ipcc
INTERGOVERNMENTAL PANEL ON climate change

"Climate Change – Mitigation of Climate Change: Key Insights from the AR5"

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Co-Chair, IPCC Working Group III

Jülich
14. Januar 2015

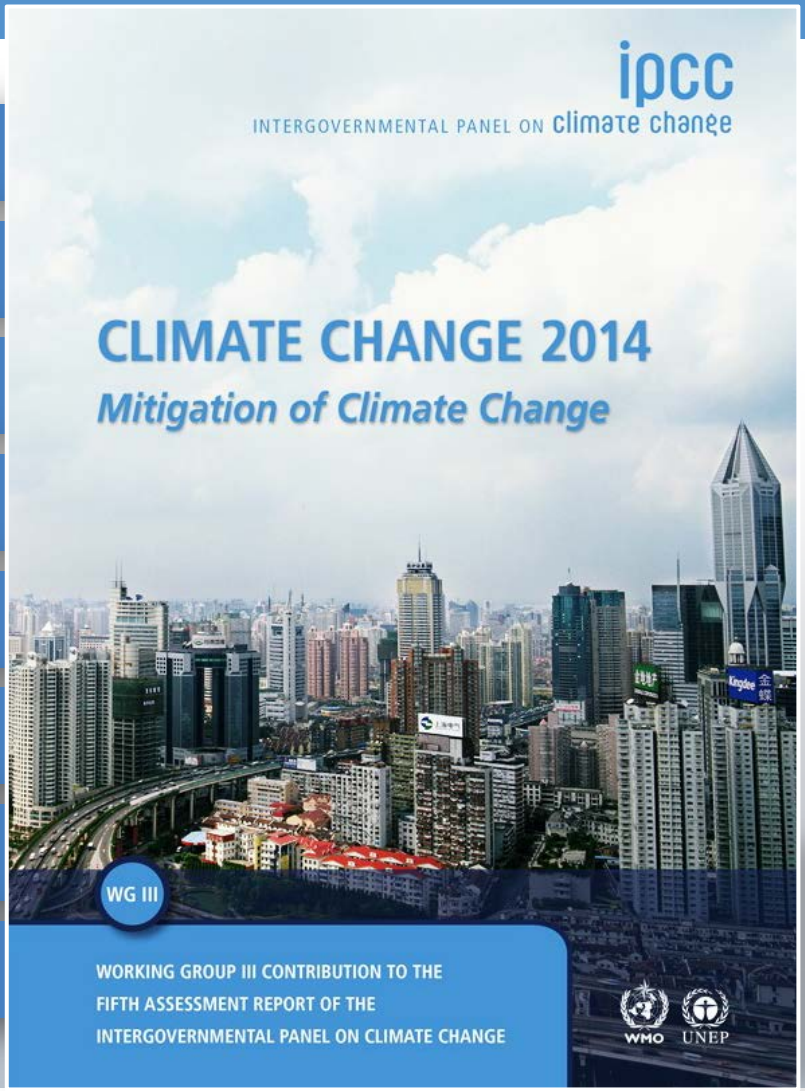
Working Group III contribution to the
IPCC Fifth Assessment Report

Technische Universität Berlin

WMO UNEP

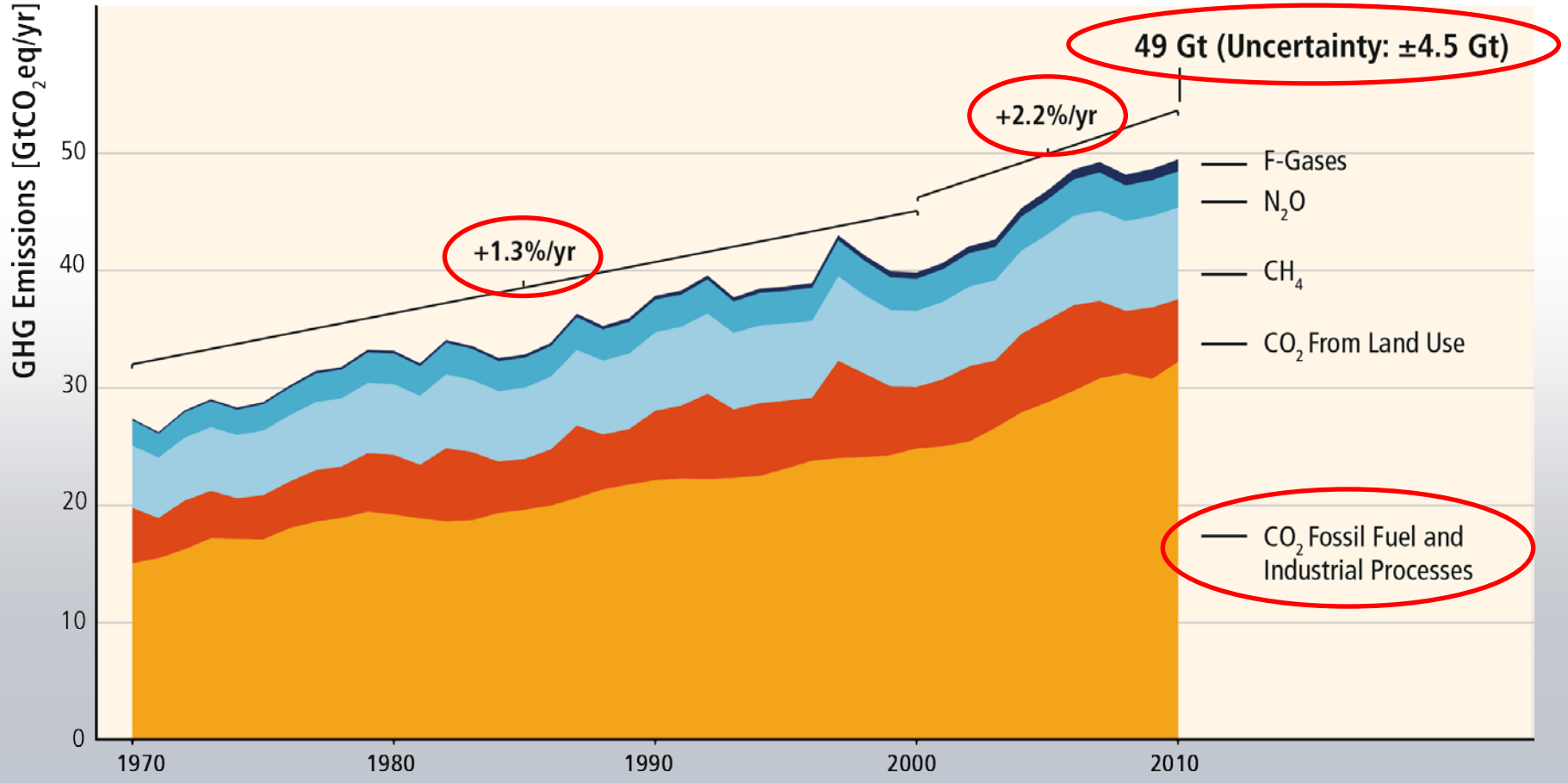
IPCC reports are the result of extensive work of many scientists from around the world.

