

IEA Press Conference

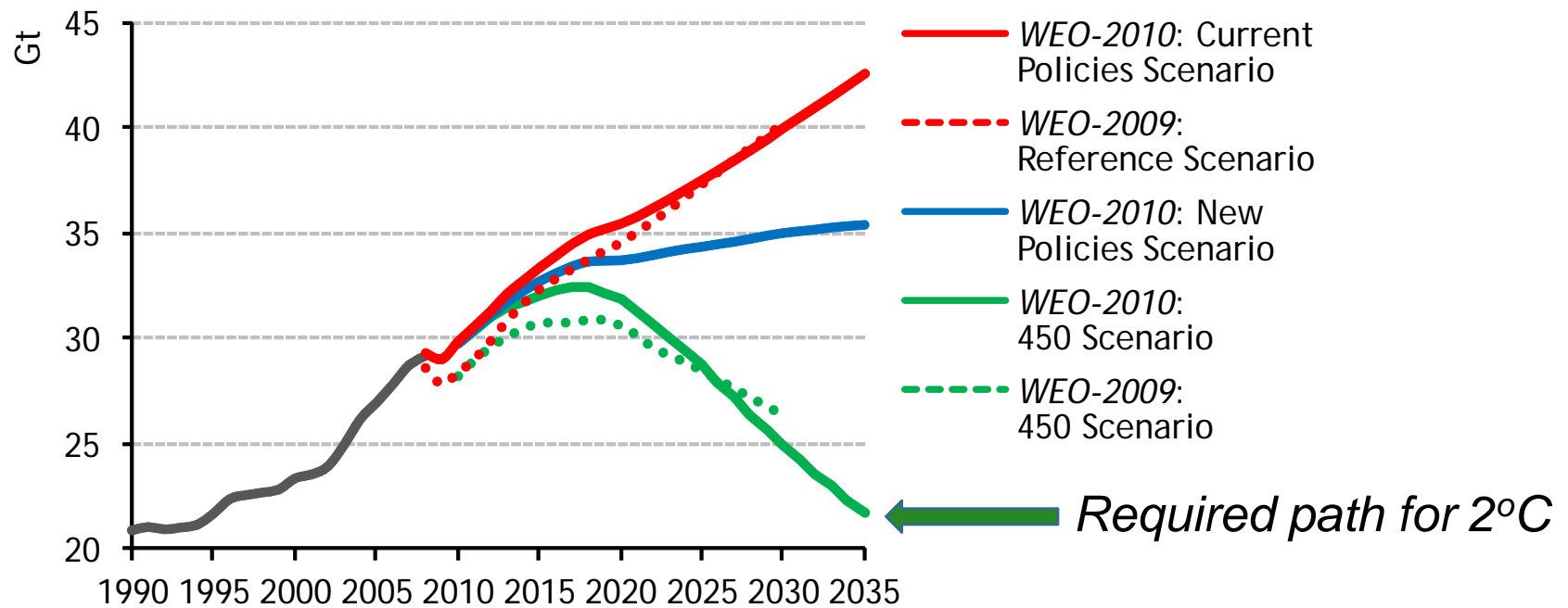


Nobuo TANAKA, Executive Director, IEA

Monday 6 December 2010 – Moon Palace
Cancún – COP16 - UNFCCC

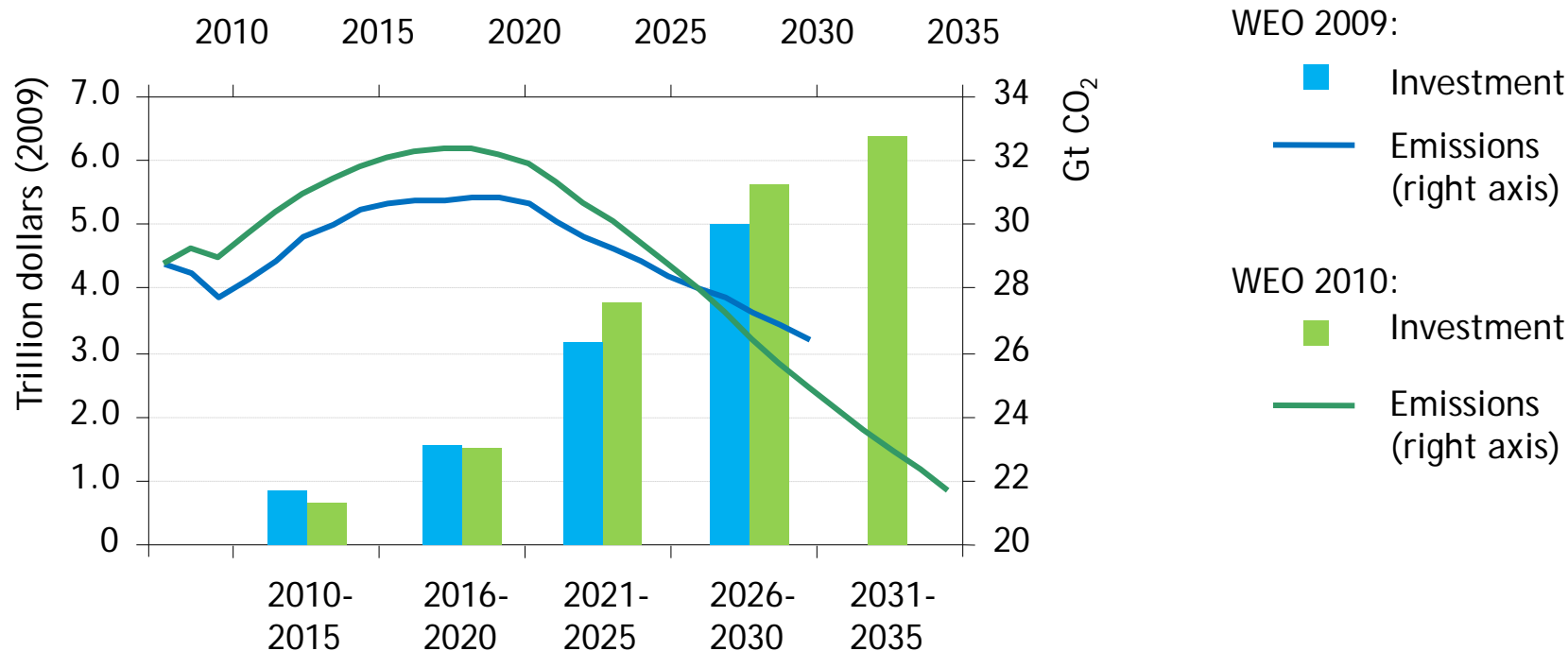
The Copenhagen pledges are not ambitious enough

World energy-related CO₂ emissions by scenario



Stronger economic recovery and the lack of ambition of 2020 pledges mean that emissions cuts after 2020 need to be both deeper and faster than earlier thought

