



Newsletter

EBA Newsletter June 2007

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Perspective

EBA's perspective of the emissions trading report

The Prime Minister's Task Group delivered an in-depth and well-considered report on emissions trading and it is clear that tackling climate change by reducing and mitigating greenhouse gas emissions has been very seriously considered. There is nevertheless a great deal of 'tension' in the report - between those who advocate immediate action and those who would delay longer before committing Australia to its new economy.

The overwhelming sense from progressive business is that the sooner action begins the more confidence companies and investors will have in the resilience of the economy in the face of climate change action and climate change impacts.

It is unfortunate that no long and short-term targets for emissions reductions were set. It may seem politically desirable to lob this issue over the lines of the next election but the longer we wait the more the problem grows. The sense of the need for urgent action is certainly present in the Task Group's report - but, without a clear indication of the targets we are to aspire to, much of the good work of this report is weakened. The other main criticism of the report is that agriculture, waste, and the built environment have been precluded from active engagement - there is much that these sectors want to do beyond providing offsets.

An aspect that was alluded to in the report, but not fully articulated, is that climate change can no longer be considered a "long term" issue. The task ahead is not to avoid 5 degrees Celsius average increase in global temperature *at some point in the future*. What we have to do is rapidly put in place steps that avoid an average global temperature rise of 1.5 degrees C. If we do not achieve the speed and intensity of climate change will increase - positive feedback loops kick in (such as faster melting of polar ice and glaciers). The ramifications of this are that a 2 degree C rise would then be brought forward - potentially by decades. At this point the difficulty in averting further rapid change increases and it is foreseeable that 3 degrees C would follow rapidly. At 3 degrees C the likelihood of avoiding 4, then 5, then 6 degrees C of average global warming is slim to downright impossible. The challenge is urgent - we do not have the luxury of hoping that some 'new beaut' technology will appear in 20 years' time. This point has just been reinforced by a report by NASA scientist, James Hansen who suggests the planet is dangerously near a major climate change tipping point.

60% cuts in GHG emissions (against a 1990 baseline) by 2050 and 20% by 2020, are becoming the 'low norm' around the world (California's Governor is aiming for 80% by 2060). We have mentioned in previous articles how this can be achieved and we are concerned at comments suggesting that all energy generation would have to be powered by nuclear energy and all cars taken off the road to meet a 20% target. This was merely an illustration used by the Task Group to illustrate the magnitude of the task ahead and it was not the result of economic modelling; nevertheless we

question why an alternative 'how to' scenario was not provided alongside, to show how cuts could be made with positive outcomes for the economy. Environment Business Australia believes that a 45% reduction in emissions can be achieved in the next 15 years by investing in making the economy smarter and more efficient.

For example Sydney based company Energetics, advises that a national target of zero net increase in energy use can be achieved by applying a relatively modest 2%-2.5% per annum compound increase in energy efficiency from changes in technology, process, controls, systems, materials selection and stewardship across the economy. They say this can be sustained into the long-term and could result in 22%-28% emissions reduction in 10 years and 35+% (over business as usual) within 15 years, through energy efficiency improvements alone. Put another way, in Australia this could mean no new generation plant would be required from 2012 to cope with growth.

If the majority of materials, embodied energy, greenhouse gases such as methane, and soil carbon were recycled from the 'waste' chain another 7% to 10% of GHG emissions could be avoided. Can we do this by 2020? According to Global Renewables and SITA "yes we can" and the investments and the contracts are there to prove them right.

Add in the significant benefits from solar thermal which the Spanish have now proven can run a power station on its own (and Australia has energy storage technology developed at ANU so that solar power can be used at night and when the sun is not shining), geothermal, wind and marine power, and biomass produced without competing with food production or massively reducing soil mineral levels, and I for one, think it is clear that the economy could be boosted to new levels.

Business wants transparency and it wants confidence that decision makers are working from verifiable data - this is one of the reasons why EBA is running a series of 'Climate Change Solutions' forums on technologies, finance, offsets and credits, energy security and climate policy (the next forum is on technology in Melbourne on 13 June - see below for program and registration details).

Many business leaders are calling for full participation in a national emissions trading scheme. Nick Burton Taylor, Chairman of Australian Agriculture Company believes his sector has a great deal to offer in climate action he said "It is unfortunate that the federal Government Task Group has precluded the agricultural rural sector as an active participant in the development of carbon trading policies. Australian Agriculture Company, like others in agriculture, see ourselves as being a key component in long term solutions to this most challenging world-wide issue. As custodians of land and soil carbon we should be actively involved otherwise the agricultural sector is in danger of becoming the recipient of transferred costs and obligations without commensurate opportunities for providing commercial solutions."

Dr John White, Chairman of Global Renewables said "We are entering the next technology driven transformation of our economy, which will, as with previous ones, create efficiencies, growth and more and better jobs. Failure to set clear targets for greenhouse gas reductions is delaying vital investment, and losing competitive advantage and wealth to other countries.