- 1 Summary for Policymakers
- 1 Technical Summary
- 16 Chapters
- 235 Authors
- 900 Reviewers
- More than 2000 pages
- Close to 10,000 references
- More than 38,000 comments



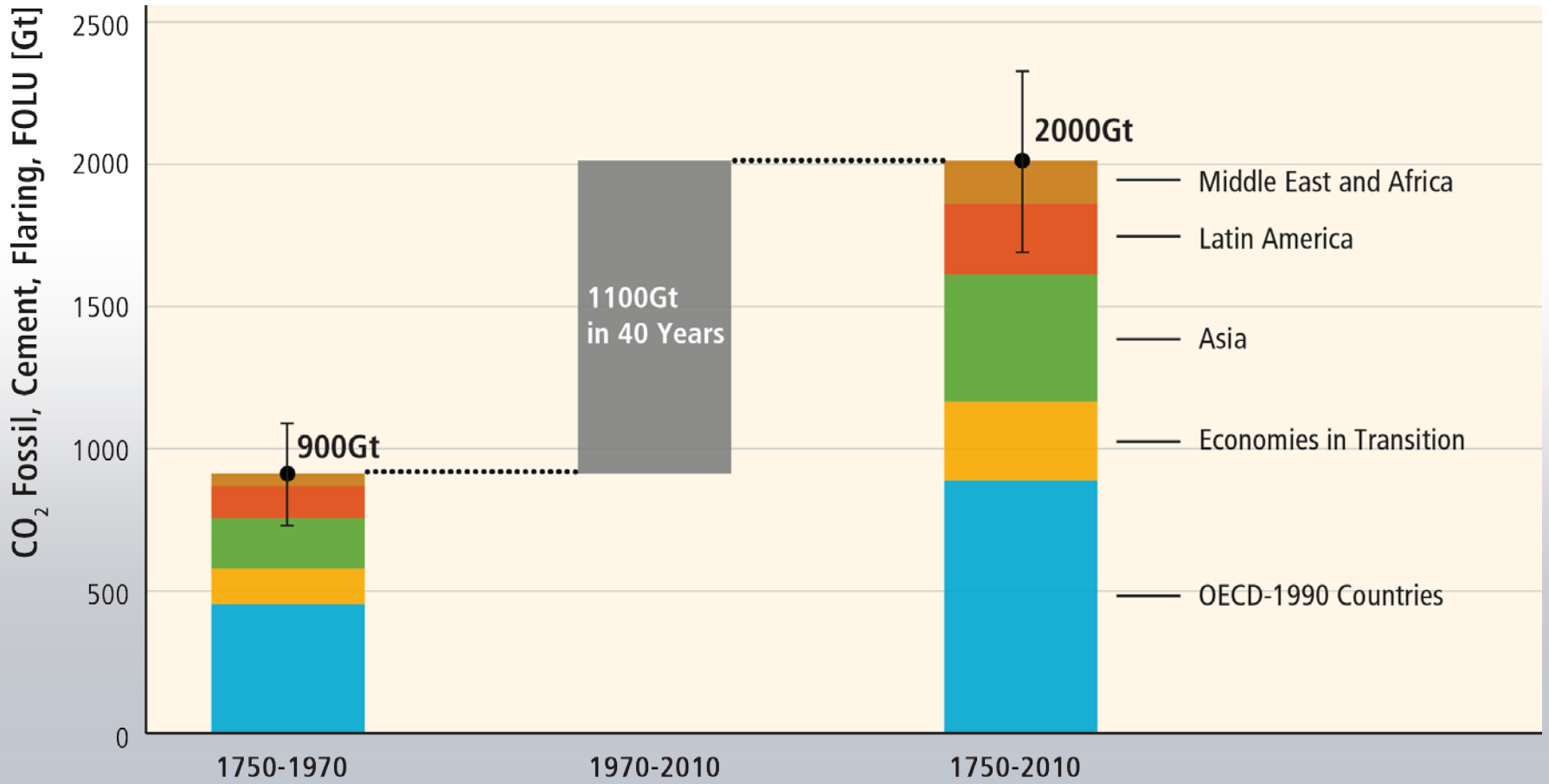
GHG emissions growth has accelerated despite reduction efforts.

GHG emissions growth between 2000 and 2010 has been larger than in the previous three decades.



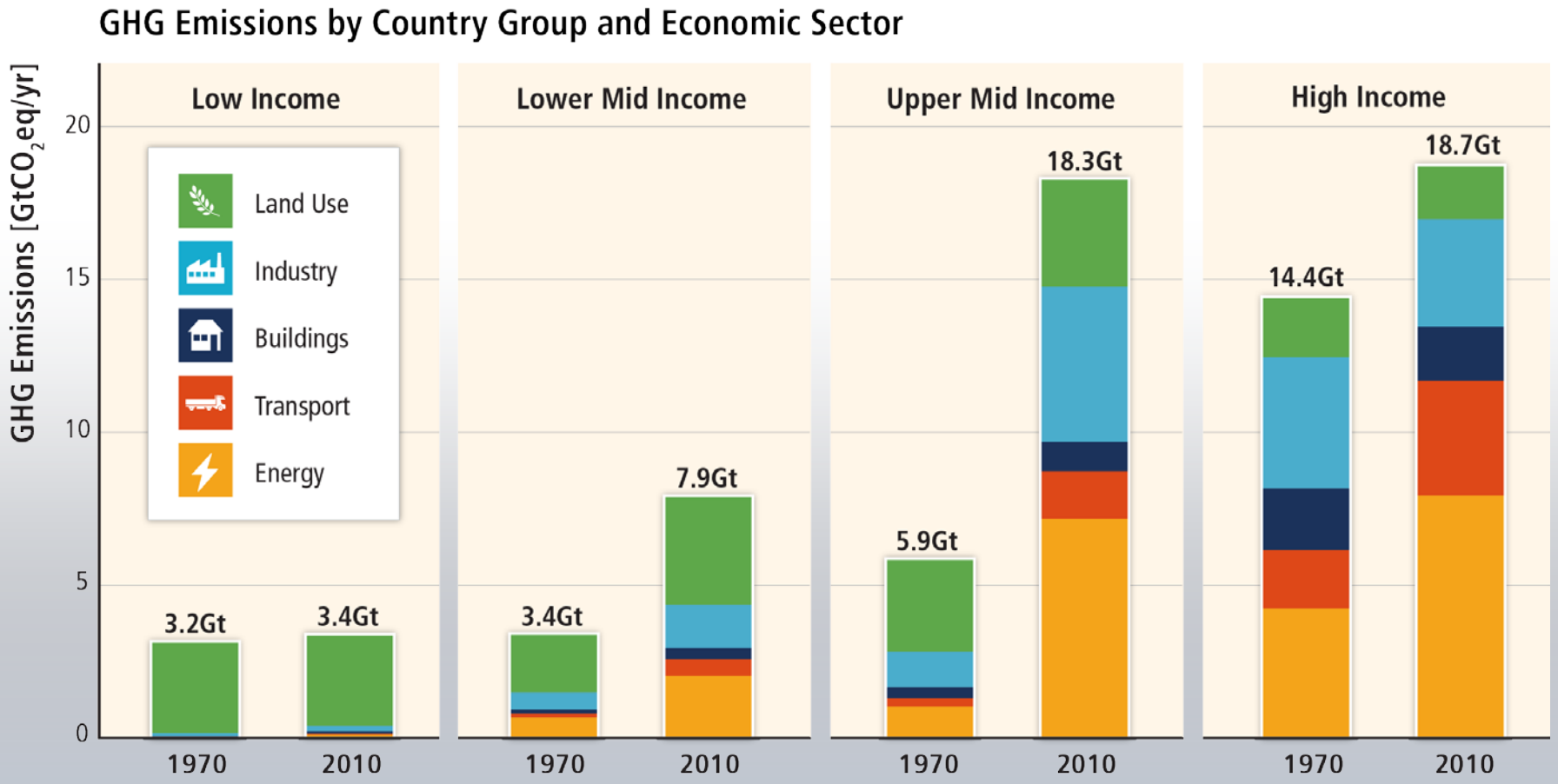
Based on Figure 1.3

About half of cumulative anthropogenic CO_2 emissions between 1750 and 2010 have occurred in the last 40 years.



