

EPEE ***NEWS***

*A Newsletter from
The European Partnership for Energy and the Environment
(EPEE)*

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*As the EU institutions slowed down in August,
this issue of EPEE News is very short..*

**EPEE is a business partnership committed to
responsible global energy and environmental policy**

DANISH HFCs PHASE-OUT PLAN

Awaiting further news from the European Commission on a possible Danish reply to the detailed opinions from the Commission, Belgium, Germany, Italy and Spain, the Danish Jyllands-Posten newspaper recently revealed that Danish environment minister Svend Auken has started negotiations with industry on the F-gases phase-out timetable. The same newspaper also wrote that the federation of Danish industries (DI) and the Danish Petroleum Industry Association (OFR) had criticized the Climate Change Programme, because a close reading of the figures shows that measures are costing DKr15bn (euros 2bn) annually while providing savings and other benefits worth no more than DKr3bn. According to the Jullands-Posten "a source in the [finance] ministry confirms that the gap between the value of climate measures and the high cost is very large - and scarcely justifiable in terms of hidden benefits to society".

Although France had not submitted a detailed opinion, the French State Secretary for Industry, Mr Christian Pierret, confirmed to French industry that, in absence of a European approach on global warming, the French authorities have informed the European institutions about their objections concerning the Danish legislative project, particularly in view of the impact on the free movement of goods in the EU, as well as in view of a common approach towards climate change. Mr Pierret has asked his services to follow these issues with great "vigilance", in permanent liaison with the industry.

EUROPEAN CLIMATE CHANGE PROGRAMME (ECCP)

According to a source within the European Commission, the draft ECCP Communication has given an disproportional high priority to the proposed measures (a directive/regulation etc.) on f-gases, in view of the relative small impact of f-gases on climate change, particularly if compared with other areas such as transport, energy etc. According to this Commission official, this has to be carefully monitored to avoid that unreasonable demands will slip in during the legislative process.

CLIMATE CHANGE IN THE EU

Swedish Climate Change Study

With the objective of identifying policy ideas to to reduce Swedish greenhouse gas emissions by 2%, the Swedish Government assigned a study on f-gases to the Swedish Environmental Protection Agency. The resulting report covers all industries using greenhouse gasses. Concerning the air conditioning, heat pump and refrigeration industry the proposal states that is the area with the largest growth of refrigerant emissions. The report recommends that for stationary plants there is a huge potential to get cost effective decrease in refrigerant pollution by using leak-free equipment, more inspections of equipment and education. The Swedish ministry of environment will later propose appropriate measures, changes in the enviromental legislation and the Swedish refrigerant code.

The study also includes a proposal for an environmental fee corresponding to the equivalent CO₂-value, similar to Denmark and Norway, as a method of minimizing the emissions of refrigerants. This would give an incentive to reduce leakage rates especially on larger plants.

The fee should, however, be followed up with a ban of new installations. This would require a change towards HC-refrigerants (propane, butane etc.) which in turn requires safety rules from the National Inspectorate of Explosives and Flammables. According to the study, there are promising prospects to change from HFC to CO₂. The study recognizes that the changeover from HFC to HC and ammonia would increase the investment by 5-15% (please note, according to some industry sources these costs, including safety precautions could be 50-100% more expensive, particularly in smaller plants!). The study recommends that existing HFC plants should be allowed to continue until the end of their life.

UK launches Emissions Trading Scheme

UK Business welcomed the Government's £215 million emissions trading scheme aimed at cutting industry's impact on climate change which was launched on 14th August 2001. The greenhouse gas (GHG) trading plan is to enable the country to meet and possibly exceed its obligation under the Kyoto Protocol. The scheme allowing companies to trade in unused allowances to emit carbon dioxide will be a world first when it comes into operation next year. Officials hope the plan will reduce two million tons of carbon emissions per year by 2010 and generate new jobs and investment opportunities. The UK also hopes that its plan will also serve as an example for the EU and the US.

Meanwhile, emissions trading experts have criticized last month's Bonn Agreement for failing to direct companies on how they should establish trading programs for global greenhouse gases (GHG). Although the agreement does establish a framework for an international trading system, conference attendees believe that the lack of rules for individual companies will limit the development of an open market. Officials at Deutsche Bank have estimated that the annual emissions trading market to be more than \$150 billion.

SAFETY DEVELOPMENTS

The risks linked to the use of ammonia was shown by an incident on Tuesday 7th August as a result of technical problem with a compressor in the Gopher State Ethanol plant. The brewing company released 8,000 pounds of ammonia into the air after a compressor that regulates the release of ammonia went out during a power failure.

When the power came back on, it caused the stored-up ammonia to spew out at once. The company expressed disappointed by the incident, but said "We can't control the electricity". As a result of the accident 25 employees had to be treated.

EARTH TECHNOLOGIES FORUM

The Earth Technologies Forum (ETF), the preeminent conference and exhibition on global climate change and ozone protection technologies and policies, will be held March 25-27, 2002 at the Hyatt Regency on Capitol Hill, Washington, D.C. A Call For Papers is available now at www.earthforum.com.

The conference is sponsored by the International Climate Change Partnership (ICCP), and the Alliance for Responsible Atmospheric Policy, in cooperation with the U.S. Environmental Protection Agency, U.S. Department of Energy, U.S. Agency for International Development, UN Environment Programme, UN Development Programme, Environment Canada, Industry Canada, Australian Greenhouse Office, Netherlands' Reduction Plan for the Non-CO2 Greenhouse Gases, and the World Business Council for Sustainable Development, as well as over 80 industry groups. The conference will provide an opportunity for discussion of current technologies and efforts to bring them into the marketplace. One of the main features of the conference will be an exhibition of climate and ozone-friendly technologies and programs. For a copy of the Call For Papers or additional information, please call ETF at ++ 1 703 807-4052. You may also check the Forum's home page at www.earthforum.com, or e-mail earthforum@alcalde-fay.com.

UPCOMING EVENTS CALENDAR

EPEE Strategy Group Meeting: (closed) 23rd October 2001 in Brussels

EPEE General Assembly: (closed) 24th October 2001, in Brussels

EPEE Steering Committee Meeting: (closed) 25th October 2001 in Brussels

EPEE Company Working Group Meeting: (closed) 27th - 28th November 2001

CLIMA 2000 Napoli 2001: 15-18 September 2001, Naples, Italy

IKK Hannover: 10-12 October 2001, Hannover, Germany

TABD (Trans Atlantic Business Dialogue): 11-12 October 2001, Stockholm, Sweden

Institute of Refrigeration: 1st November 2001, one day event " **Efficient Air Conditioning, the Role of Refrigeration** "

ARI Annual conference/General Assembly: 09-14 November 2001, Ft. Lauderdale, USA

Please submit items for EPEE NEWS and the UPCOMING EVENTS CALENDAR to:
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