Maria Atkinson, Global Head of Sustainability at Lend Lease said "With 40% of global GHG emissions coming from the construction, operation, maintenance and demolition of buildings, the inclusion of buildings in Australia's carbon trading scheme makes sense from an environmental point of view, but just as importantly it makes economic sense." Including buildings would allow property developers and owners to accrue and sell carbon credits for energy efficiency improvements - up to 700,000 tonnes of GHG emissions could be cut in the Sydney CBD alone, equivalent to taking more than 230,000 cars off the road.

This is exportable expertise especially needed in the rapidly growing megacities in our region. An issue which the environment and cleantech industry reinforces to all political parties is that the scope and scale of neighbouring markets in Asia is what Australian innovation needs, and the level of ingenuity that Australia can provide is exactly what Asia needs.

However, in the domestic market progressive businesses need correct commercial reward for their goods and services. They can no longer afford to be undermined in a marketplace that does not

recognise the need to pay the full cost for goods and services; for example when a competing company gets a competitive edge by outsourcing its waste and pollution free-of-charge onto the environment there are ramifications for the taxpayer having to cover the cost of clean up and repair. In addition, we may well see litigation arising as a result of collateral damage to the 'commons', or trade barriers as consumers and investors realise the implications of 'perverse subsidies' on health, quality of life and security. These are some of the reasons why EBA is calling for a clear direction on targets prior to the election and a strong carbon price signal that internalises negative externalities. Full cost economics is logical.

Environment Business Australia's recommendations for tightening the scheme include

- *Starting emissions trading in 2010 at the latest so that a strong carbon price signal is rapidly introduced. Progressive business is ready, willing and able to tackle the challenge ahead but needs a clear framework to operate within*
- *Initial targets of 60% cuts by 2050 and 20%-30% cuts by 2020 with the flexibility to increase these as the latest science is indicating will be necessary*
- *Using a suite of regulatory and market instruments to fast-track the early and urgent cuts that are necessary, even before the trading scheme is in force*
- *Using funds raised for accelerated depreciation of plant - either retirement, or upgrading outdated technology/systems (this is in addition to the R&D/demonstration and commercialisation, and support to households recommended in the report)*
- *Including waste and agriculture to achieve greater pollution abatement and to allow farmers to become carbon traders through soil carbon stewardship as well as providing forestry offsets*

EBA would like to see the work of the Task Group Secretariat now focus on the tools and levers to bring solutions to market as rapidly as possible. Our submission to the Task Group carries the full list (see www.environmentbusiness.com.au) but here is a snapshot of our recommendations:

- *Internalising the costs and impacts of negative externalities*
- *Maximise early GHG cuts by fast-tracking energy efficiency measures across the economy*
- *Faster introduction of renewable energy sources such as solar thermal, wind, and marine power*
- *Fuel switching to cleaner fuels such as gas*
- *Cleaner production methods for fossil fuel generated energy*
- *Include the recycling of materials, embodied energy, greenhouse gases and soil carbon from what are currently considered waste streams*
- *Biofuels which do not compete with food production or strip soil nutrients*
- *Supply of nuclear fuel for energy on a nuclear fuel leasing approach*
- *Make use of 'subsidiary' market instruments such as a Mandated Low Emissions Technology Target; Mandated Pollution Reduction Target; Mandated Energy Efficiency Target*

As the Task Group report says on page 99 "It is possible to provide powerful incentives to reduce emissions - such as ensuring no disadvantage or providing credit for action taken after the date of announcing an intention to adopt emissions trading - while the work of building the necessary infrastructure for the scheme takes place."

The Prime Minister's Task Group has done a sterling job in highlighting that the nation can no longer afford to be run on historical imperatives and artificially deflated prices. We must all step up to the plate.

And, in other news over the weekend, Australia took a big step towards setting up a greenhouse emissions trading scheme after state and territory environment ministers agreed to a Victorian proposal for mandatory reporting by companies emitting more than 25,000 tonnes of greenhouse gases a year. Companies will now have to report their GHG emissions through the National Pollution Inventory (NPI) starting 1 July 2008 and the data will be in the public domain. The decision was made at the Environment and Heritage Protection Council meeting of environment ministers on 2 June.

According to a press release from Victoria's Environment and Climate Change Minister, John Thwaites, the Prime Minister, John Howard, wrote to all Premiers prior to this meeting urging them to instruct their environment ministers to abandon Victoria's proposal at the EHPC meeting. However, Minister Thwaites said reporting was a key step in the development of a national emissions trading scheme "You can't manage what you can't measure, and reporting and public disclosure of greenhouse gas emissions is critical."

Environment Business Australia is on record as supporting the NPI as the reporting entity because companies are already using it to report 90 other substances and data is transparent. An independent analysis has demonstrated that using the NPI would be less costly and involve less red tape for business.

A pilot program led by Victoria and involving 25 companies and 76 sites around Australia, found the six greenhouse gases could easily be added to the 90 substances already reported under the NPI. Emissions data from participating companies can be found at www.epa.vic.gov.au.