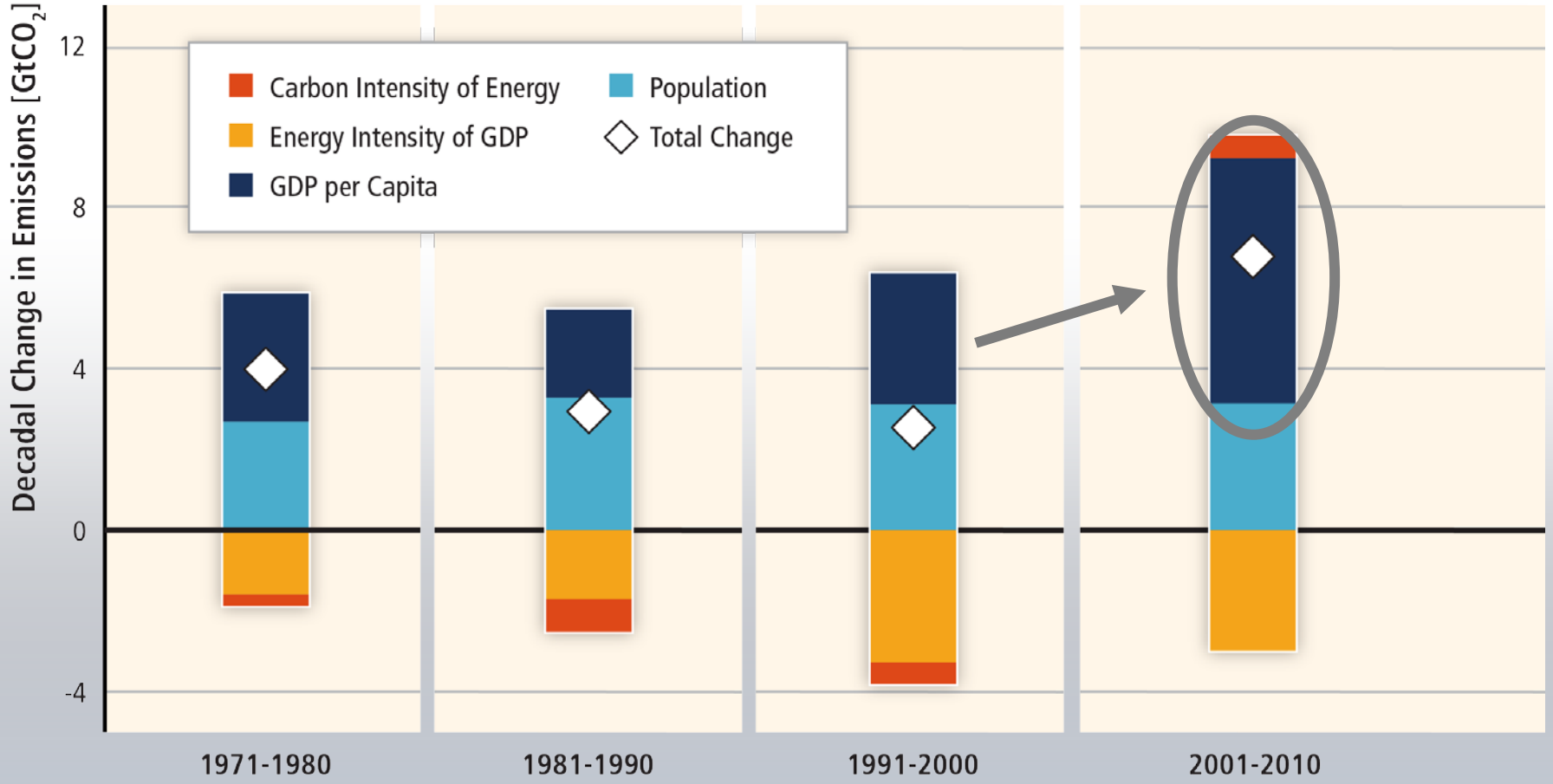
Based on Figure 5.3

Regional patterns of GHG emissions are shifting along with changes in the world economy.



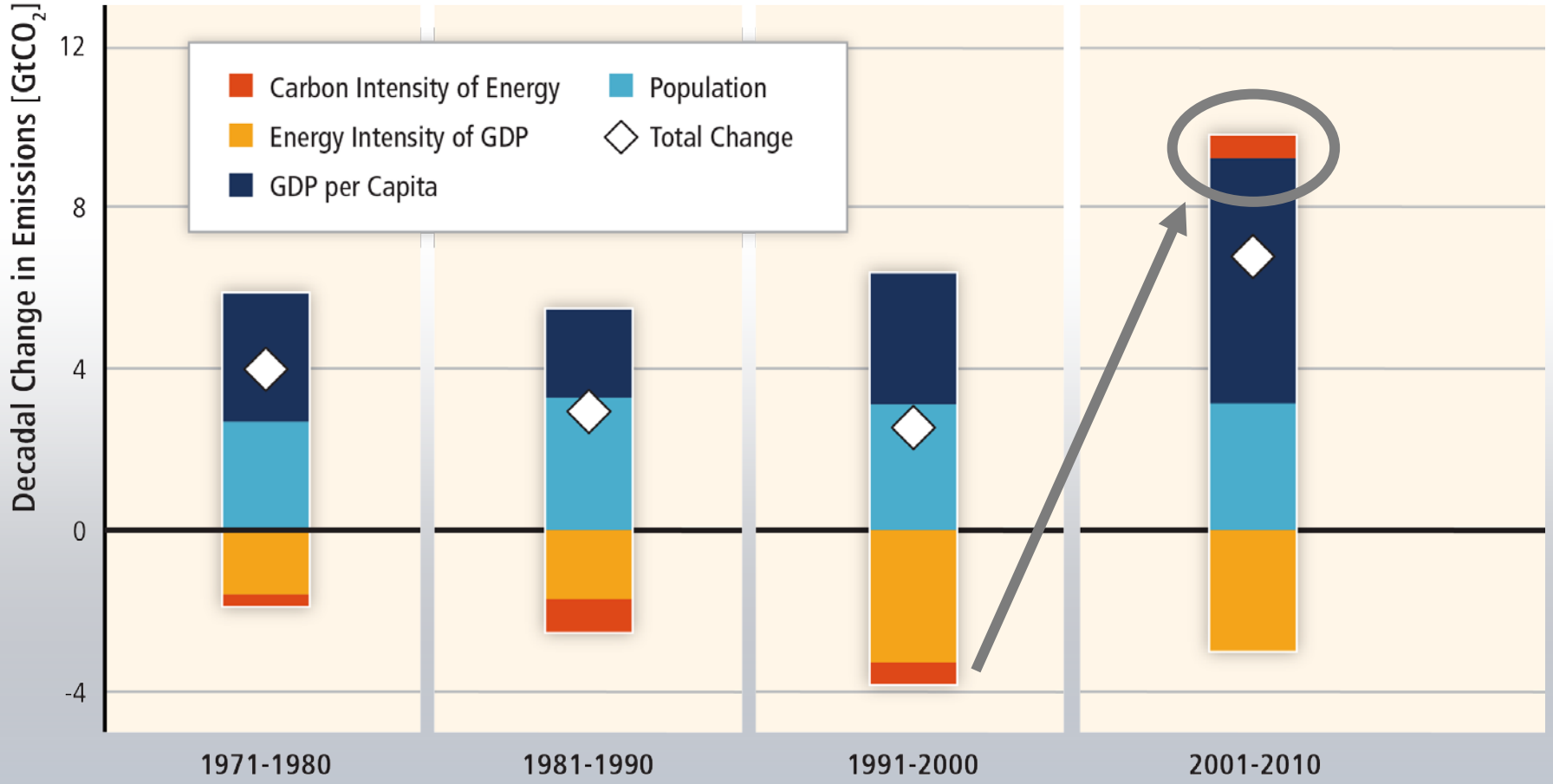
Based on Figure 1.6

GHG emissions rise with growth in GDP and population.



