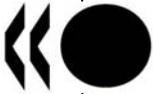


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Round Table on Sustainable Development

RENEWABLE ENERGY

ANNOTATED AGENDA

Wednesday 22 September 2004
World Bank, Paris

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ROUND TABLE ON SUSTAINABLE DEVELOPMENT
RENEWABLE ENERGY - ANNOTATED AGENDA

14h00: Meeting starts

- Introductory comments by: Professor Michael Grubb, Visiting Professor of Climate Change and Energy Policy, Imperial College, London

- Discussion (see attached issues sheet)

- Future initiatives

18h00: Meeting ends

Please note: At the Chair's discretion, there will be a fifteen-minute break for refreshments during the afternoon session.

ROUND TABLE ON SUSTAINABLE DEVELOPMENT
RENEWABLE ENERGY

Questions arising from the paper:

1. The paper concludes that fundamental technological and resource constraints are *not* a major obstacle to large-scale deployment. *Is there any disagreement on this point? If there is, what sort of resource assessment is required to provide an authoritative picture of the global potential?*
2. The paper asserts that energy markets are tailored to the characteristics of energy produced from traditional sources (amongst which fossil fuels feature prominently) making penetration by renewables difficult. *Do governments have best practice policy solutions available to tackle these market place problems?*
3. The paper proposes that three basic characteristics result in a ‘technology lock-out’ of renewables:
 - (i) electricity is a basic commodity that has to compete on price;
 - (ii) energy technologies involve large-scale, capital-intensive engineering products that make the entry costs and risks very high for innovative technologies;
 - (iii) the nature of energy technologies makes it hard for the inventors of new technologies to capture the benefits of R&D;
 - *Is it agreed that there are special characteristics of the energy generation sector that mean innovative renewable options require active public support to overcome this technology lock-out?*
4. The paper claims that there is a clear economic case for public action to build markets for deploying advanced, clean energy technologies so that learning-by-doing is made possible. *Is this claim a sound one? Are renewable energy sources a cost-effective solution to better security of supply and greenhouse gas reductions?*
5. The paper details a variety of government policy initiatives that can be used to deliver financial support to new renewable technologies including:
 - (i) up-front capital subsidies or investment tax deductions;
 - (ii) subsidising the price of power generated from clean sources;

- (iii) mandating minimum percentages of renewable power implemented by way of tradable credits that electricity suppliers have to hold;
- (iv) renewable energy production tax credits;

- *Which of these is the most promising? What are the key risks facing governments?*

6. Investors are often concerned that changes in government policies will undermine investments made in reliance on those policies. *How can investors in the renewable sector be shielded from the risk of changes in government policies? Can incentive policies on which investors are asked to rely be made legally binding?*

7. The paper nominates research and development as a major issue. *In respect of what renewable energy options are there major research and development issues requiring public investments; how potentially expensive are they and how might they be launched?*

8. Export credit guarantee agencies allocate the bulk of their energy funding to traditional energy technologies. *What would an appropriate balance in favour of renewables look like?*

Further questions arising outside of the paper:

9. The availability of renewable energy sources varies regionally. There are two main reasons why countries may wish to increase their share of renewable energy: one is greater security of supply; the other is a desire to minimise greenhouse gas emissions. *Does the promotion of greater uptake of renewable energy require greater international co-operation? If so, in what fields should this co-operation occur? What agencies should take the lead?*

10. The Bonn Renewable Energy Summit gave new momentum to the issue of renewables. *How can the follow up to the Renewables 2004 conference, the further work in the Johannesburg Renewable Energy Coalition (JREC) and other fora make the best possible preparations for the discussions on sustainable energy and climate change in CSD in 2006-7? What opportunities are there for further work and follow-up within the IEA and OECD?*