

INTERNATIONAL ELECTRICITY PARTNERSHIP TO DELIVER ADVANCED ELECTRIC TECHNOLOGIES TOWARDS GLOBAL LOW-CARBON FUTURE

Electricity can be the solution to climate change. The use of new technologies can lead to a stabilisation of carbon emissions and, by 2050, reductions of up to 60-80%. This was the shared conviction of electricity industry leaders from the world's largest economies, meeting on 6-7 October in Atlanta, USA at the 2008 *International Electricity Chief Executives Summit*. In a joint statement^o, they also stressed that strong commitment to this end is required from both industry and governments, coupled with a supportive public policy framework to balance the triple objective of energy supply security, economic competitiveness and environmental care. The electricity leaders agreed to set up an *International Electricity Partnership* that will work to create a road-map designed to foster development and deployment of technologies in pursuit of these objectives.

The electricity industry leaders believe that electricity can be the solution to climate change. Developed economies must lead and are committed to sharing technologies and experience to allow the developing economies to follow. They agreed that new technology, given an adequate transition period, can accommodate the objective of stabilising carbon emissions from all sources and, with aggressive application of technology, carbon emissions reductions of 60-80% can be achieved by 2050.

The statement points out that the increasing cost of providing electricity to customers is an important consideration in all economies and that care will be required to avoid imposing unnecessary costs on customers in reaching these common objectives.

Referring to the current world financial turmoil, the electricity leaders also underlined that as a highly capital-intensive industry, electricity companies must have ready access to liquid capital markets. Global competitive financial markets are essential if the industry is to invest and provide reliable electricity to customers and install new technology required to curb climate change. They called on governments to work together to restore investor-confidence in order to maintain efficient global capital markets.

The leaders underlined that all energy options must be kept open in order to maintain a secure, stable supply of electricity and make significant emissions reductions in the power sector. To this end, inter alia:

- government climate strategies must be harmonized with the availability of low-carbon technologies; the electric industry will develop technology roadmaps designed to guide rapid deployment of state-of-the-art technologies most rapidly
- policymakers and the industry must also work to improve public understanding of the benefits of nuclear power in providing reliable and emissions-free electricity
- the move toward a low-carbon energy system will require focus on commercial demonstration of promising technologies, including carbon capture & storage, to allow continued use of coal
- expanding renewable energies will call for improvements in the grid system; licensing procedures must be expedited and extra investments recovered from stakeholders in an appropriate manner
- a stable investment climate based on long-term, coherent legal and emissions frameworks is critical for the electricity industry to deliver a low-carbon emissions energy system
- energy efficiency is a key element, requiring consumer education, better building and efficiency standards, expansion of "smart" grid and end-use consumer technologies, such as heat pumps, plus deployment of Plug-In Electric Hybrid Vehicles in the transport sector
- climate strategies must be compatible with market economies, deliver timely and economically efficient emission reductions and establish a long-term carbon value that does not harm local economies and stimulates investment in low-carbon emission technologies;

Recognizing the need for further consideration of common challenges and opportunities facing the power sector, the leaders decided to set up an *International Electricity Partnership* to work with various bodies to create a roadmap to foster development and deployment of technologies that will enable the objectives.

NOTE TO EDITORS:

The *International Electricity Chief Executives Summit* is held every 18 months in turn on the various continents to discuss issues of common concern. The Atlanta Summit was the 11th in the series, gathering executives from electricity sector associations the Edison Electric Institute (USA), EURELECTRIC, the Federation of Electric Power Companies (FEPC) of Japan, the Canadian Electricity Association and the Energy Supply Association of Australia. Those attending represented companies providing the majority of the world's electricity.

The Summit was chaired by David Ratcliffe, Chairman, President and CEO of Southern Company (USA). The European delegation was led by EURELECTRIC President, Lars Josefsson, who is President and CEO of Vattenfall (Sweden). The Japanese delegation was led by the FEPC Chairman, Shosuke Mori, who is the President and Director of Kansai Electric Power Company.

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13 October 2008