

Expert commentary: COP21

Energetics' CEO, Tony Cooper attended, together with Dr Peter Holt who leads Energetics' strategy team provide commentary on their attendance to COP21. A number of our clients together with other ASX200 companies were present. Apart from following negotiations, Peter and Tony joined workshops on climate finance, divestment, renewables, energy efficiency and sustainable innovation. Institutions such as the International Energy Agency (IEA) and the International Renewable Energy Agency (IRENA) also ran sector-focussed forums discussing climate change challenges and world's best practice. Energetics attended events covering agriculture, the built environment, transport and cities. COP21 was aiming to achieve a legally binding and universal agreement on climate change, with the aim of keeping global warming below 2°C.

Energetics is at COP21: our first in 30 years consulting on climate change

Tony Cooper

Today in 2015, the growth Australia enjoyed on the back of cheap coal and gas, has consequences, and we bear the weight of a changing climate: threats to national treasures such as the Great Barrier Reef, reduced agricultural capacity from increased droughts, extreme weather events, greater bushfire risk and species loss. Effects that are being felt now, and will only grow in magnitude through the next generations of Australians.

I understand the challenge Australian business faces to decarbonise, adapt and innovate. We have seen change over our 30 years and with long term partners such as Woolworths, Qantas and Simplot Australia – just to name a few. We have seen sustainability permeate their organisations, deliver brand value with the achievement of environmental goals, but also, as they transformed their businesses, great results with efficiency and productivity improvements, and significant cost savings. There's good business in climate change. We've seen the evidence over 30 years.

The prospect of a global climate agreement sends an important signal for sure. But what brings me to Paris for my first COP meeting, was the momentum that led up to it. For the first time in 30 years I was compelled as I saw the headlines rolling in. 147 heads of state attending, the largest gathering outside the UN General Assembly. More than 150 countries are participating, including all G20 nations, submitting climate action targets before COP21 even started which cover nearly 90% of global emissions, representing economies accounting for 96% of global GDP and 95% of Australia's two-way trade.

What also grabbed my attention was the report released by the International Energy Agency in the weeks leading up to COP21 which showed that if all nations pledging targets fulfilled their commitments, a \$US13.5 trillion market for energy efficiency and low emissions technologies would result. Markets drive change. They create supply chain efficiencies and large scale implementation will drive down costs. And, as described by Energetics' Dr Gordon Weiss in a recent Post, we see an opportunity for developing nations to access low carbon energy sources and technologies that have the potential to be cheaper than fossil-fuel based energy generation.

This is exciting and I see a world of low carbon products, services and new markets opening up to Australia.

We need to seize this opportunity.

A shocked city looking to global opportunities

Dr Peter Holt

With much fanfare, world leaders released their commitments to creating a lower carbon world. Even the Eiffel Tower was proclaiming its 100% renewable energy source in a green light show.

President Obama (and his entourage) reiterated his commitment to reduce emissions by 26 to 28 percent below 2005 levels within 10 years from now.

President Xi Jinping reaffirmed China's commitment to peak emissions by 2030. The 13th 5-year plan, to be released in March 2016, will incorporate "ecological endeavours" in the nation's blueprint development. President Xi highlighted a cooperative approach that recognises a common goal within the individual capabilities of each country.

PM Malcolm Turnbull announced that Australia will ratify the Kyoto commitment period 2 – we are back at the table.

Official negotiations progress slowly with the subdued expectation of an agreement. Copenhagen is frequently mentioned as a warning for pre-empting any outcomes. We have almost 200 countries pledging INDCs covering around 94% of global emissions. Yet we know that the current INDCs will only limit global warming to 2.7°C – whereas the science is telling us that we need to limit global warming to 2 – 1.5°C.

Investment in low carbon technologies is key to success. As President Obama remarked "... here in Paris, let's show businesses and investors that the global economy is on a firm path towards a low-carbon future. If we put the right rules and incentives in place, we'll unleash the creative power of our best scientists and engineers and entrepreneurs to deploy clean energy technologies and the new jobs and new opportunities that they create all around the world. There are hundreds of billions of dollars ready to deploy to countries around the world if they get the signal that we mean business this time. Let's send that signal."

President Obama and President Hollande announced Mission Innovation to accelerate clean technology. Businesses heard that call.

Investments are growing in clean technology, with Bill Gates amongst 28 influential investors directing capital flows through the Breakthrough Energy Coalition.

Later in the day, a local Parisian noticed that I was returning from COP21. He was very interested in the current negotiations. He was enthused that his home town was hosting this momentous event and certain that future success will be built upon in his birthplace of Marrakesh next year – the venue for COP22.