



WIREC 2008 Ministerial Bulletin

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WIREC 2008 MINISTERIAL HIGHLIGHTS: TUESDAY, 4 MARCH 2008

The Washington International Renewable Energy Conference (WIREC 2008) opened on 4 March 2008, at the Washington DC Convention Center in Washington DC, US, and will continue until 6 March. Approximately 3000 participants have registered for the Ministerial Meeting, from which this *Bulletin* is reporting. Over 4000 individuals have registered to participate in parallel events, including a business conference, trade show exhibition and side-events.



Principal Deputy Assistant Secretary of State Reno Harnish III, Undersecretary of State Paula Dobriansky, Michael Eckhart of ACORE and Undersecretary of Agriculture Thomas Dorr.

Following opening statements Tuesday morning, participants discussed the economic and environmental benefits of renewable energy in separate ministerial and stakeholder sessions during the afternoon, and closed the day with a joint session. At the end of Tuesday, over 60 pledges had been submitted for the Washington International Action Program, a compilation of pledges from WIREC participants announcing domestic and international pledges to accelerate the global uptake of renewable energy.

2 million to 450 million gallons of biofuel in the last seven years, and many new technologies, in such areas as genomics, offer great promise.

John Negroponte, Deputy Secretary of State, US Department of State, underscored the challenges of energy supply, environment and economic growth. He said renewable energies can reduce dependency on fossil fuels and lower greenhouse gas emissions, and highlighted climate change discussions among the major economies and a clean energy fund. Noting increased investment and market share in energy production, he said renewables are no longer an “edge” market.

OPENING SESSION AND STATEMENTS

US Undersecretary of State for Democracy and Global Affairs Paula Dobriansky opened WIREC 2008, welcomed participants and emphasized the importance of stimulating renewable energy development to address poverty alleviation, energy security, local air quality and climate change. Stating that this meeting will work to produce a Washington International Action Programme, she encouraged participants to make voluntary pledges to advance the uptake of renewable energy.

Michael Eckhart, American Council On Renewable Energy (ACORE), noted that: renewable energy is a policy-driven market; technology is available, affordable and spreading; major research and development (R&D) is needed to increase the scale and reduce the costs of third and fourth generation technologies; and the priority now is increasing the speed and scale of its adoption to achieve its potential to supply over half the world’s energy requirements.

Thomas Dorr, Under Secretary for Rural Development, US Department of Agriculture, said the US has gone from producing

Ed Schafer, Secretary, US Department of Agriculture, underscored agriculture as a main contributor to renewable energy. He said that renewables have boosted the farm economy, and noted the potential benefits for developing countries of opening agriculture markets. Schafer said the way fossil fuels are used is not sustainable and renewable fuels provide a great alternative, but noted challenges such as the needs for viability without subsidies, environmentally safe production, social acceptance and balancing energy and food production needs. Schafer highlighted the prospect of home-grown energy and stressed the importance of research on



Ed Schafer, Secretary, US Department of Agriculture.

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cellulosic ethanol, enhanced productivity of energy crops and conversion processes.

Parliamentary State Secretary Michael Müller, German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety, highlighted the interaction between climate change, scarcity of raw materials and development needs, and emphasized that protection of natural capital can stabilize the global economy, create jobs and improve quality of life. He proposed an “ecological Bretton Woods” emerging from the G8, to address the ecological challenges of the upcoming century.

Zhang Xiaoliang, Vice Chairman, National Development and Reform Commission of China, reviewed the experience of Beijing 2005, described key elements of China’s strategic plan for renewable energy, announced in 2007, and highlighted the need for greater international support for renewable energy in developing countries; new mechanisms for technology research, development and dissemination; capacity building; and a global approach to establishing product standards, currently dominated by a few large countries.

PLENARY SESSION: DEFINING THE ISSUES

Six speakers presented on current trends and issues, and the transition to renewables. Hermann Scheer, Germany, General Chairman of the World Council for Renewable Energy, stated that renewable energy is not a last resort, but an opportunity. He suggested that frontrunners are necessary for a scale-up of renewable energy, and encouraged the US to play a leadership role. Emphasizing the importance of exchanging experiences between countries, he described the German proposal for an International Renewable Energy Agency, and invited willing countries to join.