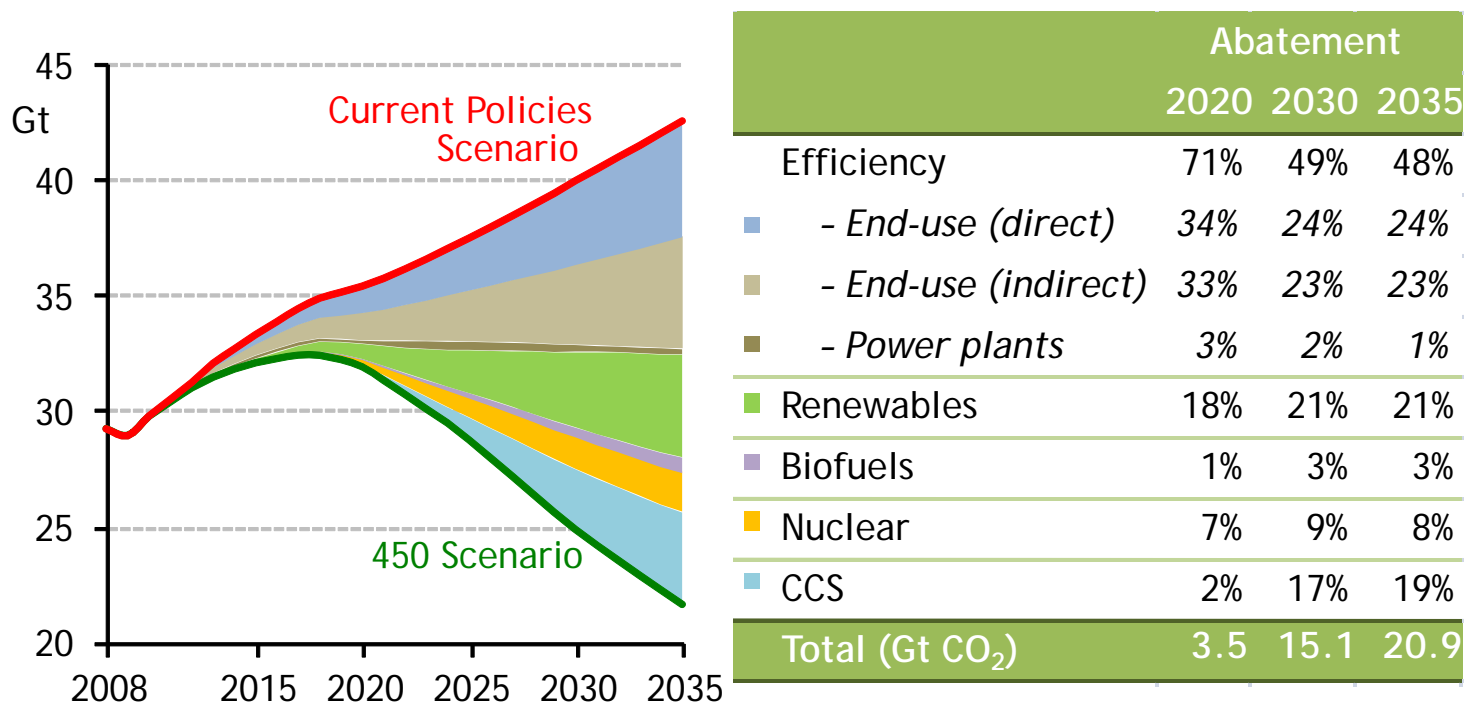
Low ambition to 2020 makes faster and deeper cuts necessary afterwards



Overall, this year's 450 Scenario will cost \$1 trillion more than last year's by 2030, and requires a total of \$18 trillion in investment by 2035

