

World Energy Council
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Statement

World Energy Council Statement on COP15 World Energy Voice on Energy and Climate Change

Energy is at the core of economic, social and environmental development. Moving towards a low carbon economy in a context in which we see a major demand shift towards Africa, Asia, Latin America and the Middle East and, in which 1.6 billion people strive for access to modern energy will require strong and effective policies to be in place.

Climate change and energy security are global challenges and therefore have no economically efficient solutions within national boundaries. This underlines the role of trade and makes the rules that govern it an essential building block of the global public good. Nationalistic solutions that lose sight of the global picture and the need for a coordinated and collaborative approach delay the necessary international policy convergence. The resulting high investment framework uncertainty makes infrastructure investments unnecessarily risky and we all will pay the risk premium as part of higher energy prices and further delay in climate change mitigation.

The right incentive framework is the key to the delivery of the investments required to guarantee security of supply and mitigate climate change. Failing the implementation of true costs will deliver and lock us in with an inadequate infrastructure.

Such framework needs to provide

- transparency and certainty to allow for the adequate investments to take place without further delay;
- a predictable carbon price to steer the most effective technology choice, keeping in mind the specific needs of low-income citizens;
- a market based international coordination mechanism to enable investments where they have the highest impact;
- the enabling of technology innovation and technology transfer by complementary policies and incentives, taking into account the equity issues among countries.

An unprecedented level of collaboration involving public and private sector will be necessary in the design and implementation of such policies. WEC's World Energy and Climate Policy Assessment promotes the coordination and monitoring of effective policies to ensure energy security and mitigate climate change.

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Energy trade is critical to global economic development and international energy security. The WEC Trade and Investment Rules for Energy study warns that GHG reduction should be addressed through means other than the use of trade restrictions.

About WEC:

The World Energy Council (WEC) is the foremost global multi-energy organisation. WEC has Member Committees in over 90 countries, including most of the largest energy producing and energy consuming countries. Established in 1923; the organisation covers all types of energy, including coal, oil, natural gas, nuclear, hydro, and renewable, and is UN-accredited, non-governmental, non-commercial and non-aligned. WEC is a UK-registered charity headquartered in London. WEC Services Limited was established in 2001 as the incorporated trading subsidiary of WEC.

WEC's Mission is *"To promote sustainable energy for the greatest benefit of all."*

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