

Energy sector faces rising pressures from impacts of climate change, but mitigation and adaptation options exist

18 June 2014, Manila – The energy sector is facing increasing pressures from climate change. All segments of the industry will be affected by the changing global climate and the policy responses to it. This is according to a briefing published jointly today by the World Energy Council (WEC), the University of Cambridge Institute for Sustainability Leadership (CISL), the Cambridge Judge Business School, and the European Climate Foundation.

The briefing brings into sharp focus the energy-related findings of the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report (AR5) for policymakers and business leaders in the energy sector. It identifies the need to incorporate climate change mitigation and adaptation measures into energy policymaking, infrastructure planning, and investment decisions.

The briefing, “**Climate Change: implications for the energy sector**”, reveals:

- **Energy demand is increasing globally, causing an increase in greenhouse gas emissions from the energy sector.** The trend is set to continue, driven primarily by economic growth and rising population.
- **Climate change presents increasing challenges for energy production and transmission** as a result of temperature increase, extreme weather events, and changing precipitation patterns.
- **Significant cuts in GHG emissions from energy can be achieved through a variety of measures**, including cutting emissions from fossil fuel extraction and conversion, switching to lower-carbon fuels, improving energy efficiency, increasing use of renewables and nuclear, introduction of carbon capture and storage (CCS), and reducing final energy demand.
- **Strong global political action on climate change would have major implications for the energy sector.**
- **Incentivising investment in low-carbon technologies will be a key challenge for governments and regulators to achieve carbon reduction targets.**

Christoph Frei, Secretary General of the World Energy Council, comments on the release of the briefing today at the Asia Clean Energy Forum in Manila:

“Climate change is certain to impact the energy sector. We need robust and transparent policy frameworks to unlock the required long-term investments that are urgently needed to deliver the future we want. Leadership will be required at all levels. As we look to create resilient energy systems that meet the triple challenge of the energy trilemma the time has come to get real about the challenges facing the energy sector. There is no climate framework without national energy policy.”

Philippe Joubert, Advisory Board member for the Cambridge Institute for Sustainability Leadership, Executive Chair of the WEC's Global Electricity Initiative, and former President of Alstom Power, comments:

“The latest climate science is clear about the reality and impacts of climate change. This summary report helps business to understand the scale and urgency of the issues involved for the energy sector and should be seen as a call to action for the leaders of a sector which is responsible for over a third of CO₂ emissions. Leading businesses in this sector increasingly realise that business as usual is no longer possible nor acceptable.”

Rajendra K. Pachauri, Chairman of the IPCC, comments:

“The energy sector has a critical role to play in the mitigation of greenhouse gases and in helping the world to adapt to the inevitable impact brought by climate change, some of which would directly affect energy-related activities. A thorough understanding of the implications of climate change will help the energy sector plan strategically for the future. AR5 contains a wealth of relevant information which will be central to this planning in the years to come. The initiative of the World Energy Council, the University of Cambridge, and the European Climate Foundation will play a useful role in embedding an understanding of climate science and its significance for the energy sector.”

The report is available at <http://www.worldenergy.org/news-and-media/news/climate-change-implications-for-the-energy-sector-key-findings-from-the-ipcc-ar5/> and is accompanied by an infographic which summarises the key findings.

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Notes for Editors

The report is one of a series of thirteen, based upon the Fifth Assessment Report (AR5) of the Intergovernmental Panel on Climate Change (IPCC). AR5 represents the most comprehensive overview of climate science to date and is the fact base that will be used by governments and businesses to formulate climate policy in the coming years. The World Energy Council (WEC), the European Climate Foundation, the University of Cambridge Programme for Sustainability Leadership (CISL) and the Cambridge Judge Business School have worked together to distil relevant AR5 findings into concise, clear, relevant findings and visuals derived from, and in line with, the original text.

The set of summaries cover the broad implications of climate change, how the IPCC works and give an overview of the physical science, as well as adaptation and mitigation options. The specific summaries cover the energy sector, investors and financial institutions, the

transport sector, the tourism industry, the agricultural sector, fisheries and aquaculture, the defence sector, primary industries and cities, buildings and employment.

The World Energy Council (WEC) is the principal impartial network of leaders and practitioners promoting an affordable, stable and environmentally sensitive energy system for the greatest benefit of all.

Formed in 1923, WEC is the UN-accredited global energy body, representing the entire energy spectrum, with more than 3000 member organisations located in over 90 countries and drawn from governments, private and state corporations, academia, NGOs and energy-related stakeholders.

WEC informs global, regional and national energy strategies by hosting high-level events, publishing authoritative studies, and working through its extensive member network to facilitate the world's energy policy dialogue.

Further details at www.worldenergy.org and @WECouncil

The University of Cambridge Institute for Sustainability Leadership (CISL) brings together business, government and academia to find solutions to critical sustainability challenges. Through our educational programmes, business platforms and strategic engagement initiatives, we deepen leaders' understanding of the context in which they operate and help them to respond in ways that benefit their organisations and society as a whole. <http://www.cisl.cam.ac.uk/>

Cambridge Judge Business School (CJBS) is in the business of transformation. Many of our academics are leaders in their field, creating new insight and applying the latest thinking to real-world issues. <http://www.jbs.cam.ac.uk/home/>

The European Climate Foundation (ECF) was established in 2008 as a major philanthropic initiative to promote climate and energy policies that greatly reduce Europe's greenhouse gas emissions and to help Europe play an even stronger international leadership role to mitigate climate change. <http://europeanclimate.org/>