Based on Figure 1.7

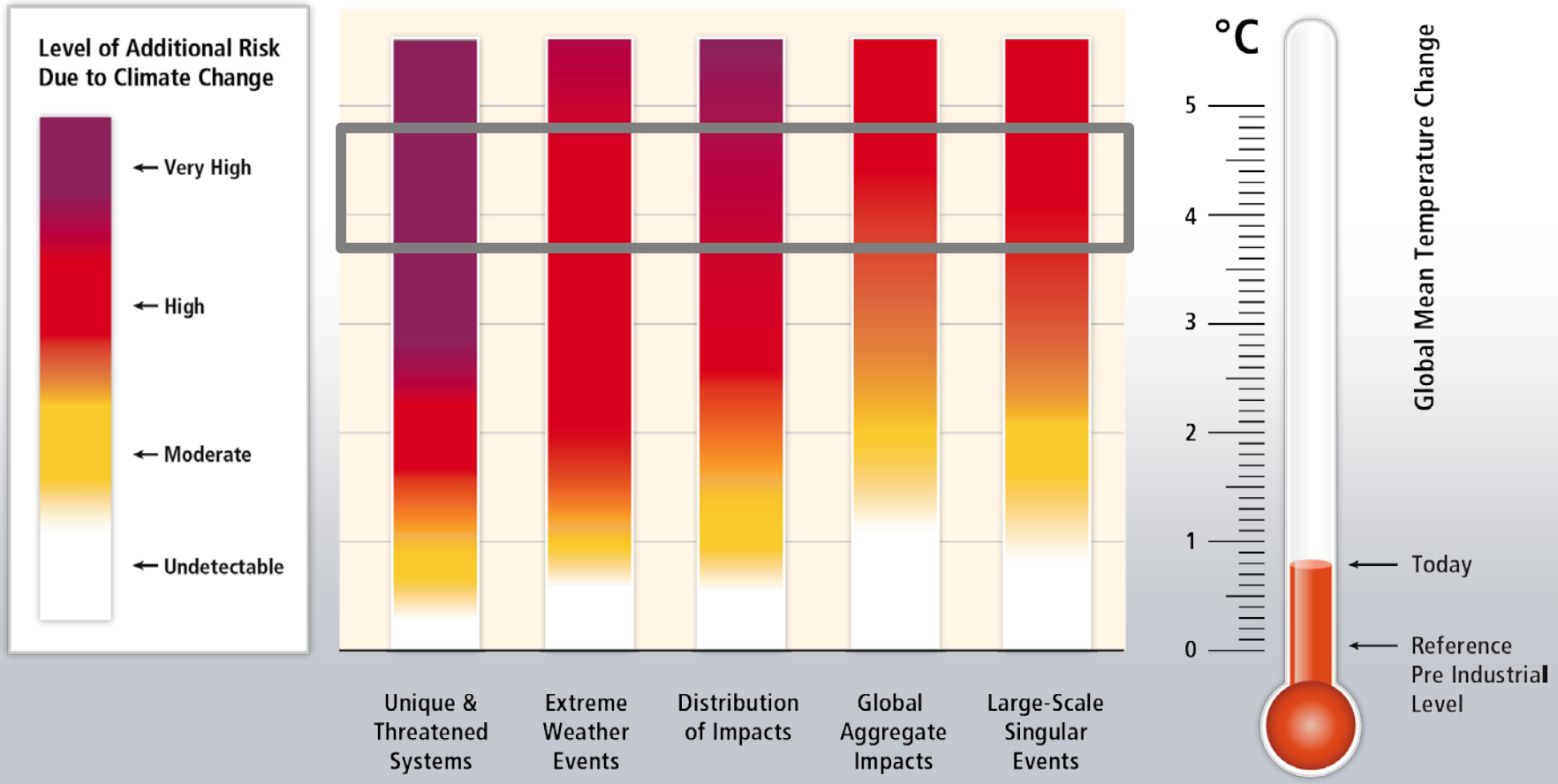
The long-standing trend of decarbonisation has reversed.



Based on Figure 1.7

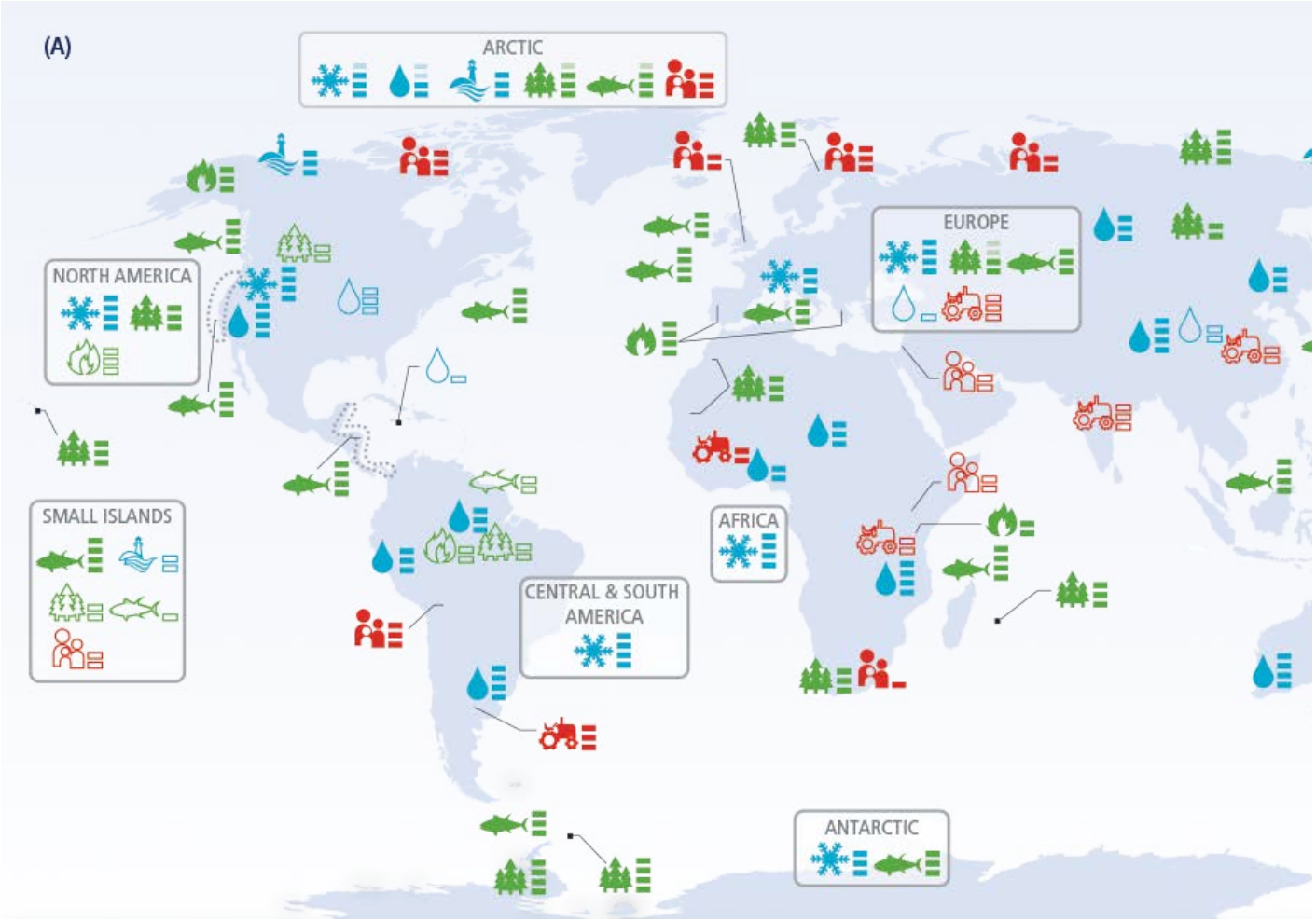

Limiting warming to 2°C involves substantial technological, economic and institutional challenges.