Samuel Bodman, Secretary, US Department of Energy, emphasized the role of renewables and energy efficiency for a cleaner, more affordable, more secure, and less reliant on fossil fuels energy system. He highlighted US work with the major economies on a future climate change framework, underscoring technological solutions. He said the American public is calling for action, and stressed domestic concern about energy prices and volatility, as well as developing world needs. Bodman highlighted investment in R&D and cellulosic ethanol demonstration projects, and emphasized recent growth in photovoltaics and wind power deployment.

Tony Hayward, CEO, BP, noted that: the US, as the largest energy consumer, is key to any effort to address energy security and climate change; climate change has become an issue in the upcoming election; any new policy must deal with such realities as exploding global demand; cap and trade approaches are the way forward; and, while a global trading system should be the goal, post-Kyoto frameworks should not preclude regional efforts. He further stated that subsidies would be needed for critical new



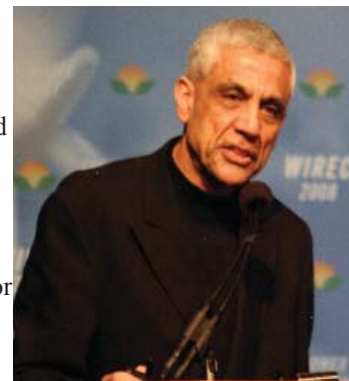
Tony Hayward, CEO, BP.

technology development until it becomes clear that they work and are affordable.

Mohamed El-Ashry, Chairman, Renewable Energy Network for the 21st Century (REN21), announced the release of the REN21 Global Status Report. He stated that renewable energy has become mainstream, citing statistics on sectoral job growth, financial investment, and national targets and policies. Highlighting the problems of energy security, energy poverty and climate change, he called for continuation and acceleration of the recent rapid scale-up of renewable energy technologies.

Nobuo Tanaka, Executive Director, International Energy Agency, said energy security and climate change must be addressed together and pose an unprecedented challenge requiring immediate action, participation from major economies and, possibly, lifestyle changes. He outlined 48GtCO₂ reductions in greenhouse gas emissions required by 2050, noting that the cost of carbon dioxide emissions could go up to US\$200/tonne, and highlighted several carbon neutral technologies. He said renewables need to generate more than 50% of electricity, and highlighted education and training, and the need to find geological formations for carbon and nuclear waste storage. Tanaka highlighted a decrease in public energy R&D in industrialized countries and said time is a scarce resource.

Vinod Khosla, CEO, Khosla Ventures, attributed the failure of econometric energy forecasts to the fact that they fail to account for future innovation and technology, said the timetable for adoption is going down, reviewed a number of innovative technologies being developed, and called for a stable regulatory framework underpinning a global carbon trading system supplemented by transitional subsidies for promising technologies.



Vinod Khosla, CEO, Khosla Ventures

MINISTERIAL LUNCHEON

Dirk Kempthorne, Secretary, US Department of the Interior, addressed ministers and other dignitaries attending the WIREC 2008 Ministerial Meeting during a luncheon session. He highlighted the Department of Interior’s experiences with renewable energy, including converting its own facilities to using renewable energy. He highlighted the need to take a holistic approach to renewable energy, and said the US Administration is undertaking a water census, and has developed a bird initiative to understand the dynamics of wild bird populations, to address issues related to the development of biofuel and wind energy, respectively. Kempthorne also noted the need to consult local populations when siting renewable projects, and emphasized the importance of remaining open to the possibility of renewables.

MINISTERIAL INTERACTIVE SESSION

The closed interactive ministerial session was facilitated by Claudia McMurray, US Assistant Secretary of State, Oceans, Environment and Science. Steve Johnson, Administrator, Environmental Protection Agency (EPA), and Andris Piebalgs,

Energy Commissioner, European Union (EU), delivered opening statements, following which other ministers and government representatives addressed the session.

Participants heard about US and EU renewable energy activities, including cooperative efforts between the US and European Commission. Work on the UN Framework Convention on Climate Change (UNFCCC) commitment to achieve a post-2012 agreement and activities under the Asia-Pacific Partnership, the Methane to Market Partnership and the Energy Star Program were also highlighted. A few speakers discussed the EU's 20-20-20 by 2020 commitment, which includes the goal of achieving a target of 20% of energy from renewables by 2020, up from 8.5% now and, in the transport sector, to achieve 10% from renewables.

