Briefing: Alternate Energy and Carbon Trading

Overview

Purpose This brief is to outline the theory of carbon trading and provide direction for Council in the use of alternative energy - particularly solar cells and wind power.

Audience City of Victor Harbor Executive, Councillors and staff.

In this document This document contains the following topics.

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Background

Description

Climate change or global warming has spawned a carbon credit market. The buying and selling of credits is grey and dubious in it results. Nicholas Stern, former World Bank Chief Economist called climate change, “the greatest market failure the world has ever seen.” Can capitalism make amends by providing a means that rewards business and ratepayers - for reducing carbon emissions?

Problem

To stop the globe heating, governments intend to meet targets by capping emissions from major industrial polluters. They will issue permits allowing only so much Co2 emission, yearly. These permits are tradable. They hold that polluters who can cut their emissions most cheaply will overshoot their targets and end up with spare permits. They then on-sell these to companies that find it harder to meet the targets. Further, the plan permits unneeded credits to be sold to developing countries where industrial process is often deadly. This earns certified emission reductions (CERs), which are used to offset their own emissions. So for every ton of Co2 prevented going up the flue in India/ Indonesia - they can emit a ton of their own.

History

The Kyoto protocol signed by industrialised nations (except the US) calls for signatories to cut greenhouse gas emissions for the five-year period from 2008 to 2012. It is based on the premise that **climate change solutions will be an economic burden**. How is the burden then to be shared? Carbon credits? A licence to keep polluting?

Urgency

Councils will come under increasing pressure to reduce carbon footprint. Civilised communities pay to have rubbish taken away - but with energy emissions companies are allowed to dump waste to atmosphere and environment. Emissions trading, goes against all experience of technological change. Has a technological revolution happened over the last 200 years - resultant from an international treaty? No! Technological changes happened because they were accepted as important, superior and necessary for a better future. Why carbon trading when solar cells and wind power are at hand? Do we pay for traditional power company’s failure to plan for the future?

Potential impact

Council could be led in directions - detrimental to ratepayers if it fails to understand that carbon credit trading is of no value at the local level.

Key Issues

Overview

Councils can lead by:

- Encouraging local energy production based on renewable energy
- Retrofitting existing houses with solar panels and wind turbines
- Solar and wind power are clean, renewable and sustainable
- Replace traditional power stations – with local suppliers to local markets by facilitating the installation of turbines and solar cells
- Replace street lighting with solar/wind light poles
- Cover factory roofs with solar panels and install solar farms
- Rejecting carbon trading as meaningless for the rest of us

Key issue: Local energy production

Traditional energy companies send power outwards from a core site via networks of pipes or wires. Solar cells and wind turbines provide power on site, cleanly. In SA there are 10 traditional companies providing energy in the old way. Some provide wind power but it is primarily a method of attracting carbon credits. Only one, Origin, has invested in solar cells (sliver) and has informed the market they won't be available for two years. The city of London has mandated solar cells on all public buildings. Germany has launched a national solar cell programme with a national feed in tariff.

Key issue: Power types

Successful solar and wind installations (some combined) are already extant on the peninsula. Both commercial and domestic users have demonstrated complete independence from grid-based systems. In fact some get money back! In some cases there is no interaction at all necessary with a traditional power company. This writer advocates grid connected - solar/wind hybrid systems.

Key issue: Council leads

Council must use the massive roof space it has available (Civic Centre and other buildings) to initiate solar cell power distribution. It must augment this with domestically located wind power. It could further work with its constituency by offering shares in a new, local power entity. Building regulations will need to be changed to allow urban turbines.

Key issue: Carbon trading wont help us

Carbon trading is not an economic burden – on us - rather a new economic opportunity. Issuing emission rights that can be traded is no good to us. It is similar to giving rights to trade in drugs saying drug dealers can buy and sell as it will balance out in the end. It makes a few people rich and does nothing for the rest of us. It is our opportunity to lead with renewable alternatives.

Summary and Next Steps

Summary: Key issues

It is abundantly clear that there are alternative, clean power sources. Equally clear is the need to deploy them at local level as traditional power generation methods, now threaten penury at a minimum and extinction at a maximum. Carbon trading will do nothing for us at local level. This offers Councils economic incentive and opportunity.

Decisions

Decide now on solar cell and wind technologies, while keeping other sources such as wave and tidal, optional. Do not be distracted by nuclear, as even if its use were authorised it would be twenty years before it could be commissioned. Solar and wind are technological solutions, available now and will continue to improve.

Next steps

Council enunciates its stand and moves on building regulations to facilitate local (in every home and vacant block) *renewable* power generation.