Without additional mitigation, global mean surface temperature is projected to increase by 3.7 to 4.8°C over the 21st century.



Based on WGII AR5 Figure 19.4

Observed impacts of climate change are widespread and consequential.



Biological systems

- Terrestrial ecosystems
- Wildfire
- Marine ecosystems

Physical systems

- Glaciers, snow, ice, and/or permafrost
- Rivers, lakes, floods, and/or drought
- Coastal erosion and/or sea level effects

Human and managed systems

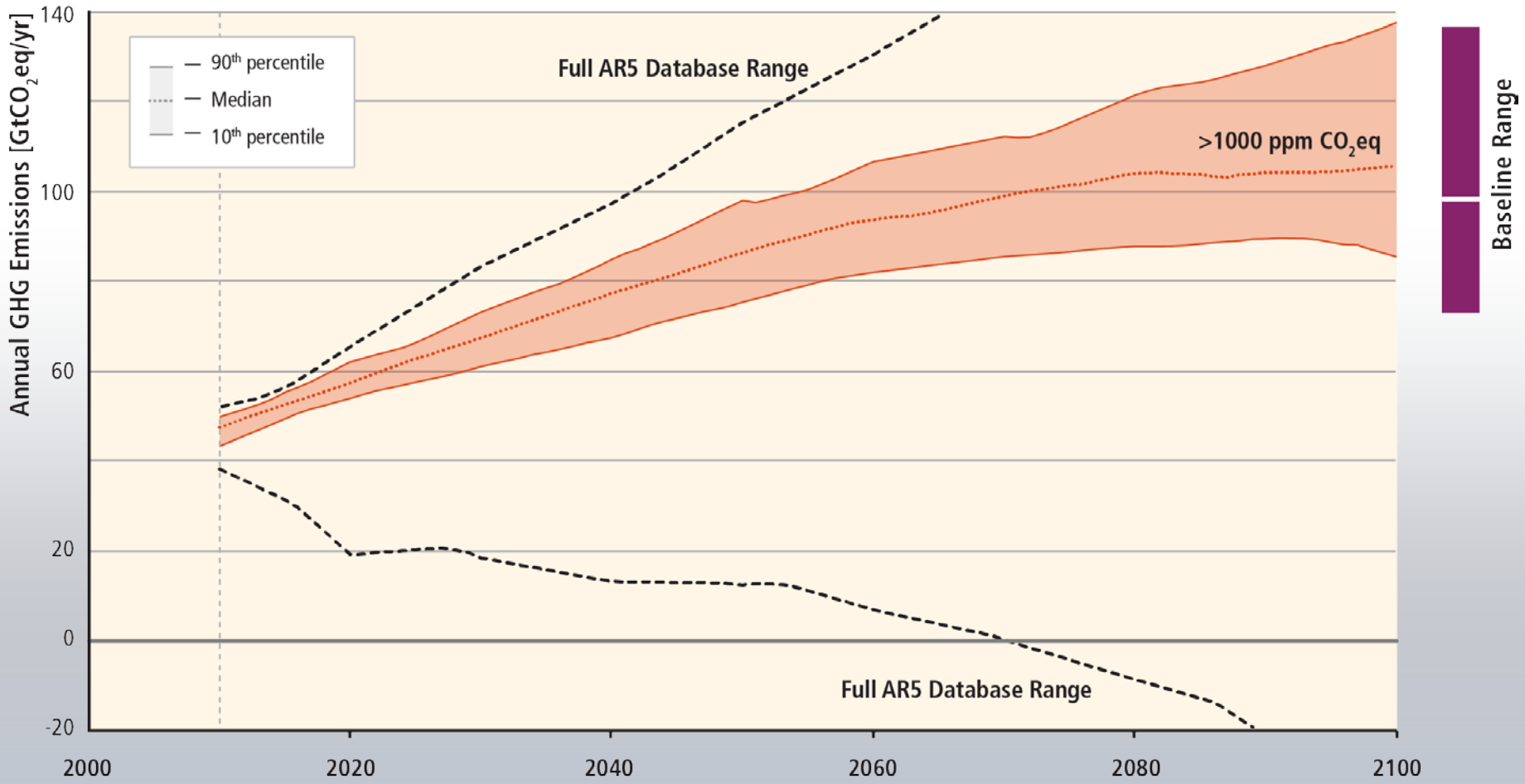
- Food production
- Livelihoods, health, and/or economics

Confidence in attribution to climate change

very low | *low* | *med* | *high* | *very high*

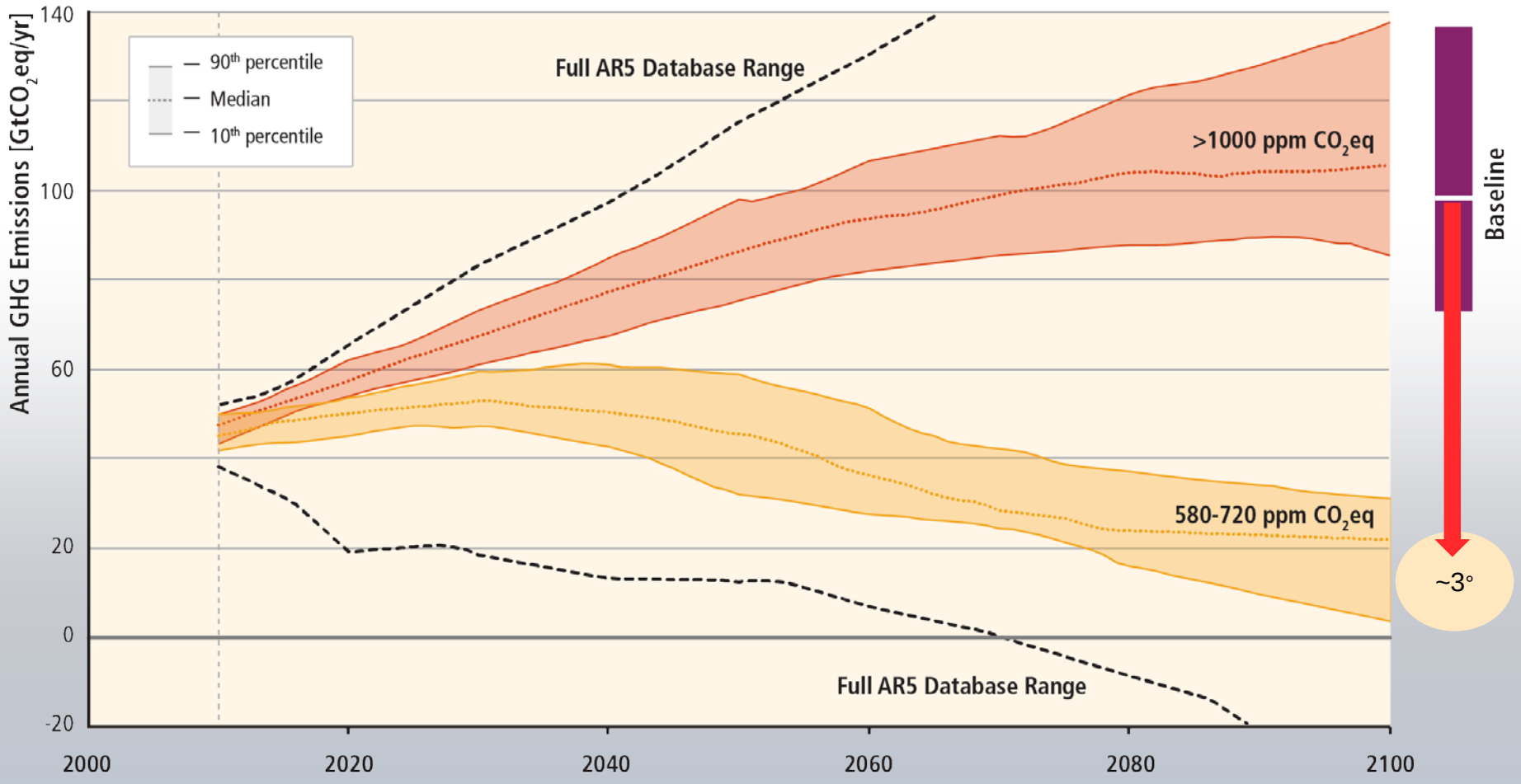
indicates confidence range

Stabilization of atmospheric concentrations requires moving away from the baseline – regardless of the mitigation goal.



