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Climate Change Policy Outlook and Challenges for 2019

<Summary>

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COP24 Overview

1. The 24th session of the Conference of Parties to the United Nations Framework Convention on Climate Change, or COP24 (in Katowice, Poland), focused on the preparation of detailed rules for implementing the 2015 Paris Agreement and the stocktake of the collective efforts of the Parties' nationally determined contributions (NDCs) up to 2030. In addition, Poland, the COP24 host country, attempted to release a Just Transition Declaration (calling for a just transition of the workforce and the creation of decent work and quality jobs in transition towards a low-carbon economy).
2. As for the preparation of detailed rules for the Paris Agreement, the COP decided to apply, in principle, single/common modalities, procedures and guidelines to all Parties for an ex post review of their target attainments. Regarding the stocktake of the collective efforts of the Parties' NDCs up to 2030, the COP called on Parties to participate in the Climate Summit to be convened by the UN Secretary General in 2019 and to demonstrate their enhanced ambition. The Just Transition Declaration was signed by 54 parties. From now on, countries will communicate NDCs and provide the information necessary to track progress made in implementing and achieving their NDCs under the rules agreed on at COP24.

Global outlook

3. In 2018, 23 countries including eight EU Member States and Canada announced a joint declaration of commitment to explore the possibility for stepping up their 2030 pledges under the Paris Agreement. The Intergovernmental Panel on Climate Change approved a special report on global warming of 1.5°C, noting that in model emission pathways with no or limited overshoot of 1.5°C, global net anthropogenic CO₂ emissions decline by about 40-60% from 2010 levels by 2030. There is movement to take advantage of the September 2019 United Nations climate summit for revisiting

and enhancing GHG emission reduction targets for 2030 under the Paris Agreement. Given that countries face the realities as described below, country-by-country actions should be watched carefully:

Country-by-country outlook

4. The United States has domestically and internationally called for promoting nuclear, natural gas and fossil fuels with carbon capture and storage. Domestically, the Department of Energy has sought measures to provide cost incentives for coal and nuclear power plants or require grid operators to purchase electricity from these plants in the name of energy security. However, the Federal Energy Regulatory Commission has opposed these measures, saying they do not lead to energy security. The implementation of these measures is thus becoming difficult.
5. China achieved its 2020 target of cutting the CO₂ emission intensity of GDP by 45% below 2005 levels three years ahead of schedule, while its emissions for 2018 are expected to increase, as happened in 2017. Whether the target would be enhanced should be watched. The Chinese government offered to lower subsidies and purchasing prices for renewable energy electricity, and, from January 2019, required electricity sales companies to purchase renewable energy electricity for a certain percentage of their electricity supply. Attracting attention will be how Chinese government policy changes would influence China itself and other countries where solar power plants are constructed through China's solar panel imports.
6. In the European Union, the European Commission has revealed a plan to widen the target cut in 2030 emissions from 40% to 45% compared to 1990 levels. However, Germany has opposed the plan. Attention will be paid to a conclusion in negotiations on the 2030 emission reduction target that may be difficult.
7. Germany has established the Commission on Growth, Structural Change and Employment (Coal Commission) to consider measures for the social and structural development of lignite regions, and measures for achieving its 2030 target for cutting emissions (including coal power phaseout), planning to adopt final recommendations by February 2019. Attracting attention will be what recommendations the commission would adopt and how the recommendations would be implemented.
8. India could achieve its 2030 targets of reducing the GHG emission intensity of GDP by 33-35% and increasing non-fossil energy's share of total power generation capacity to 40% (against 35.9% at the end of November 2018, including 14.4% for hydro, 10.0% for wind, 6.9% for solar, 2.5% for biomass and 2.0% for nuclear) ahead of schedule. A focus of attention would be whether India would enhance these targets.

Outlook in Japan

9. In terms of the progress of the Global Warming Countermeasures Plan, CO2 emission reductions in electric power sector by FY2016 were only 11.0% of its expected reductions between FY2013 and FY2030, while those by the electric power output of renewable energies were 30.7%, indicating that the restart of nuclear power plants failed to make smooth progress. Our latest short-term energy supply and demand outlook assumes that only two nuclear plants would restart in FY2019.
10. In August 2018, the Meeting on a Long-term Strategy under the Paris Agreement as Growth Strategy was established by the instruction by Prime Minister Abe, to discuss a vision for Japan's long-term strategy under the Paris Agreement. We will have to pay attention to how the meeting would include such matters as innovation, green finance, green business and local actions into the long-term strategy before the G20 summit and ministerial meeting in June 2019 in Japan.