Energy efficiency and renewables are key to abatement in the 450 Scenario

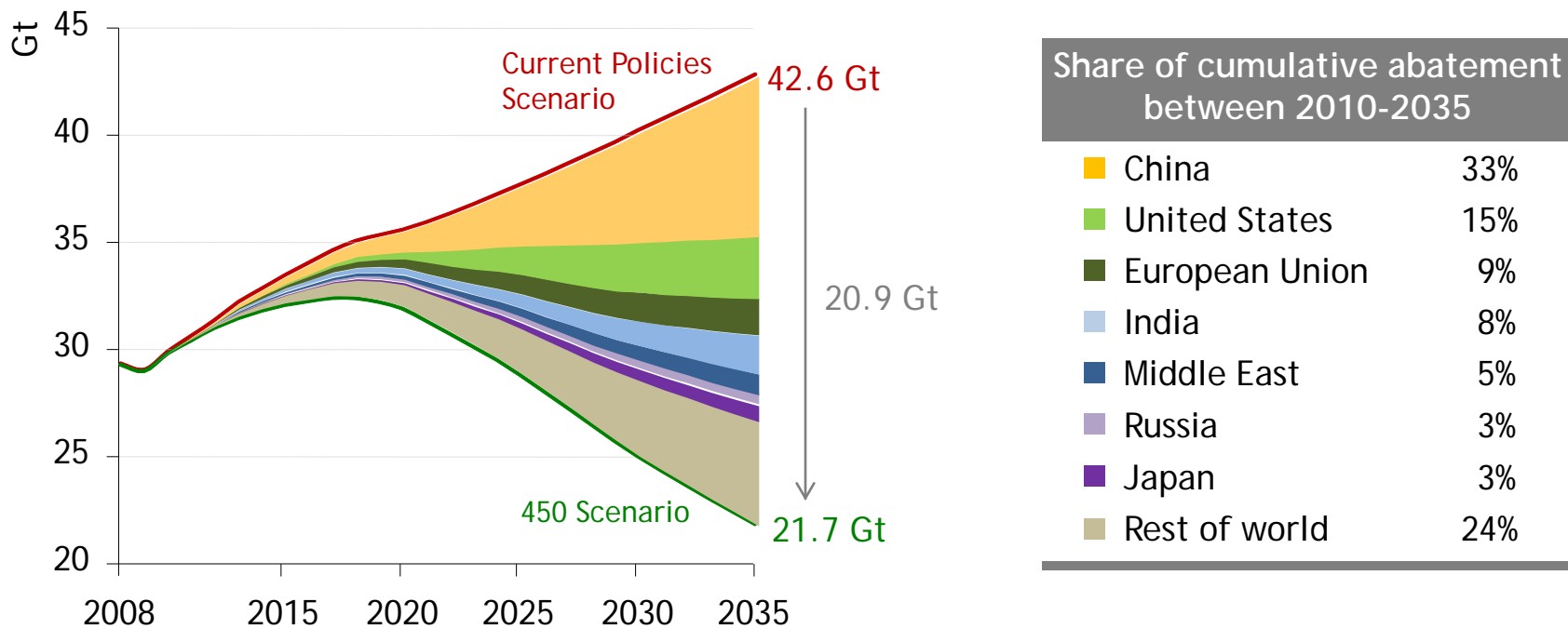
World energy-related CO₂ emissions savings in the 450 Scenario compared with the Current Policies Scenario, by measure



