

Renewable Energy Working Party (REWP)

And

Renewable Energy Technology Deployment (RETD) Implementing Agreement

“Renewable Energy – from Analysis to Action”

**Short-term renewable energy market forecasts
and relevant policies to encourage investment now!**

OECD Headquarters, Paris

15-16 March 2011

The context

A global and integrated energy technology revolution is essential to address the intertwined challenges of energy security and climate change, while meeting the growing energy needs of the emerging economies and the still developing world.

The IEA’s latest scenarios confirm that a portfolio of low-carbon technologies will be necessary to halve CO₂ emissions by 2050 and that renewable energy must play an increasing major role within this portfolio. **Decarbonizing the power sector**, the second-largest source of emissions reductions after energy efficiency, is a key aim and must involve a **dramatically increasing share of renewable energy**, which in the recent World Energy Outlook 2010 450 scenario increases from 19% in 2008 to 45% of global electricity generation in 2035. WEO forecasts that the use of **biofuels in transportation** will increase more than eight times from today’s level due to rising oil prices and government support. Renewables will also have to play a central role **in heating and cooling**, which has so far received less attention. In the ACES scenario developed by RETD, aiming for a 400 ppm stabilization level, renewable energy becomes the most important energy source sometime between 2030 and 2040, when it passes 50% of all primary energy supplies, up from about 20% today.

Without urgent action, the cost of meeting the Copenhagen goal of limiting to two degrees the increase in world temperature due to global warming increases each year - the IEA estimates that the investment needed to decarbonize the global energy mix has risen by 1 billion \$ over the last year. **Energy policy decision makers and the energy sector as a whole needs to take serious action now if this goal is to be met.**

Extensive deployment of renewable energy is essential to meeting global energy needs while constraining greenhouse gas emissions. Yet **renewable energy policies are under pressure** to deliver effectively and efficiently, with policy costs under the spotlight while the benefits of renewables are not fully spelled out and recognized. New analysis by RETD quantifies the hidden benefits of renewables which justify sustained policy action.

That is why the REWP and RETD are organizing this workshop on the **short term prospects for renewables and the urgent key actions needed** to put us on track to a low carbon future.

From analysis to action

How can the key stakeholders – Finance, Policy and Industry - work together to deliver the expected contribution from renewables to energy security and climate change mitigation? The overall objective of this high level event is to transmit this **sense of urgency** for immediate action and cooperation. Getting on track to deliver renewable energy goals in the short and medium term will stretch the capacities of all renewable energy sector stakeholders. To achieve the necessary acceleration these stakeholders – including the finance sector, policy makers, and industry - must work closely together so that project finance, energy demand and renewable supply can come into balance.

The workshop will bring together senior decision makers from industry and government to focus on the following issues:

- What is the role of renewables in the **IEA and RETD scenarios**, including the new work by RETD which looks at the full benefits of RE including the avoided costs of adaptation and the impact of taking urgent action now, as well as exploring the RETD's 400 ppm scenario?
- What are the **avoided costs of adaptation** to climate change and savings related to an **increased security of energy supply**, to which renewables can contribute?
- What are the **short term market prospects and are they in line** with what's required?
- Are **policies providing the confidence** that investors need and will they deliver the step change in demand?
- Are **policy makers recognizing the full benefits** of renewable energy so that they can deliver appropriate policies based on full information?
- Can **industry respond** by scaling up to meet demand and by delivering the necessary performance improvements and cost reductions?
- What are the **key actions needed** now to build the necessary momentum?

The outcome of the workshop will guide the priorities the IEA's REWP and RETD and inform policy makers, investors and industry in undertaking the steps necessary over the next few years.