Many speakers highlighted the importance of cooperative efforts with other countries, including an example of cooperation between the US, EU and Brazil on biofuels, and several emphasized the need for the US and EU to work together on renewable energy.

One speaker highlighted power sector activities such as clean coal, large-scale carbon storage and wind power, and transportation sector activities such as increasing gas mileage requirements. Speakers highlighted relevant national policies, such as efforts to strengthen institutions, increase energy efficiency, and promote public transportation and the use of rail rather than roads for transporting goods, along with instituting compulsory energy audits.

Speakers emphasized that the future of renewables depends on political will, and that agreement on a comprehensive framework is essential to create a stable investment environment. One speaker called attention to the "tried and tested" renewable sources of geothermal and hydroelectric power, and identified geothermal energy opportunities in western US states, Indonesia and Africa. Some speakers emphasized the importance of adequate R&D funding.

Speakers noted the needs of developing countries, including small island developing States, where energy consumption will need to increase to achieve economic development. The high initial costs of renewable energy were noted by speakers who highlighted the possibilities for assistance to these countries. One speaker said sources of low-cost financing from international institutions should be identified.

Links between energy, climate and security issues were emphasized by some speakers, who said energy policies should be closely related to climate policy. One speaker outlined several advantages of renewable energy, including: it uses domestic resources so it can be used in any country; it is not exhaustive; it diversifies energy sources; it does not have carbon emissions; and it is a decentralized power source.

STAKEHOLDER INTERACTIVE SESSION

The afternoon stakeholder session was chaired by David Hales, President, College of the Atlantic. The session was open to all conference participants and took place in two parts, focusing on barriers and solutions to renewable energy scale-up. In each part, seven invited panelists briefly shared their views, and audience stakeholders were invited to share theirs.

On barriers to renewable energy scale-up, Dieter Salomon, Lord Mayor, Freiburg, Germany, and ICLEI (Local Governments



Panelists during the Stakeholder Interactive Session.

for Sustainability) Executive Committee member, described the barriers to effective involvement of local governments, highlighting a lack of expertise and difficulty affecting centralized energy generation. Corrado Clini, Chair, Global Bioenergy Partnership, identified trade barriers and agricultural subsidies as significant barriers to global scale-up. Dan Reicher, Co-Chair, ACORE and Director of Climate Change and Energy Initiatives, Google, Inc., highlighted cost as the primary barrier and described Google, Inc.'s goal of identifying and installing one gigawatt of renewable energy capacity that is cheaper than coal. Lew Milford, President, Clean Energy Group, described an absence of consensus on strategies, gaps in infrastructure, and a lack of finance mechanisms. Moekth Soejachmoen, Indonesia, spoke of the significant costs associated with a scale-up, and stated that fixating on large-scale technologies instead of many small-scale technologies can hinder promising small-scale, distributed technologies. Arthouros Zervos, President, European Wind Energy Association and President, European Renewable Energy Council, said subsidies of conventional technologies pose a significant barrier to renewable energy scale-up. Tetsunari Iida, Executive Director, Institute for Sustainable Energy Policies, described four myths about renewable energy that hinder scale-up: high price, intermittency, low energy density, and land-intensivity. He stated that vested interests close to central governments make it difficult to change policy.

Among the issues raised during the discussion were: a lack of domestic policy frameworks in many countries, locked-in ways of thinking about renewable energy, and a failure to look across borders to identify policies that have been successful elsewhere. A number of participants stressed the importance of "community power" and expressed concern about a "monopoly" on renewable power generation by power companies and large corporations. Another stakeholder shared concerns about the policy environment, suggesting that issues like transmission and planning can pose significant problems. Focusing on the developing world, one participant emphasized that the problems that people face are different in different parts of the world. One stakeholder stated that waiting until prices come down is a barrier in and of itself, because prices do not come down until large-scale production is attempted.

