

Transcript of press briefing 15 May 2017 at Bonn

Bill Hare

Good morning everyone, welcome to the Climate Action Tracker press conference at this very busy UNFCCC negotiating session here in Bonn. The Climate Action Tracker is a consortium of NewClimate Institute, Ecofys and Climate Analytics and we're going to present to you some of the results of our most recent analysis of China, India and the United States. The overall analysis shows

- that the actions that China and India are undertaking, which we'll hear about shortly from Yvonne, are going to slow the global growth in CO2 emissions significantly.
- that the United States' actions under Trump will offset that a bit, but are not sufficient to actually stop that slowing of the global growth of emissions.

The actions by China and India, as we'll show, will open the door to a 1.5°C pathway if continued.

I'm Bill Hare, I'm Director of ClimateAnalytics. I'm going to invite Yvonne Deng from Ecofys, Managing Consultant, to present the results of China and India now.

Yvonne Deng

As Bill said, our analysis builds on our analysis of India, China and the USA.

A small reminder at this point that we have over 30 countries assessments on our website, climateactiontracker.org, and we have updated about half of them in these two weeks. Do go check it out.

When we updated our analysis for India and China this year, we found that our estimate of their expected emissions level for 2030 was around 2 to 3Gt lower than our estimate last year; around half of that difference may already come to bear in the next five years.

One of the main reasons for this reduction are the reduced projected emissions because of coal based electricity generation for both countries.

Let's talk about India first: We already reported last year about the increasing challenges to the viability of coal power plants in that country; just last week again we heard of another major coal project being cancelled by the government of Gujarat.

Then, last December, the Indian government published a new Draft Energy Plan which dramatically reduces the plans for the country's coal power.

The plan cuts the planned capacity from around 230 GW currently in the pipeline down to the 50 GW that is currently under construction. Essentially, the Indian government expects that the projected growth in electricity demand over the next ten years or so can easily be covered with that capacity already being built.

In our analysis, we estimate that this reduction in the amount of coal-based power planned until 2027 will lead to a decrease in India's annual emissions of around 1Gt in 2030.

We observe an even clearer trend in China:

We have now seen three successive years of slowly, but clearly decreasing coal consumption in China. This has been attributed partially to structural changes in the Chinese economy, but also a continued policy drive to reduce coal use to both combat air pollution and climate change.

It is unclear whether these last three years are merely a pause in a steady growth in coal use or a sign of China having reached its peak in coal consumption.

But if it is a peak and if coal consumption continues to decrease at a similar rate, then this could lead to emissions by 2030 being around 1-2 Gt lower than our estimates last year.

And combining the two effects of these reductions in emissions from decreasing coal use in India and China, we estimate that CO₂ emissions by 2030 could reduce by around 2-3 Gt.

Niklas Höhne

Thank you, it's always interesting to always interesting to look at these three big countries together. So in China and India we've seen that renewables develop much faster than expected and basically crowd out coal. A similar thing is still happening in the US, renewables are increasing fast and coal is on a downward trend but this is in stark contrast to the federal policies that are currently implemented by the newly elected Trump Administration.

We in the Climate Action Tracker always calculate the emissions effect of these policies and in this situation it is quite difficult because of two reasons: One is that the Trump Administration has said they want to take away and roll back policies that have already been implemented and the question is will this really happen? So in some instances that have started it, they have instructed the EPA to do so but whether in the end will it really happen and these policies go away, that's an open question. And the second question is, even if they are taken away, are they compensated for or even over compensated for by others. For example, federal states or companies or others taking more action than the federal government.

So that puts us in a little bit of a difficult situation with being not so certain with what the future emissions in the United States will be. We've tried anyway and to give you a bit of an overview in this briefing that we've just published on the Climate Action Tracker website, what are the different policies that are under discussion and how much the effect would be if they really would be taken away.

Now let me give you three examples. One is the Clean Power Plan. The Obama Administration has started a plan to reduce emissions in the electricity sector and the Trump Administration has now instructed the EPA to review it and the EPA has started to review it. On the other hand this plan is still before court so there are huge questions on whether it will be implemented or not. We had in previous versions always included it as being implemented. If it would now go away completely and would not be compensated for by any other actions, then the US emissions would be around 200 Mt in 2025, and almost 400 Mt in 2030, higher than previously expected. But that is only if it goes away and is not replaced by other things.

As we've said there are still a lot of states in the US which take significant action on climate change that have renewable targets and that want to do more. There are companies going for 100% renewables and currently the increase in renewables is faster than ever before in the US. So there is a big question whether that will happen in that way.

The second element of the Trump Administration's goal is to revive coal. That I think will also be difficult as the market pressures go in the other direction. We've seen 250 coal-fired power

plants being retired since 2010 and there are currently only 3 in the planning which together would only emit 10 Mt, so very little if they really would be built, but market pressures are actually in the other direction.

Another question is the vehicle efficiency standards. They have been implemented and again the EPA has been instructed to review them. If they would be taken away, because vehicle standards is more of a long term thing, we calculate that the maximum difference is around 80 Mt by 2030, so very low, because it basically takes a long time before they take effect and then influence the overall fleet, because these are standards for new cars only. But again whether that will happen is open because California on the other hand said they will stick to the standard of the Obama Administration and it is unclear whether that will have a spill on effect on other states.

The last example is methane standards. Again the Trump Administration is reviewing the standards that have already been implemented and there the effect is even smaller.

So putting it all together is saying that the Trump Administration is trying to unwind all the policies that have been implemented before. We are a bit uncertain what the effect will be because of these two reasons. But we see if they go along with these policies then emissions could, in our best estimate, be kind of flat for the next few years and the US would be on a path definitely to fail to meet its NDC. The NDC would require emissions to reduce significantly until 2030.

Needless to say that in the Climate Action Tracker we are looking into the NDCs and rating them whether they are sufficient for the 2°C or 1.5°C target and already the NDC that had been put forward by the US is insufficient, so not sufficient so that even if it would be met then the US would not yet be on a pathway towards 2 degrees. We are always saying that countries need to ramp up their ambition, so increase the ambition. For the US it is going in the wrong direction. We've heard from Yvonne that in China and India at least it is going in the right direction and these countries are likely to over-achieve their NDC.

Back to you Bill.

Bill Hare

Thanks Niklas, and just on the US: We have a very nice table, on the changes of the US policy, which describes what each change does, to add a bit of meat to what Niklas has been saying. This has been developed by the team. So, just to wrap up, I'll repeat again: What we're seeing from the actions of China and India is sufficient action to significantly slow the global growth of carbon dioxide emissions, quite significantly, and that the US actions are not going to offset all of those measures being undertaken by China and India. To reinforce what Yvonne is saying, the actions in India and China, if continued and indeed accelerated, would open the door to achieving the well below 2 degree/ 1.5 degree limit of the Paris Agreement, ultimately. And driving that, of course, are not just the domestic policies of these countries, but the global market developments on renewable energy prices which continue to reach record lows and the continuing drop in electric storage technology options.

With that I'd like to open up questions.