Based on Figure 6.7

Stabilization of atmospheric GHG concentrations requires moving away from the baseline, regardless of the mitigation goal.



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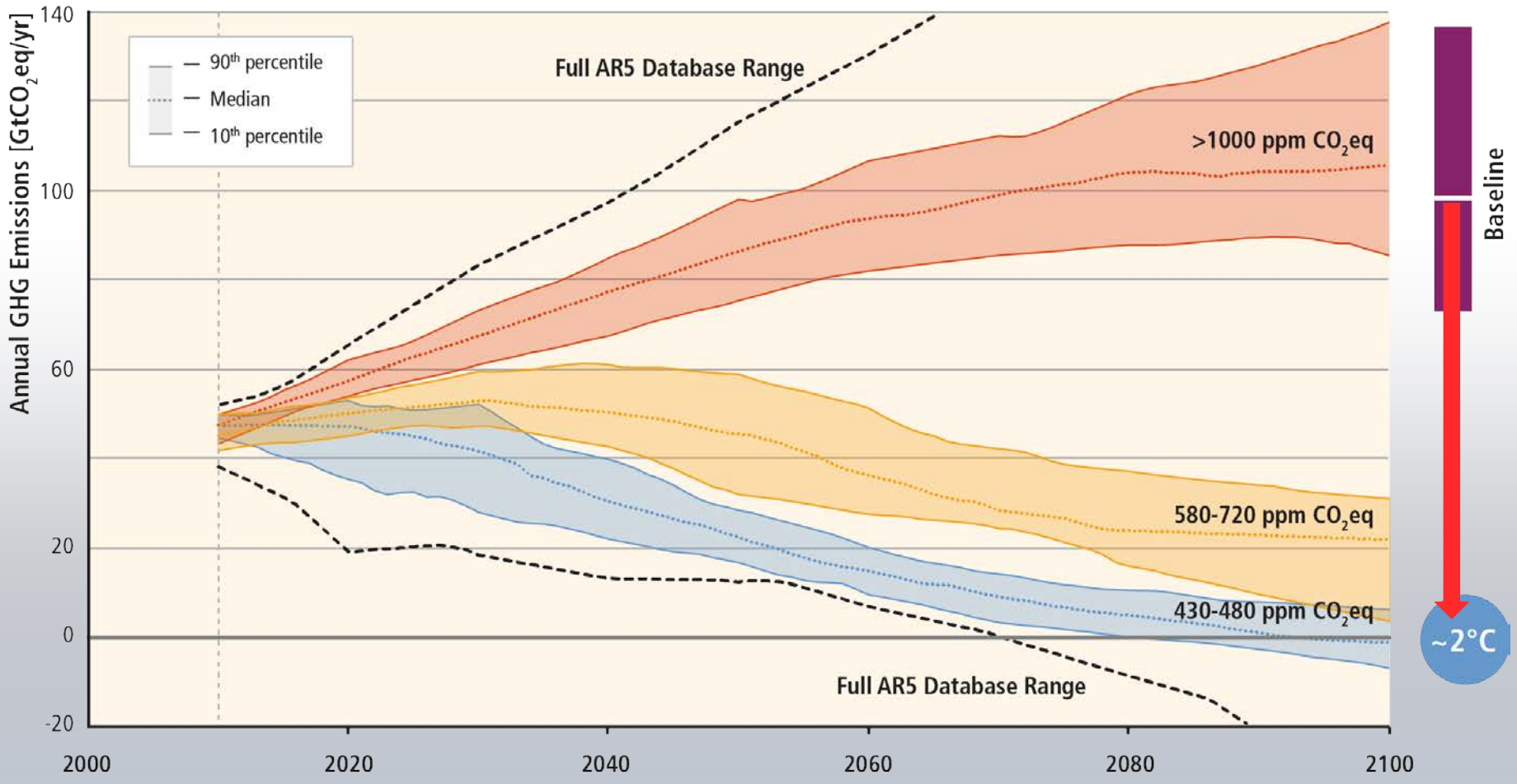
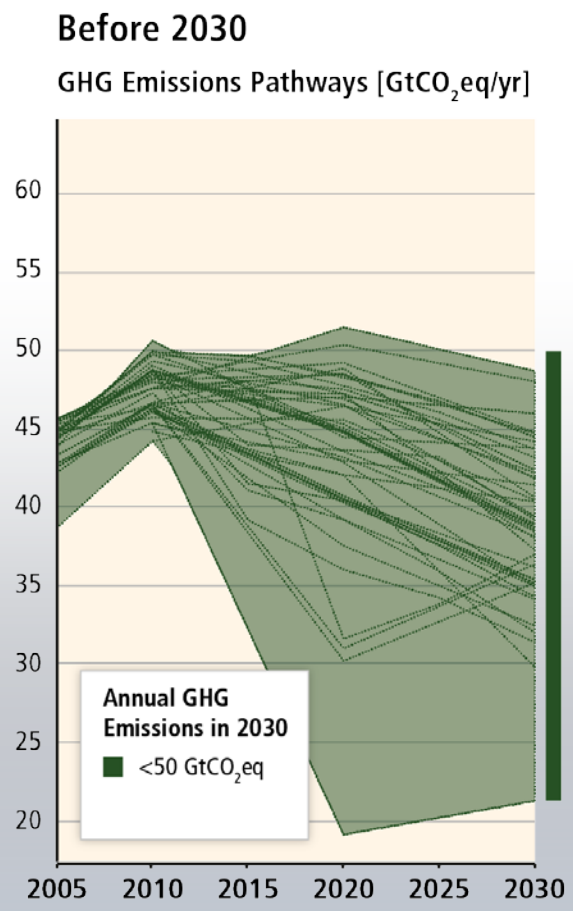


Delaying mitigation increases the difficulty and narrows the options for limiting warming to 2°C.



"Immediate Action"

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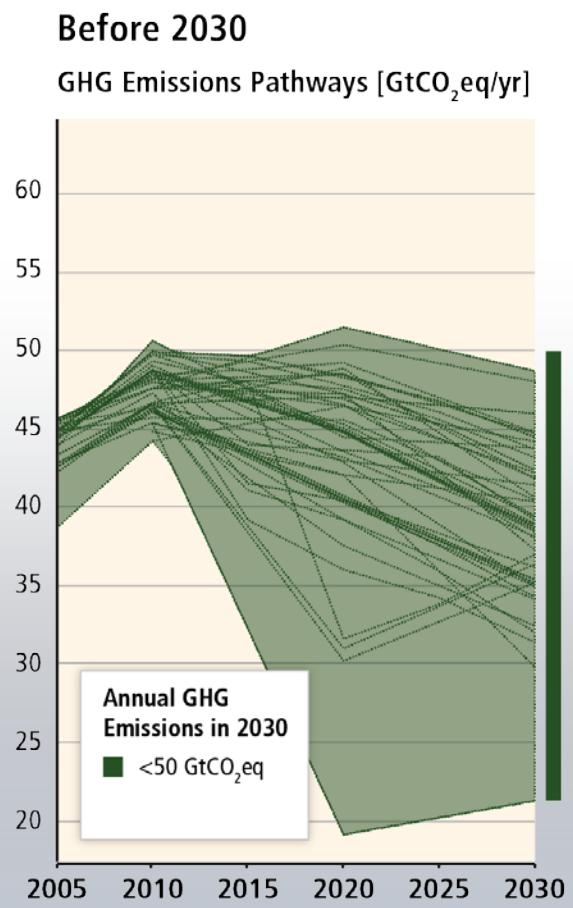

