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Climate change is one of the most urgent problems faced by humanity. The Swedish electricity industry fully supports development towards a carbon neutral society, and believes that electricity is part of the solution.

Electricity – part of the climate change solution

The Swedish electricity industry can contribute, and is prepared to do so. Swedish electricity production is almost carbon free. On the European level 61 power companies in 27 countries has declared that in 2050 the electricity production in Europe will be carbon-neutral. We believe that use of electricity is a prerequisite for high ambitions in climate change policy and for a sustainable society. A rational and increased use of electricity could contribute to decreased greenhouse gas emissions, increased energy efficiency and increased use of renewable energy. Over the next 10 years approximately 20-30 TWh of additional renewable electricity production will be established in Sweden, part of which could be used in the transport sector and for heating purposes. If the Swedish car fleet was replaced by electric vehicles the energy consumption would be reduced from 45 TWh to 20 TWh and emissions of carbon dioxide would decrease by approximately 10 Mton per year. But regardless of how this electricity is used, it will improve the parties' abilities to meet its targets for climate change. Sweden will have all the possibilities to contribute by exporting carbon free electricity, given that the infrastructure is in place.

Shared vision: Global agreement and global target is essential

We believe that a global agreement on climate change is essential, and that such an agreement must contain a long-term goal for global greenhouse gas emissions and a mid-term goal, both based on science. From our perspective, this need derives from the extensive lifetime of our investments.

Adaptation: Transfer of resources necessary

Both developed and developing countries will be forced to take adaptation measures. Unfortunately the least developed countries seem to face the most severe problems connected to climate change. Transfer of resources from developed to developing countries is therefore necessary and these issues have a natural place in a global agreement on climate change.

Mitigation: Cost-effective solutions through the establishment of a global price on CO₂

A global agreement must contain quantitative commitments for developed countries and to some extent commitments for developing countries as well. Advanced developing countries could commit to set sectorial targets in relevant sectors.

A global agreement on green house gases should promote the establishment of a global price on greenhouse gases (GHG) through global emissions trading and the use of project-based mechanisms. However, a global price on emissions alone will not be sufficient – investments in R&D must be increased worldwide. We are also convinced that CDM projects (or similar mechanisms) have an important role in a global agreement in their capacity to decrease emissions, transfer technology and contribute to sustainable development in developing countries. It is therefore important not to restrict the use of these mechanisms in the future.

EU ETS - the emissions trading scheme for carbon allowances in EU - is a good example of a cost-effective means for reaching a common target in Europe. Swedenergy believes that so far, EU ETS has functioned rather well apart from some teething troubles and the non-harmonised allocation approach. We think that EU ETS should be the heart of European Climate Change policy. More sectors should be covered by the system and more countries should be connected to it. In our view, this is the only way to create an international price on carbon, which is necessary to combat climate change.

Synergies between climate change policy and air quality policies should be visualized. Introduction of electric vehicles will apart from contribution to reduction of CO₂-emissions improve air quality and reduce noise in cities.

Financing, technology transfer and capacity building

Financing of a global climate change agreement could be found within existing mechanisms, such as the flexible mechanisms emissions trading and CDM. CDM, or similar mechanisms, are and will be important in the future, to attract private sector financing. Within CDM-projects technology transfer is taking place already today and this should be acknowledged in a new climate change agreement.