Fiona Wain, CEO, Environment Business Australia

Companies must respond to the risk of global warming

Andrew Petersen, Partner, PricewaterhouseCoopers & EBA National Councillor says

The demand for information on how they will deal with the risks of global warming is coming from various stakeholders, including institutional investors. The big institutional money is voting with its feet, moving away from companies that lack strategies to deal with global warming and Climate Change. Companies that have no credible policy may not be able to get insurance in the future. Investor groups are calling for greater disclosure from companies, asking them to give clear, open information about the risks that global warming poses to their business. Companies that do not respond to global warming will lose shareholder value".

Source: AFR - Andrew Petersen, Nick Ridehalgh 24.5.07

EBA News

EBA's 'Solutions to Climate Change' forums continue

The forums continue with [technology in Melbourne on 13 June](#), followed by [finance on 20 June](#), also in [Melbourne](#) and [international negotiations in Sydney on 27 June](#). These forums are made possible because of the generous support of our sponsors PricewaterhouseCoopers; National Australia Bank; Baker & McKenzie and URS.

Full details and registration can be obtained from Robyn Kennedy - eba@environmentbusiness.com.au or downloaded from www.environmentbusiness.com.au/What'snew. Several of the forums are being covered by ABC and SBS TV.

National

An outline of the report to the Prime Minister by the Task Group on Emissions Trading

The design feature of an Australian "cap and trade" model

- a long-term aspirational emissions abatement goal and associated pathways to provide an explicit guide for business investment and community engagement (but target not yet defined)
- an overall emissions reduction trajectory that commences moderately, progressively stabilises, and then results in deeper emissions reductions over time and
 - is sufficiently flexible that it can be periodically recalibrated by government to changing international and domestic circumstances through regular and transparent reviews
 - provides markets with the ability to develop a forward carbon price path to guide business investment decisions and help drive longer-term technology development – markets would be expected to establish a low initial carbon price and a forward price curve that rises over time
- maximum practical coverage of all sources and sinks, and of all greenhouse gases

- with permit liability placed on direct emissions from large facilities and on upstream fuel suppliers for other energy emissions
- with those sectors initially excluded from the emissions trading scheme subject to other policies designed to deliver abatement
- initial exclusion of agriculture and land use from the scheme
 - though agricultural emissions should be brought into the scheme as practical issues are resolved
- a mixture of free allocation and auctioning of single-year dated emissions permits that:
 - provides an up-front, once-and-for-all, free allocation of permits as compensation to existing businesses identified as likely to suffer a disproportionate loss of value due to the introduction of a carbon price
 - ameliorates, through free allocation, the carbon-related exposures of existing and new investments in trade-exposed, emissions-intensive industries while key international competitors do not face similar carbon constraints, but which also provides ongoing incentives for abatement and adoption of industry best practice
 - allows for the periodic auctioning of remaining permits
- a 'safety valve' emissions fee designed to limit unanticipated costs to the economy and to business, particularly in the early years of the scheme, while ensuring an ongoing incentive to abate
- recognition of a wide range of credible carbon offset regimes, domestically and internationally
- capacity, over time, to link to other comparable national and regional schemes in order to provide the building blocks of a truly global emissions trading scheme
- incentives for firms to undertake abatement in the lead-up to the commencement of the scheme, including through the purchase of offset credits from carbon plantations, and potentially from other accredited activities
- revenue from permits and fees to be used, in the first instance, to support emergence of low-emissions technologies and energy efficiency initiatives
 - the focus might shift more toward households and business as the scheme matures.

Additional recommendations by Task group

- a scheme needs to take account of the trade-exposed nature of many of our emissions-intensive industries
- policy towards deployment of low-emissions technologies should be technology neutral, allowing the market to choose the least-cost solutions
- the approach to reducing emissions must be national and operated by only one level of government. Less efficient government policies need to be phased out
- It will take four years to begin full-scale trading
 - 2008 – establish long-term aspirational goal
 - 2009 – finalise key design features and establish legislation
 - 2010 – establish short-term caps and allocate permits
 - 2011-2012 – commence trading

Link to report: <http://www.pmc.gov.au/publications/emissions/index.cfm>

ALP support renewables

A further \$50 million to upgrade CSIRO's National Solar Energy Centre and \$50 million to help develop geothermal energy has been pledged by Labour leader Kevin Rudd.

Climate change signature detected in Indian Ocean

The pattern of climate change over the past 40 years has been identified in temperatures of the Indian Ocean near Australia. CSIRO analysis of ocean measurements reveal changes in features of the ocean that cannot be explained by natural variability. It is believed that oceanic changes are linked to changes in the heat structure of the atmosphere and have led to a rise in water temperatures in the sub-tropical Indian Ocean of around two degrees celsius.

Source: CSIRO media release 29.5.07

Rio and BP green energy project

Rio Tinto and BP plan to develop hydrogen power and carbon capture technologies, and have established a new entity called Hydrogen Energy. Rio Tinto believes the project will safeguard the

value of the mining company's coal assets in the advent of carbon trading. Rio Tinto will pay \$A38.8 million to share BP's intellectual property.