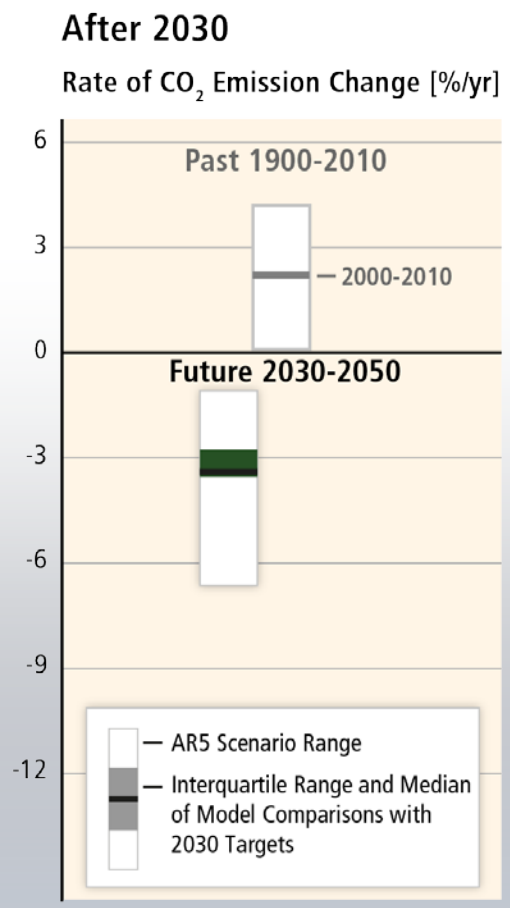

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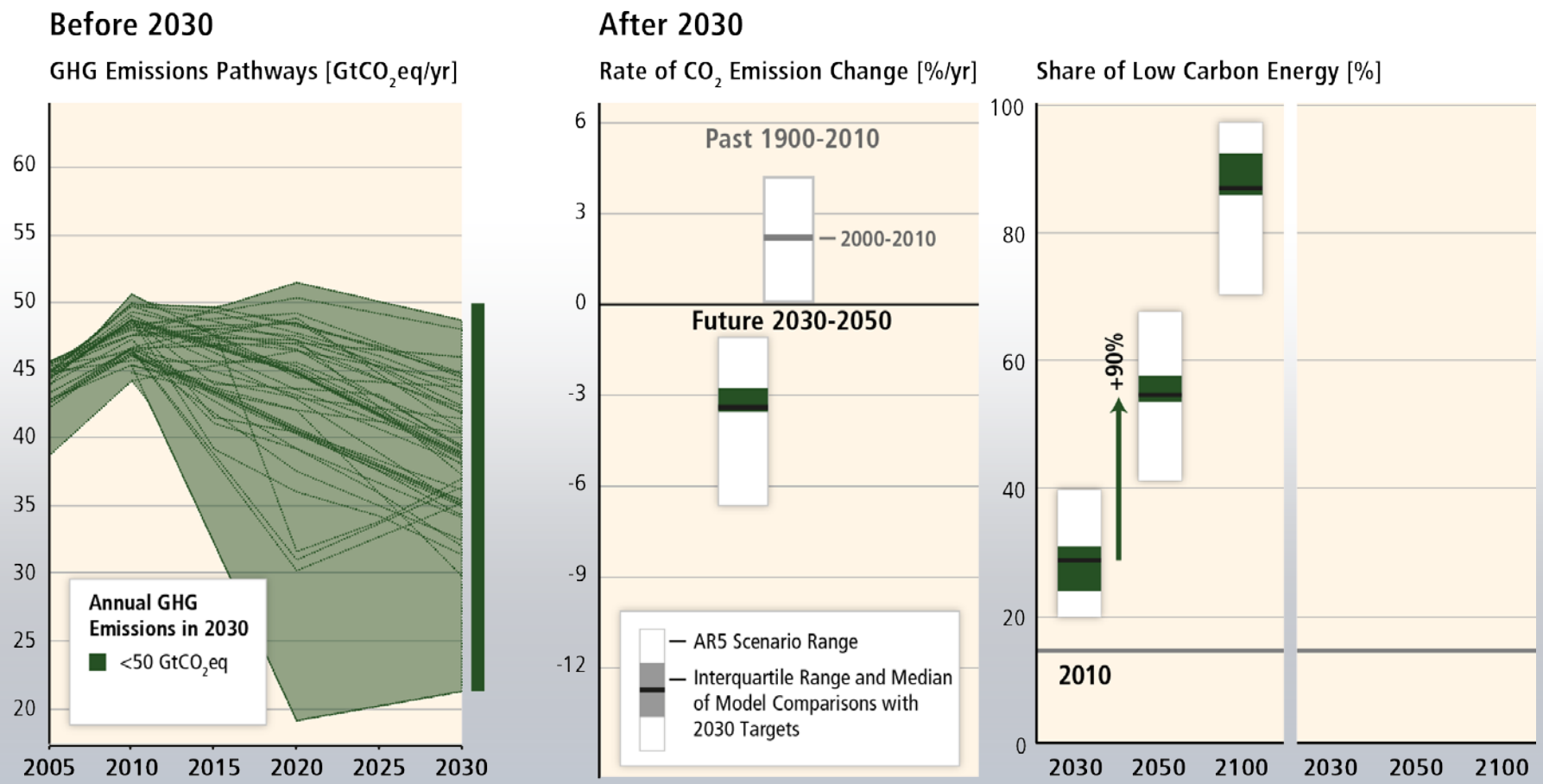
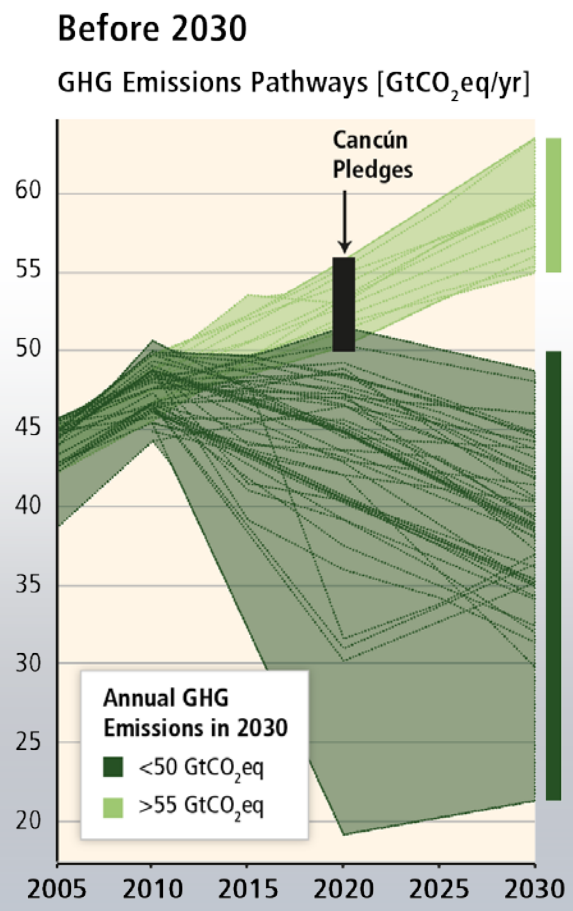


Delaying mitigation is estimated to increase the difficulty and narrow the options for limiting warming to 2°C.



