May 19, 2012

Fact Sheet: G-8 Action on Energy and Climate Change

At the Camp David Summit, G-8 Leaders recognized that the development of and universal access to environmentally safe, sustainable, secure, and affordable sources of energy is essential to global economic growth and to their overall efforts to address climate change. As such, they identified several actions for the G-8 to take together:

Pursue a Comprehensive Energy Strategy – Safely

- Recognize the value of simultaneously pursuing a wide variety of energy sources in order to meet energy demands, acknowledging each nation's different needs and different approaches. In pursuing an appropriate mix from all of the above, we recognize that different energy sources have different inherent risks and must be developed in a safe, efficient, and environmentally sustainable manner.

- Support the G-20 Global Marine Environment Protection initiative to develop a Best Practices Sharing Mechanism (GMEP Mechanism), available to all interested countries and stakeholders, for the exchange of best practices for offshore oil and gas exploration and development in an effort to help prevent future accidents.

- Welcome and agree to review the International Energy Agency's work on potential best practices for natural gas development as an input into our effort to share information on strategies for its environmentally safe and sustainable production.

- Recognize the important work of the International Atomic Energy Agency (IAEA), particularly full implementation of its Action Plan on Nuclear Safety, and strengthened cooperation between governments, the nuclear energy industry, and the IAEA. Encourage all Parties to make full use of the upcoming extraordinary meeting of the Convention on Nuclear Safety to enhance and strengthen the effectiveness of the international legal framework by the most efficient and practicable means available. Notes the importance of the upcoming December 2012 Fukushima Ministerial Conference on Nuclear Safety.

Respond to Changing Fuel Mix and Infrastructure

- Request the IEA, in coordination with other international institutions, to review existing work and provide a consolidated report on likely future scenarios for the global energy balance and the infrastructure requirements created by the changing energy mix.

- Welcome innovative, market-based instruments for financing energy infrastructure, including from the Multilateral Development Banks and Development Finance Institutions, such as guarantees, political risk insurance, and other forms of support for the private investment needed to modernize the global energy infrastructure with particular attention to environmental challenges.

- Facilitate free trade in all kinds of energy resources as a means to enhance economic security and decrease price volatility, including by abolishing barriers to trade and by providing for a favorable investment climate in the energy sector.

- Encourage both consumer and producer countries to further enhance the transparency of gas markets through dialogues and development of gas data systems, and request the International Energy Forum to accelerate the establishment of a full-fledged Joint Oil Data Initiative-Gas.

- Support for the development of open, transparent, consensus-based standards development processes, thereby facilitating interoperability, creating an international market for grid technologies, encouraging trade, and improving efficiency.

Promote the Sustainable Deployment of Renewables

- Support cooperation to enhance the regulatory and operating systems governing electric grids through initiatives under the Clean Energy Ministerial, including the launch of the Public-Private Leadership Forum under the 21st Century Power Partnership.

  - Commission theIEA, in cooperation with International Renewable Energy Agency and other international institutions, to synthesize recent analyses of renewable energy development and deployment policies in G-8 countries, including:

  - Experience with, and innovation in, government funding for research and development (drawn from the report on "Accelerating Energy Technology Innovation");

  - Efficacy of policies, including regulations, portfolio standards, feed-in tariffs, and other subsidies, to promote renewable energy deployment consistent with market competition among technologies.

- Request the IEA to synthesize recent assessments of existing regulatory models and grid management systems to identify best practices in integrating renewable energy sources into the power grid, drawing from a broad range of recent IEA work on renewables deployment and smart grid solutions. These developments should be aimed at sustainable and long-term modernization of the electricity sector, technological advancements, and economic growth that will allow all renewables to develop freely in a competitive environment.

- Applaud the Global Bioenergy Partnership (GBEP) for finalizing a set of sustainability indicators for the production and use of modern bioenergy and for initiating capacity building

activities through a Regional Forum in West Africa. Invite GBEP to continue implementing capacity building activities that promote modern bioenergy for sustainable development.

Enhance Preparedness for Oil and Gas Supply Disruptions

- Request the IEA, in coordination with other international institutions, to analyze how changes in the global energy market are affecting the preparedness for oil and gas disruptions. The review should include:

  - The appropriate level and composition of strategic stocks, for example, crude oil versus petroleum products, to mitigate the economic consequences of energy supply disruptions; and

  - Coordination of collective responses to supply disruptions with other producing and consuming countries, including the potential for increased stockholding by, and alignment of policies with, emerging consumer countries.

Advance Energy Efficiency, Including Appliance and Equipment Efficiency

- Accelerate the global pace of progress on appliances and equipment efficiency by encouraging all governments to:

  - Build on current efforts under the Clean Energy Ministerial, including the Super-efficient Equipment and Appliances Deployment (SEAD) initiative;

  - Take steps, including through SEAD, to recognize comparable and transparent test procedures for energy efficiency in appliances and other consumer products to allow manufacturers to test products once and sell them globally. This effort will draw on the work of existing standardization bodies to lower non-tariff barriersand improve the international comparability of energy efficiency policies.

- Agree to work together, including through the Clean Energy Ministerial's Global Superior Energy Performance Partnership (GSEP), to encourage the use of energy management systems in industry as well as in government and other buildings and share related best practices.

Address Climate Change, Including By Reducing Short-Lived Climate Pollutants

- In the spirit of increasing mitigation efforts, we agree to collectively join the Climate and Clean Air Coalition to Reduce Short-Lived Climate Pollutants, launched on February 16, 2012. This new initiative will enhance our collective ambition in addressing climate change by complementing efforts to address CO2 emissions. By developing strategies to reduce short term pollutants – chiefly methane, black carbon, and hydroflurocarbons – we can help reduce global warming, improve health, and increase agricultural productivity, as well as energy security.

- Commission the World Bank to prepare a report on ways to integrate reduction of near-term climate pollution into their activities and ask the World Bank to bring together experts from interested countries to evaluate new approaches to financing projects to reduce methane, including through pay-for-performance mechanisms.

In its role as 2012 Chair of the G-8, the United States intends to work with G-8 partners to develop mechanisms for following up these actions over the course of 2012.

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