Source: AFR- Michael Vaughan 19.5.07

Climate Leaders 'Emerald Awards' launched for World Environment Day

A new national climate change award program - the Emerald Awards will recognise and award outstanding action by companies, individuals, government and the community in Australia toward achieving a true carbon neutral future.

Delayed projects stalled by price signal

The Victorian Government estimates billions of dollars in investment have been stalled by the absence of a carbon price. Victoria's Energy Minister told a Public Accounts & Estimates Committee hearing that the absence of a carbon price prevents the viability of projects such as Origin Energy's planned \$A1bn gas-fired power plant being compared against coal-fired options, and places them at risk. Origin agreed that a carbon price is necessary for the project to proceed.

Source: The Age-Matthew Murphy 17.5.07

ADF recognises climate change

The Australian Defence Force (ADF) has recognised climate change as a threat to national security. The ADF document "Joint Operations for the 21st Century" predicts the military will become more involved in stabilising weakening countries than in conventional warfare. The report recommends that the ADF needs to achieve a transition from a force designed to counter traditional threats to one that is more adaptable so it can address other threats such as terrorism, natural disasters and pandemics. It has been argued by experts such as Alan Dupont from the University of Sydney that Climate Change could negatively affect land productivity and water supplies, resulting in regional instability.

Source: SMH- Tom Allard 17.5.07

Growing interest in the ethical investment market

There is growing interest in the ethical investment market as a result of public interest in climate change. Australia's sustainable responsible investment (SRI) funds under management increased from \$A7.67 billion to \$A11.98 billion in the year to 30 June 2006. The fastest growing established fund manager was AMP Capital Investors which increased its SRI funds under management from \$A439 million to \$A1.55 billion.

Source: AFR- Tim Mendham 17.5.07

Climate impact on Victorian services

The Victorian Government has commissioned a report that assesses the risks posed by climate change. The report outlines the vulnerability of infrastructure and water supplies. By 2030, there will be increased risks to transport, telecommunications and building infrastructure from heat, floods, storms and bushfires. The risks will include higher utility bills, water shortages, power blackouts and telecommunication outages.

[http://www.greenhouse.vic.gov.au/CA256F310024B628/0/2021C307264A6473CA2572DD00055CBB/\\$File/Climate+change+and+Infrastructure+Final.pdf](http://www.greenhouse.vic.gov.au/CA256F310024B628/0/2021C307264A6473CA2572DD00055CBB/$File/Climate+change+and+Infrastructure+Final.pdf)

Source: The Age- Liz Minchin 16.5.07

Insurers warned over climate losses

The Insurance Working Group of the UN Environment Program's Finance Initiative has released a study on the risks posed by global warming. "Insuring for Sustainability" reports that the effects of severe weather and other climate change events must be handled better by the insurance sector, in particular in developing countries where fewer consumers have policies. Among the companies involved in the Insurance Working Group are Insurance Australia Group, Allianz, HSBC Insurance, Lloyd's, Munich Re, Swiss Re and American International Group

Source: The Age- Leon Gettler 28.5.07

Wave power could be 'holy grail' for Australia

New technology harnessing wave energy could be the "holy grail" for providing electricity and drinking water to Australia's major cities, Industry Minister Ian MacFarlane said. Developed with the

help of more than 770 million dollars (636 million US) in seed funding from the government, the technology works through fields of submerged buoys tethered to seabed pumps. The buoys move in harmony with the motion of the passing waves, pumping pressurised seawater to shore to run turbines and pass through a desalination plant." The constancy of the waves even when the surface is dead calm means that you can build a base load renewable energy power station and that is really the holy grail for us, if you can produce renewable energy 24/7," Macfarlane told the ABC. EBA's next climate change solutions forum will feature Energetech/Oceanlinx and its successful trialing at Port Kembla of wave generated energy and desalinated water.

Source: AFP-17.5.07

New Australian centre will research climate change

The University of New South Wales has established a Centre for Climate Change Research. The centre, directed by Andy Pitman and Matthew England, has a budget of \$A6 million over five years and expects to have 60 full-time staff within 18 months.

Source: AFR- Rachel Lebihan 21.5.07

International

China unveils climate change plan

China has unveiled its first national climate change plan saying it will reduce energy use by 20% by 2010 and increase the amount of renewable energy, such as wind and hydro power. Greater use of nuclear and hydro power is outlined as well as making coal-fired power plants more efficient.

But China also repeated that its first priority remained "sustainable development and poverty eradication" and stressed that responsibility for climate change rests with 'rich westernised countries'

With China's emissions growth expected to overtake US levels as early as this year, the country has a key role to play in this week's G8 Summit.