After 2020, the share of energy efficiency in total abatement declines, while more costly options like biofuels and CCS increase their share

The 450 Scenario: Abatement by country

World energy-related CO₂ emission savings by country in the 450 Scenario relative to the Current Policies Scenario



In the 450 Scenario, compared with the Current Policies Scenario, China & the US account for 48% of the cumulative emission abatement that is needed in 2010-2035

Policies to respond to the climate and energy challenge

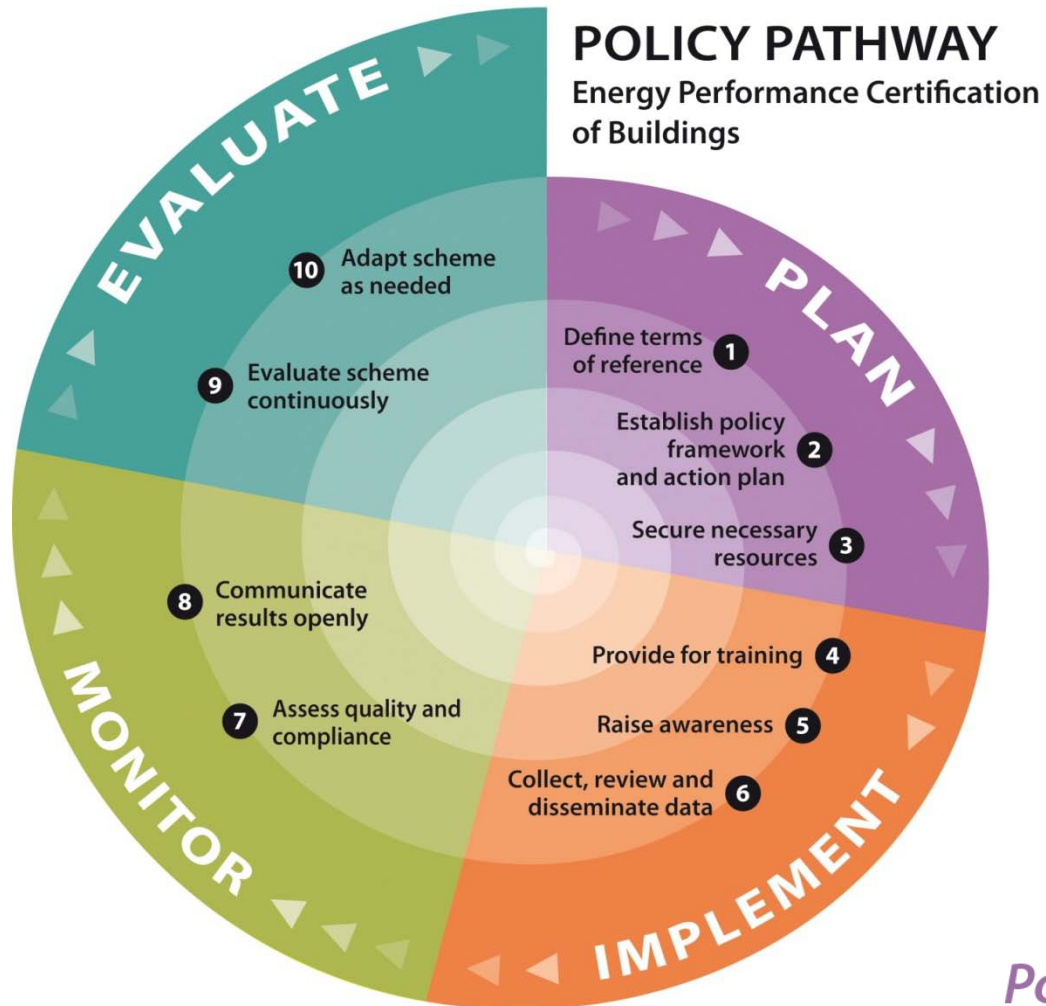
- Energy efficiency policies

- Getting the price right
 - Put a price on CO₂ emissions
 - Removal of subsidies to fossil fuels

- Support low-carbon technologies
 - Roadmaps for critical technologies
 - Best practice for effective RDD&D support

