can play a role in efforts to stop funding fossil fuels. Latin America could play a leadership role in this effort. Civil society will continue to work for an end to perverse fossil fuel subsidies. But note, given the importance of access to modern energy services, social safety nets must be in place for the most economically disadvantaged.

If funds squandered on fossil fuel subsidies – especially production subsidies – were redirected to investments in energy efficiency and renewable energy as well as other much needed health and education services, we would have a double win for people and the climate.



Image: Climate Action Network

# Bishops: 'Deepen the Discourse'

Catholic Bishops from around the world came together yesterday to issue a statement calling for an end to the fossil fuel era and for global temperature increase to be kept below 1.5  $^{\circ}$ C.

While Church leaders have spoken out previously on the subject of climate change, yesterday's statement is significant as it represents the first time a global group of Bishops have shared their thoughts on the subject in one document.

The statement calls for a 'deepening of the discourse at COP20' to ensure concrete decisions are taken in Paris next year, highlighting that a clear roadmap must be adopted and set out how countries will meet predictable and additional finance requirements.

The Bishops "call on all Catholics and people of good will to engage on the road to Paris as a starting point for a new life in harmony with Creation respecting planetary boundaries."

With Pope Francis expected to release a Papal Encyclical next year on human ecology, the Bishops' statement may signal the Catholic Church is going to become a more vocal advocate for climate justice.



# China-US Youth Declaration: Steps to Greater Ambition

On the heels of the historic U.S.-China climate announcement, youth from the United States and China have combined forces to build momentum in the youth climate movement.

Building on previous collaborative work, the China Youth Climate Action Network (CYCAN) and the Sierra Student Coalition partnered on a joint statement to their heads of state detailing the youth reaction to the recent U.S.-China climate announcement. The statement expresses appreciation for the bold steps taken by both countries while also pushing for more ambitious goals, in particular the need for strong and effective policies which are socially just and scientifically sound.

The statement goes on to detail the ambitious emissions targets and policies needed to avert an irreversible climate crisis, keeping global temperature increase to 1.5 °C above pre-industrial levels.

This statement is just the beginning. The youth who are inheriting the critical problem of climate disruption are an ever stronger part of a global dialogue. The unified voices of the world's youth promise to be there every step of the way from Lima to Paris, driving progress in their communities and pushing for a world with equitable access to clean, safe, renewable and socially just energy systems.



The US delegation might need an extra pair of spectacles because they seem to be chronically short-sighted. Despite Superstorm Sandy and Hurricane Katrina, with the support of Japan, they are trying to remove adaptation and loss & damage from the ADP decision text. Our First-Place Fossil of the Day award is a dead heat between the United States and Japan.

Now, a second pair of spectacles for the Polish officials who can't see that the writing is on the wall for the coal industry. **Poland** win the **Second-Place Fossil of the Day** for ignoring the clean energy transition and proposing a range of new coal-related projects as part of a new EU 300 billion Euro stimulus package.

Spectacles won't help with our **Third-Place Fossil of the Day** winner, **Venezuela**. This morning Venezuela's Minister of Foreign Affairs clearly stated that "the problem of climate change is not because of the production of petrol, but for the irrational use of it".



Our three Ray of the Day award winners are Germany, Peru and Colombia who all pledged vital climate finance. Germany pledged around \$60 million to the Adaptation Fund, Peru then pledged \$6 million to the Green Climate Fund, and they were then matched by Colombia who pledged an additional \$6 million.