CO2 emissions rising faster than expected

Carbon dioxide emissions from fossil fuels have accelerated globally at a far greater rate than expected over recent years, according to a paper in the Proceedings of the National Academy of Sciences. The paper explains that the average growth rate of carbon dioxide emissions increased from 1.1% a year in the 1990s to a 3% increase per year in the 2000s. The author, Dr Mike Raupach from CSIRO Marine and Atmospheric Research and the Global Carbon Project, says that nearly eight billion tonnes of carbon were emitted globally into the atmosphere as carbon dioxide in 2005, compared with just six billion tonnes in 1995. Link to paper;

<http://www.pnas.org/cgi/reprint/0700609104v1?maxtoshow=&HITS=10&hits=10&RESULTFORMAT=&fulltext=raupach&searchid=1&FIRSTINDEX=0&resourcetype=HWCIT> *Source: CSIRO media release-22.5.07*

Clinton unveils \$5billion for energy efficient retrofits

Former President Bill Clinton has announced the creation of a \$5 billion global effort to fight global warming by retrofitting existing buildings with more energy efficient products, thereby reducing the emission of greenhouse gases. Clinton announced the program to mayors from around the world at the C40 Large Cities Climate Summit in New York. Five banks have pledged \$1 billion each - ABN AMRO, UBS, Citibank, JPMorgan Chase and Deutsche Bank.

Source: ENS-16.5.07

New technologies could slash trillions from price of emission curbs - study

Developing and improving energy technologies could cut trillions a year from the global cost of fighting global warming, according to a report released today by the Global Energy Technology Strategy Program. The report says a combination of six major technologies could yield significant savings if they are employed to curb emissions of heat-trapping greenhouse gases over the next century. The outlined technologies are: the capture and underground storage of carbon dioxide, biotechnology, hydrogen, nuclear power, solar and wind power and end-use efficiency.

Source: Greenwire- Darren Samuelsohn 22.5.07

Wind energy for Denmark

The Danish government has announced it aims to generate 75 per cent of their electricity needs through wind power by 2025 and Denmark have set the agenda to reduce fossil fuel imports to zero as part of their massive renewable energy plans.

JPMorgan in alternative energy push

JPMorgan has established an alternative energy investment banking unit and hired Vandana Gupta from General Electric to head the new effort (who had managed \$1bn in equity investments in the energy and power sectors, including solar and wind power). San Francisco banker Mark Zanolli will lead its coverage of emerging clean technology companies.

Other banks are also making strong efforts to capitalise on the green trend in corporate America.

- Credit Suisse formed a renewable energy banking group over a year ago and has done more than 40 deals in the area, including the first capital markets financings in the biofuel, wind and solar power industries. Along with Morgan Stanley, led the highly successful IPO last year for solar power producer SunTech.
- Citigroup has an Alternative Energy Task Force within its energy investment banking group that targets deals in the solar, wind, biomass, ethanol and other renewable industries.
- Lehman Brothers has a “renewables vertical” comprised of its “natural resources and power banking groups.
- Goldman Sachs, which two years ago became the first Wall Street bank with an official environmental policy, is also focused on green technology deals across its industry coverage groups and is among the largest principal investors in environmentally friendly technologies.

Source: Financial Times-Ben White 24.5.07

GE to double renewable investments to \$4billion

GE Energy Financial Services is to double its renewable energy investments to \$4 billion by 2010, kicking off the effort by purchasing a Canadian hydro plant and stakes in two US wind farms.

Source: Environmental Finance, 31 May 2007 -

‘Synergies’ between renewables, efficiency would cut GHG emissions - report

Coordinating policies on renewable energy and energy efficiency would help reduce greenhouse gases, according to a new report emphasising that efficiency and renewables together pack a more powerful punch, and more overlap is needed. The report was released by the American Council for an Energy-Efficient Economy and the American Council on Renewable Energy.

Source: Greenwire-Ben Geman 25.5.07

UK to extend carbon trading to service sector

The UK government is to go ahead with a carbon 'cap and trade' scheme for large commercial and public sector organisations, such as banks and supermarkets, according to its energy white paper. It also unveiled details of a government competition to build a carbon capture and storage (CCS) power plant, an expansion of the UK's renewable energy capacity and a public consultation on the potential of building new nuclear power plants to meet the UK's energy needs. The emissions trading scheme (ETS), which will be known as the Carbon Reduction Commitment (CRC), will target greenhouse gas emissions from energy use by organisations with electricity consumption of more than 6,000MWh per year.

Source: Environmental Finance 24.5.07

Brazil urged to endorse scheme for averting tropical deforestation

Scientists are urging the Brazilian government to fully endorse an international proposal aimed at providing payments to tropical nations that succeed in lowering greenhouse gas emissions from deforestation and tropical degradation.

Source: Source: Point Carbon-16.5.07

Japan proposes halving emissions by 2050

Japan has called for the world to halve greenhouse gas emissions by 2050, proposing a successor to the Kyoto Protocol it hopes will win over top offenders the United States and China. Prime Minister Shinzo Abe, unveiling the proposal ahead of the Group of Eight (G8) summit in Germany, pledged to bring all nations onboard in the fight against global warming by making the post-Kyoto framework non-binding. In the latest initiative, which Abe dubbed "Cool Earth 50" - all nations would commit in general terms to the broad goal of 50 percent cuts by 2050 through technology and social change.

Source: AFP- Shaun Tandon 24.5.07

G8 leaders split over climate change meeting

Leaders of the Group of Eight industrialised nations are currently fighting over climate change action and recommendations for the Summit's agenda. The United States is the key dissenter, opposing sections of the draft agenda that call for swift action to tackle the threat of climate change. Washington wants references to the urgency of the climate crisis taken out.