Guiding energy efficiency policy development

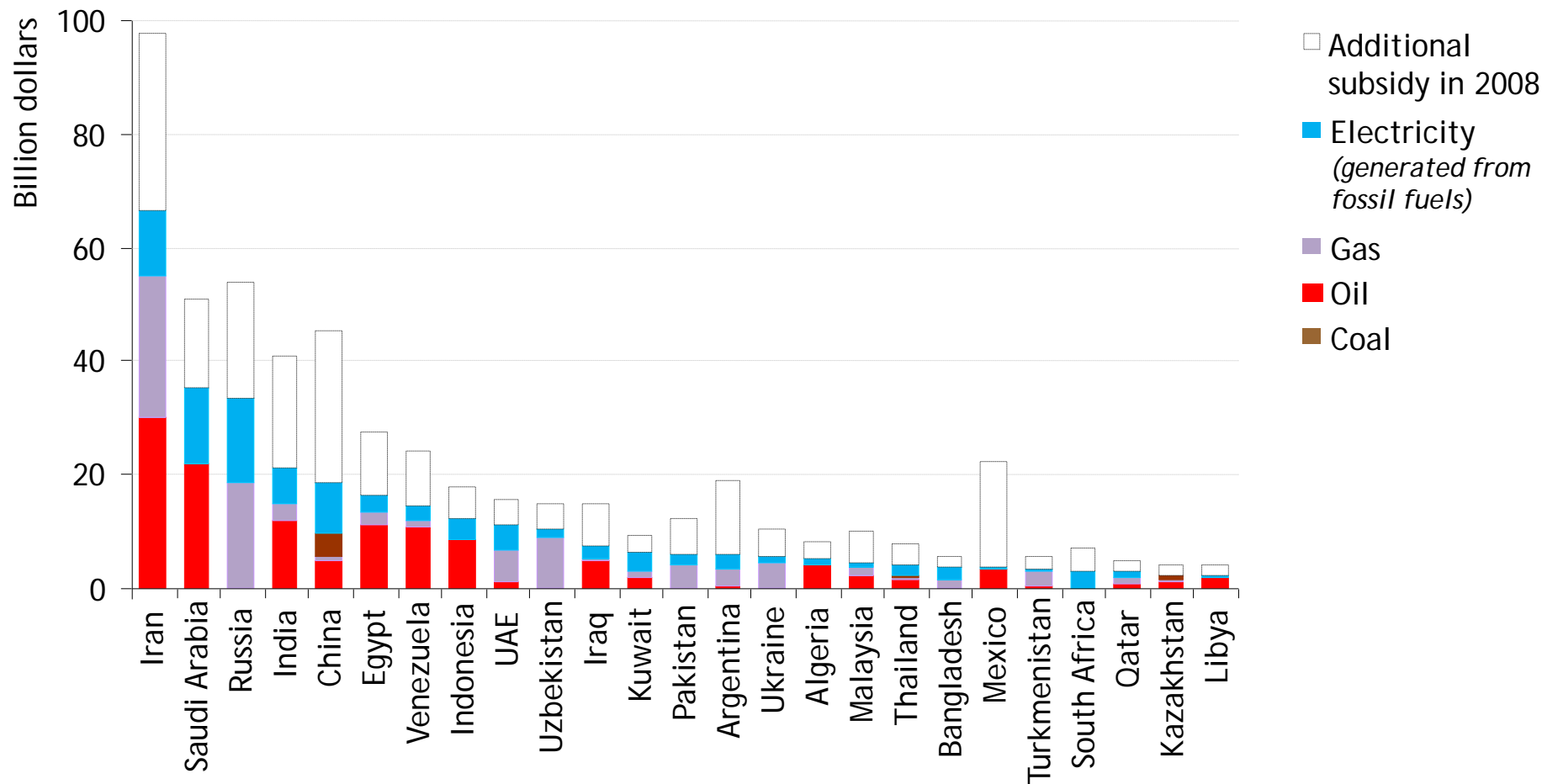
Policy Pathway



Policy Pathway

Fossil-fuel subsidies are distorting price signals

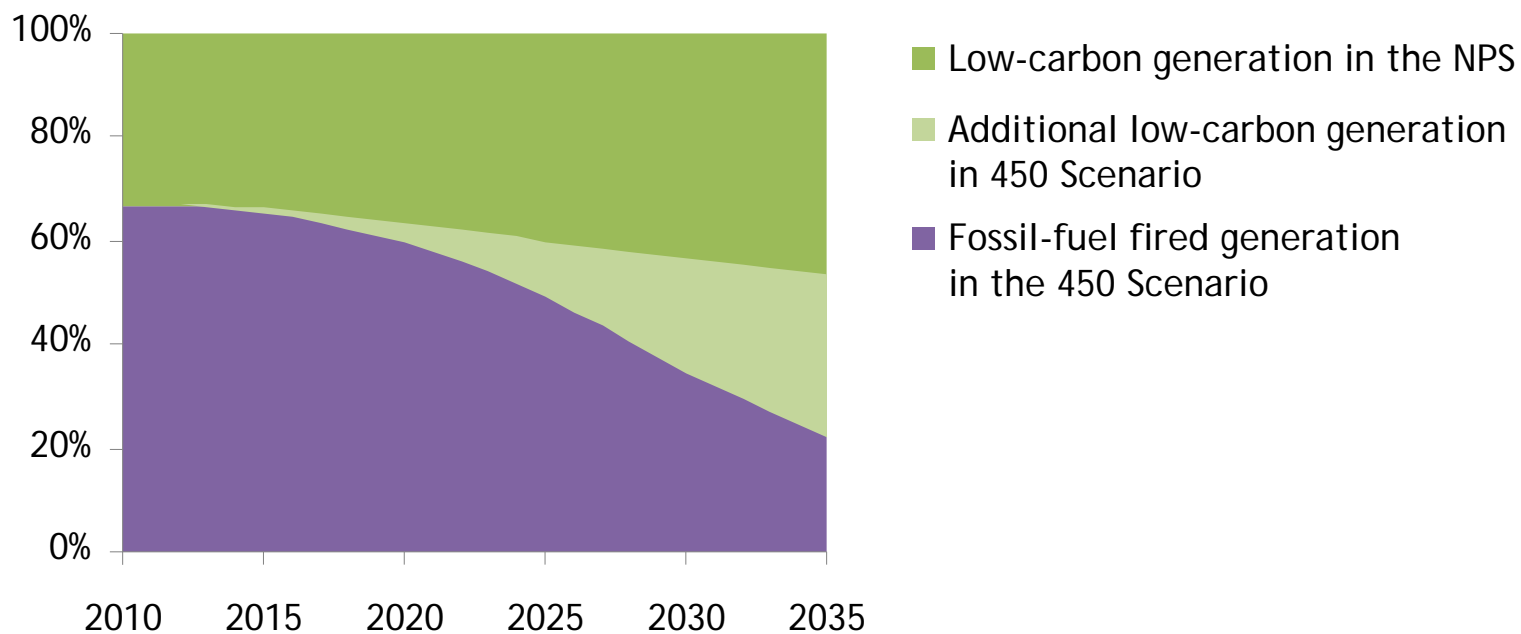
Economic value of fossil-fuel consumption subsidies by country, 2009



Fossil-fuel consumption subsidies amounted to \$312 billion in 2009, down from \$558 billion in 2008, with the bulk of the fall due to lower international prices