Panelists commented on ways to address the barriers identified. Among others, they highlighted: policy innovations, better factual communication on renewables and reaching a common understanding on what renewables can and will deliver; and political support at the scale that oil pipelines, oil fields and power lines had and have. They also suggested including the demand

side in energy security considerations; learning from other non-energy distributive innovation areas, such as cell phones; and acknowledging that the challenge is both informational and technological. Noting that Amory Lovins predicted 20 years ago many of the issues discussed today, Dieter Salomon said good ideas need time.

JOINT "STRAIGHT TALK" SESSION

The Joint Ministerial-Stakeholder Session was moderated by Hank Habicht, Vice Chairman, Global Environment and Technology Foundation, and Managing Partner, SAIL Venture Partners. Habicht opened the session by identifying five key issues for scaling up renewable energy technologies: a need for information and awareness; meeting the needs of financiers; providing incentives for R&D and technology transfer; involving developing countries; and finding better ways to deploy existing institutions.

Andris Piebalgs summarized the ministerial session, noting that a number of fundamental questions were raised regarding land use, sustainability and how costs could be brought down. He said additional issues discussed included R&D needs, the potential of hydro and geothermal power, and the importance of doing things right from the beginning. David Hales summarized the points of consensus from the stakeholder session. He highlighted the need for consistent and predictable policy, public awareness and rapid action.



Andris Piebalgs, Energy Commissioner, European Union.

Connie Hedegaard, Minister for Climate and Energy, Denmark, stressed the importance of long and short term binding targets. She described Denmark's success in developing its renewable energy market and suggested that other countries study the strategies they have used. Kim Campbell, Club of Madrid, said good leadership creates political and public support, and emphasized the need to start acting now. Underscoring energy efficiency, she stressed the need for an economic plan of action with specific targets and goals. She highlighted the need to consider the real costs of energy, to identify the national strengths of each country on renewables, and for clear and consistent policies.

A number of government representatives then offered statements. Brazil said that 45% of its energy comes from renewable sources, in spite of its size, diversity, rate of population growth and energy demand. Many of its near-term targets will be met from accelerating efforts to achieve energy efficiency, and it is determined to avoid trade-offs between food and energy production. Poland reported that his country is extremely dependent on fossil fuel, but is working to accelerate the process of increasing renewable energy sources without negative impacts on the environment by, for example, investing in biomass only on local scale that does not involve high transportation costs, and focusing on small-scale hydro power that avoids extensive damage to ecosystems. Spain reported it has doubled its production

of renewable energy but its share did not change given overall growth in demand. He noted that last year was the first to show a decrease in energy intensity. New Zealand highlighted his country's pledges to become carbon neutral and to increase its percentage of renewable energy.

During the discussion, one speaker said there is a need for case studies of countries and leaders who are at the forefront on these policies, as well as how to work cooperatively with various domestic jurisdictions. Habicht asked panelists for ideas about how best to engage the financial community. Hedegaard said market incentives should be in place and each country should pursue them their own way, but targets can help push markets in the right direction. She also stressed that enhancing energy efficiency does not involve costs and holds great potential. Additional issues discussed included: international benchmarking for feed-in tariffs; windfall profits; confidence-building; clear policies; how to implement feed-in tariffs in developing countries; and the importance of commitment. Morocco proposed developing a strategy based on existing grid connections to Europe to promote renewables in Morocco.

PLEDGE UPDATE

By the close of the Ministerial Meeting on Tuesday, the Washington International Action Program (WIAP), a compilation of pledges from WIREC participants, had collected more than 60 pledges to advance the uptake of renewable energy. Countries pledging to take action ranged from Europe to Africa. Among the pledges were Tanzania's pledge that one million residents would gain access to electricity from renewable energy resources. Cape Verde committed to increasing renewable sources of energy to 50% of market share by 2020, and to have one island running completely on renewable energy by that time. Kenya volunteered to replace approximately two million liters of oil in three years by producing an additional 20 thousand tons of sorghum. Many private sector companies offered pledges as well. Pledges are being collected with WIREC 2008's partner organization REN21, and can be viewed online at:

<http://www.ren21.net/wiap/wirec.asp>

IISD Reporting Services announces, as our pledge for the WIREC International Action Programme (WIAP), the creation of ENERGY-L, an announcements email list for posting information on international activities and policy initiatives on sustainable energy. Any subscriber can post to ENERGY-L for distribution of their announcement to the ENERGY-L list. For more information visit:

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The WIREC pledge desk.