The United States wants to delete the following paragraphs: "We firmly agree that resolute and concerted international action is urgently needed in order to reduce global greenhouse gas emissions and sustain our common basis of living."

"To this end we will, in the face of the UN Climate Change Conference at the end of this year, send a clear message on the further development of the international regime to combat climate change."

Instead, the United States wants the final G8 statement to say: "Addressing climate change is a long-term issue that will require global participation and a diversity of approaches to take into account differing circumstances." In other words more stalling.

Source: GLOBE-Net-23.5.07

G8 countries could increase energy efficiency by 20%

The eight biggest industrialised countries, together with five leading developing countries could increase energy efficiency by a total of 20% by 2020, consultant group Ecofys said in a report.

Source: Point Carbon-18.5.07

Carbon market triples in value in 2006 – World Bank

The global carbon market tripled in size to \$30 billion in 2006, from \$10 billion the previous year, according to a report from the World Bank. But some market participants believe that figure to be an underestimate, putting the real size of market as much as 25% higher.

Source: Environmental Finance-3.5.07

Bush calls for cuts in vehicle emissions

As a result of rising gasoline prices and a recent Supreme Court ruling requiring executive action to restrict global warming gases, President Bush yesterday ordered four federal agencies to draw up regulations to reduce greenhouse gas emissions from cars and trucks by the end of his administration. The regulations, he said, should be consistent with his previously announced plan to reduce projected gasoline consumption by 20 percent over the next decade. But Democrats, environmentalists and some energy experts said the president was simply delaying measures that he has the power to impose now.

Source: The Washington Post- Steven Mufson and Michael A. Fletcher 15.5.07

Northern China drought crisis

Drought in provinces across northern China has left 4.8 million people and an equal number of livestock short of drinking water, according to the state drought relief headquarters said today. Meteorologists have confirmed above average temperatures and low rainfall.

Source: ENS-15.5.07

US establishes renewable Fuels Standard

The US Environmental Protection Agency (EPA) has finalised its Renewable Fuel Standard (RFS) program, requiring major refiners, blenders, and importers to use a minimum percentage of renewable fuel.

Source: GLOBE-Net-13.5.07

Portugal will invest 8.1billion euros to develop renewable energy

Portugal will invest 8.1 billion euros (10.8 billion dollars) until 2012 to develop renewable energy projects that will create around 10,000 jobs. The investment in windpower infrastructure alone will be of 1.7 billion euros. Portugal would strive to have renewable energy account for 45 percent of its electricity output by 2010, up from 36 percent in 2005, the last year for which figures are available.

Source: AFP-22.3.07

Toronto goes Zero

Toronto Mayor David Miller will announce a major new climate-change initiative in his city. Called GoZero! Toronto, the new program is designed to measure the carbon footprints of individuals and groups and recommend the most cost-effective ways to reduce them.

Source: The Globe and Mail (Canada) - John Barber 12.5.07

Lawsuit against the Government of Canada for abandoning Kyoto

A landmark lawsuit has been launched against the Government of Canada for abandoning its international commitments under the Kyoto Protocol. Filed in Federal Court in Ottawa by Canada's foremost environmental law organisation, Sierra Legal, the lawsuit alleges that the federal government is violating Canadian law by failing to meet its binding international commitments to reduce greenhouse gas emissions.

Source: Friends of the Earth Canada-29.5.07

Chicago climate exchange to form carbon trading market in California

The Chicago Climate Exchange on Tuesday said it is forming the California Climate Exchange to develop and trade financial products aimed at helping the state meet mandatory reductions in greenhouse gas emissions.

Source: Point Carbon-17.5.07

New generation of nuclear power stations to secure the UK's future energy needs

Labour government ministers moved toward approving a new generation of nuclear power stations to secure the UK's future energy needs. Trade and industry secretary Alistair Darling announced a five-month public consultation, while restating his "firm view" that nuclear must be part of Britain's "energy mix". He stressed that decisions must be taken later this year about a strategy also promising to triple the amount of electricity produced from renewable sources.

Source: The Irish Times- Frank Millar 24.5.07

Electricity-producing windmills in the Atlantic ocean

A proposal to build electricity-producing windmills in the Atlantic Ocean off the Delaware coast won preliminary approval from a panel of state officials. Leaders from four Delaware agencies ordered an electric utility, Delmarva Power, to negotiate with the wind farm's developer, Bluewater Wind. Bluewater's original proposal calls for 200 turbines, each more than 250 feet tall, to be built several miles offshore of Rehoboth or Bethany. At that distance, the wind farm's planners say, the turbines would resemble only toothpick-thin specks on the horizon.

Source: The Washington Post- David A. Fahrenthold 23.5.07

Global warming a top priority for Sarkozy

France's new president, Nicolas Sarkozy, promised to make the fight against global warming and the defence of human rights at the centre of his foreign policy.