A fundamental change is needed in power generation

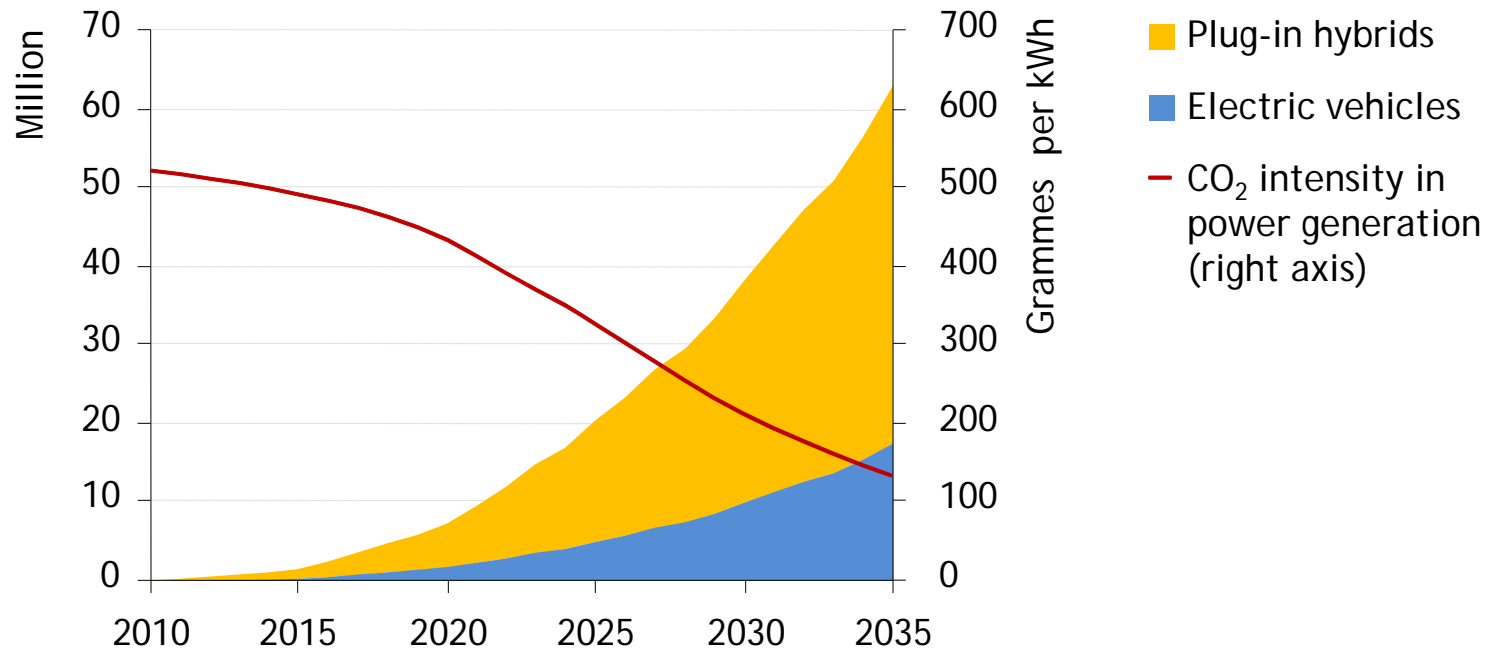
Share of world electricity generation by type and scenario



Low-carbon technologies account for over three-quarters of global power generation by 2035 in the 450 Scenario, a four-fold increase on today

... and also in transport

Sales of plug-in hybrid and electric vehicles in the 450 Scenario & CO₂ intensity of the power sector



Plug-in hybrids & electric vehicles reach 39% of light-duty vehicle sales by 2035, making a big contribution to CO₂ abatement, thanks to a major decarbonisation of the power sector

- **The current pledges are not enough**
- **Delaying action adds to the cost – making 2 degrees C less likely every year**
- **International, ‘top-down’ coordination of future goals and architecture is essential**
- **But so are practical domestic policy efforts to reconcile energy and climate policy agendas**
 - ❖ **The IEA monitors and supports these ‘bottom-up’ efforts**
 - ❖ **OECD countries: increased deployment of renewables and nuclear and development of CCS technologies**
 - ❖ **China: efficiency measures, development of CCS and EV**
 - ❖ **Middle East: Fossil fuel subsidy phase out**
 - ❖ **Other countries: Efficiency and renewables**
- **The age of cheap energy is over**
 - ❖ ***Security gain***