Source: Point Carbon 16.5.07

The more things change

Shareholders of ExxonMobil Corporation, the world's largest oil company, and long time nemesis of climate change action, have rejected a resolution calling on the company to cut greenhouse gas emissions. Exxon's profits last year were \$US39.5 billion - it would be interesting if someone would crunch the numbers and tell shareholders (and all the other interested stakeholders) how much of that profit was obtained from 'negative externalities'.

New EBA member

Merrill Lynch

Merrill Lynch is one of the world's leading wealth management, capital markets and advisory companies with offices in 37 countries and territories and total client assets of approximately 41.6 Trillion.

As an investment bank, it is a leading global trader and underwriter of securities and derivatives across a broad range of asset classes.

Contact details; Paul Masi; Level 38, GPT, 1 Farrer Place, Sydney, p 02 9225 5588, e paul_masi@ml.com w www.ml.com

EBA member news

Australian Agricultural Company

AACo has unveiled plans to become a major player in the emerging carbon market. AACo owns and manages 1.2 per cent of Australia's land mass and land is necessary for carbon sinks, planting of forests, production of ethanol or other biofuels and alternative sources of energy.

Source: Australian 25.5.07

Solar Sailor

Solar Sailor is proposing to become a bulk water carrier taking water from Tasmania and delivering it to dry areas in Australia. The Solar Sailor, designed by Dr Robert Dane, features 'sails' that can harness wind energy as well as pivoting to catch maximum solar rays with its solar panels.

Coffey International

Coffey acquired Los Angeles based consulting business CTL Environmental Services for \$7.3 million cash and \$1.5 million in shares.

Source: AFR 29.5.07

URS to acquire Washington Group International for \$2.6 billion

URS Corporation and Washington Group International Inc announced that they have signed an agreement for the acquisition of Washington Group by URS in a cash and stock transaction valued at approximately \$2.6 billion. The transaction will combine two world-class engineering and construction companies, expand the capabilities of both firms and capitalize on their positions in important high growth sectors, including power, infrastructure and environmental management.

New Forests manages marquee environmental investment

New Forests Pty Limited announced it has secured an option to acquire an 8500-hectare property in New South Wales on behalf of Cambium Global Timberland Ltd (Cambium). This first investment for Cambium is a marquee project as an environmental investment and will provide returns from timber production as well as environmental values, such as the sale of carbon credits. New Forests' investment thesis involves shifting the property from grazing, and establishing approximately half of the area to hardwood plantations for sawlogs that can be sold to the rapidly growing markets for high-value native feature grade timber. The remainder of the property will be dedicated to vegetation conservation and revegetation.

All reforestation and revegetation activities will be eligible for carbon trading in the New South Wales Greenhouse Gas Abatement Scheme, as well as creating biodiversity-rich carbon credits for

sale to the retail carbon market. The acquisition also includes access to 105 million litres of water licenses per annum.

SITA'S sister company, Degremont builds technology to protect the environment

Following the successful completion and opening of the saltwater desalination plant near Perth by Australian Water Services, SITA Australia's sister company Degremont has been awarded a major French wastewater treatment plant contract.

Degremont, SUEZ Environment's waster subsidiary, has secured the AUS\$114million contract to design and construct the plant for the city of Le Havre on the west coast of France.

The new plant will be fully commissioned by the end of 2010 and have the capacity to service a population of 415,000 with the first section of the plant will be operational by the end of 2009.

For further information contact; Mike Ritchie, General Manager Marketing & Communications SITA Environmental Solutions, 02 8754 0105



promoting Sustainable Travel & Environment in workplaces & Communities

<p>Carpooling for Workplaces, Enterprises, Communities & events</p>	<p>Promote Green Travel in workplaces through Recognition & Reward</p>	<p>Promote Environment Awareness Enterprise or community-wide</p>	<p>Carparking Management in Workplaces to avoid redundant driving and easing parking issues</p>
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For more details, please contact: Steve , Ph: (03) 9886 7240 Email: steve@envisionit.com.au

Envigreen is an Envision IT initiative. Since 2003, these innovative Solutions have been deployed by businesses, government & city councils for environment

Business Opportunities

National and international

- Funding for carbon offset initiatives. Bunnings is committed to becoming carbon neutral by 2015 or earlier by improving energy efficiency, funding research aimed at reducing reliance on grid sourced electricity, offsetting residual greenhouse emissions
 - As part of this strategy, Bunnings is seeking to fund projects domiciled in Australia and New Zealand that create credible carbon offsets that will help reduce the size of our carbon footprint. Funding of up to \$1.6m is available for an initial 2-year period, with options to extend funding further. Contact dbeards@bunnings.com.au

The next round of applications for grants are open for scientific visits to: Europe, North America (USE, Canada, Mexico), Asia (China, Japan, Korea, Taiwan). Australian Academy of Science: <http://www.science.org.au/internat/index.htm>

- Hydropower development investment program - Heihe Hydropower Development Company. Development of Erlongshan and Dagushan hydropower projects on Heihe River cascade hydropower development scheme in Gansu Province. Mr. Zhu Xingjie, General Manager and President, email danielpu@163.com or zhouxuan616@163.com

New South Wales

- Expressions of interest from businesses that promote environmental products or services to provide 'stock' for shop, One Stop Climate Change Shop. The shop will be held in the Old Fire Station, Terraloug St, Kiama from 8am till 4pm on 23/6/07. This will coincide with the local produce markets. If you have anything from pamphlets, small displays, product samples,

discount vouchers, promotions or giveaways, we would like to hear from you. melissas@kiama.nsw.gov.au

- Tenders from qualified consultants to prepare a future needs study report for the Queanbeyan sewage treatment plant. Enquiries to Council's facilities engineer, Hemraj Fernando (02) 6298-0236.

Queensland

- Quotations from organisations interested in carrying out the primary school WaterWise education program in the schools of Logan City. Documents from (07) 3412-5475, Tamara Stevenson tamarastevenson@logan.qld.gov.au

Victoria

- Expression of Interest for panel to reduce greenhouse gas emissions. Sustainability Victoria is seeking to establish a panel of suppliers experienced in delivering mass-market programs that create behaviour change to reduce Victoria's greenhouse gas emissions. Contact megan.ohalloran@sustainability.vic.gov.au for briefing details.
- Understanding the potential for reducing Victoria's greenhouse gas emissions. The project will look at possible options for reducing greenhouse gas emissions across all sectors of the Victorian economy over timeframes to 2020, 2030 and 2050. Department of Premier and Cabinet paul.flowerdew@dpc.vic.gov.au

Diary of Events

DATE	CITY	EVENT
Click event to link to event website		
2007		
4-6 June	Melbourne	Water 07, www.pipecommunications.com.au/water07
6 June	Melbourne	Energy & Price market update seminar
4-6 June	Qld	Waste 2007 WMAA ph 1300 651 026 Katrina@wmaa.asn.au
5 June	Sydney	BCSE 5 th Annual National Conference Sustainable energy 2007 http://www.bcse.org.au
7 June	Brisbane	Going Carbon Neutral –reality of hot air- http://www.tec.org.au/dev/greencapital/
14-15 June	Singapore	Carbon market-Asia www.greenconferences.com/biofuels
19 June	Wollongong	Soil & Water .. 'too good to loose' www.gemspl.com.au
13 June	Melbourne	EBA Forum – Solutions to climate change – Technology www.environmentbusiness.com.au/what'snew
20 June	Melbourne	EBA Forum – Solutions to climate change – Finance www.environmentbusiness.com.au/what'snew
June 24-28	Adelaide	Australia's first national Contamination Summit Contamination Papers, presentations, sponsorship and trade displays are now being sought. For more information: http://www.crccare.com/clean_up07.htm
27 June	Sydney	EBA Forum – Solutions to climate change – International Relations www.environmentbusiness.com.au/what'snew

28 June	Sydney	Partnership for Sustainability Conference'Registration for the <i>Our Environment it's a living thing</i> Partnership for Sustainability Conference www.livingthing.net.au
18-20 July	Sydney	National Energy Waste Conference 2007 www.wmaa.com.au/efw/EFW2007AbstractTemplate.doc or email: veronica@wmaa.asn.au)
25-27 July	Sydney	National Summit on climate change, Innovation, Colaboration and conservation www.frocomm.com.au
16-17 Aug	Sydney	Climate Change Litigation conference registration form: http://www.informa.com.au/content/ibcoz/pdf/ClimateChangelitigationregistration.pdf
22- 24 Aug	Sydney	Tonkin's; Energy and Resources Sector Financing : eureka@TonkinCorporation.com
31 Aug-3 Sept	Brisbane	Renewing Asia Pacific cities www.brisbane.qld.gov.au
3-6 Sept	Brisbane	10 th International Riversymposium and Environmental Flows Conference from 3 – 6 September 2007 more details www.riversymposium.com
17-19 Sept	Wollongong	Segra 2007- Changing regions- The road to success www.segra.com.au/segra
21-25 Sept	Melbourne	World Sustainable Building Conference Our web site is: www.sb08melbourne.com
2-5 Oct	Sydney	GREENHOUSE 2007: The Latest Science & Technology. It will run from 2-5 October at the Sydney Hilton. You will find details at www.greenhouse2007.com , from which you can register and submit an abstract.
8 October	Melbourne	Auswind 2007 www.auswind.org/auswind2007
27-30	Hong Kong	Eco Exp Asia- Hong Kong www.ecoexpoasia.com
27-30	November	Log on to http://www.energex2007.com/registration.htm to download the registration form. Contact Adrienne Pereira at ap@sesallworld.com for further queries.
29	November	VAFI is proud to be a major supporter of the prestigious 2007 Australian Timber Design Awards. This year the event will be held on Thursday, 29th November at NAB Docklands. Please find below a promotional webpage about the awards. Link; http://www.timber.net.au/awards/entry.htm

Newsletter contact

Please contact Robyn Kennedy at the EBA secretariat for advertising rates on 02 6270 1333 or email eba@environmentbusiness.com.au **Deadline for articles 20th of each month.**

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