"Delayed Mitigation"

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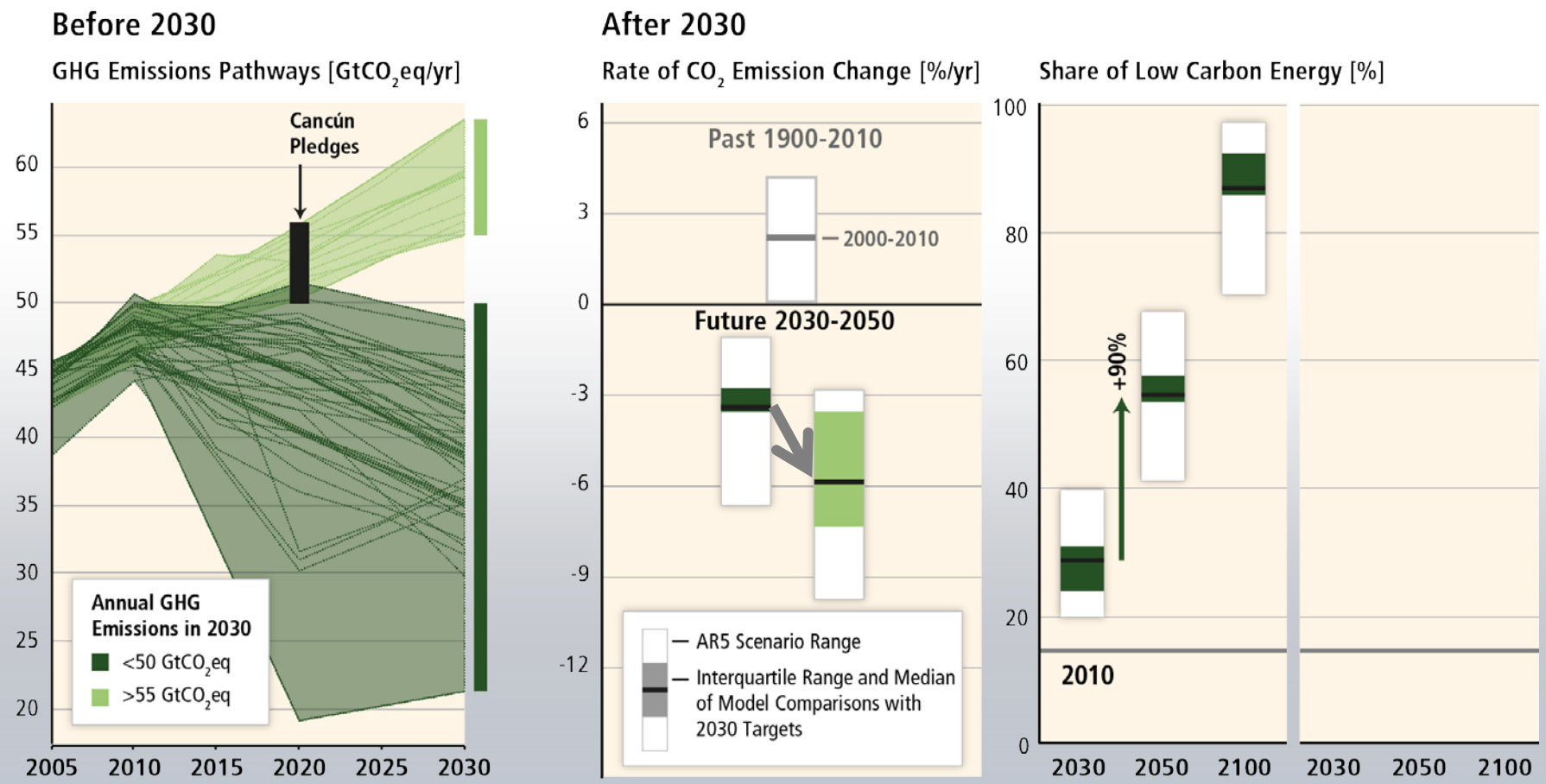
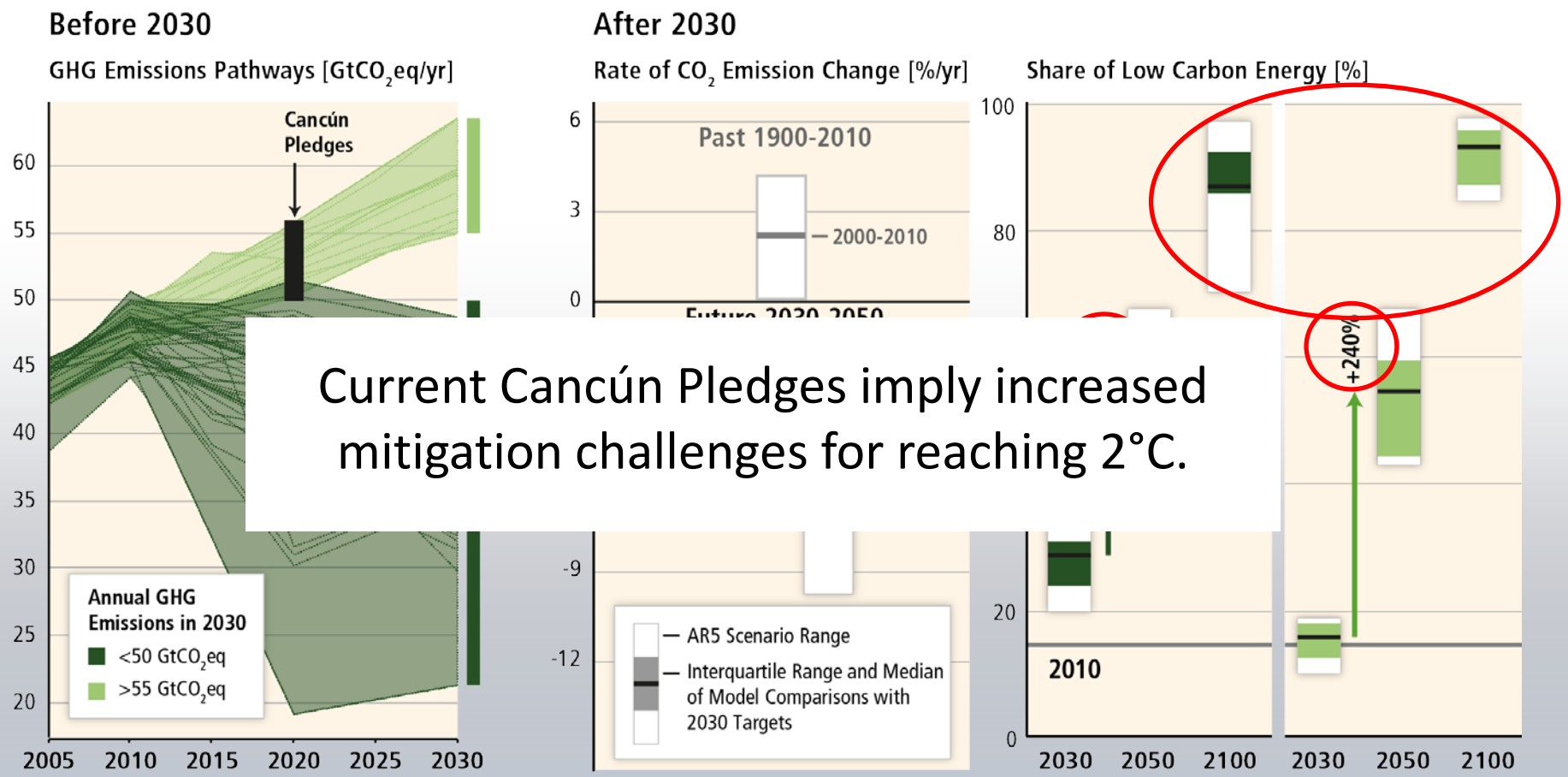


Based on Figures 6.32 and 7.16

Delaying mitigation is estimated to increase the difficulty and narrow the options for limiting warming to 2°C.

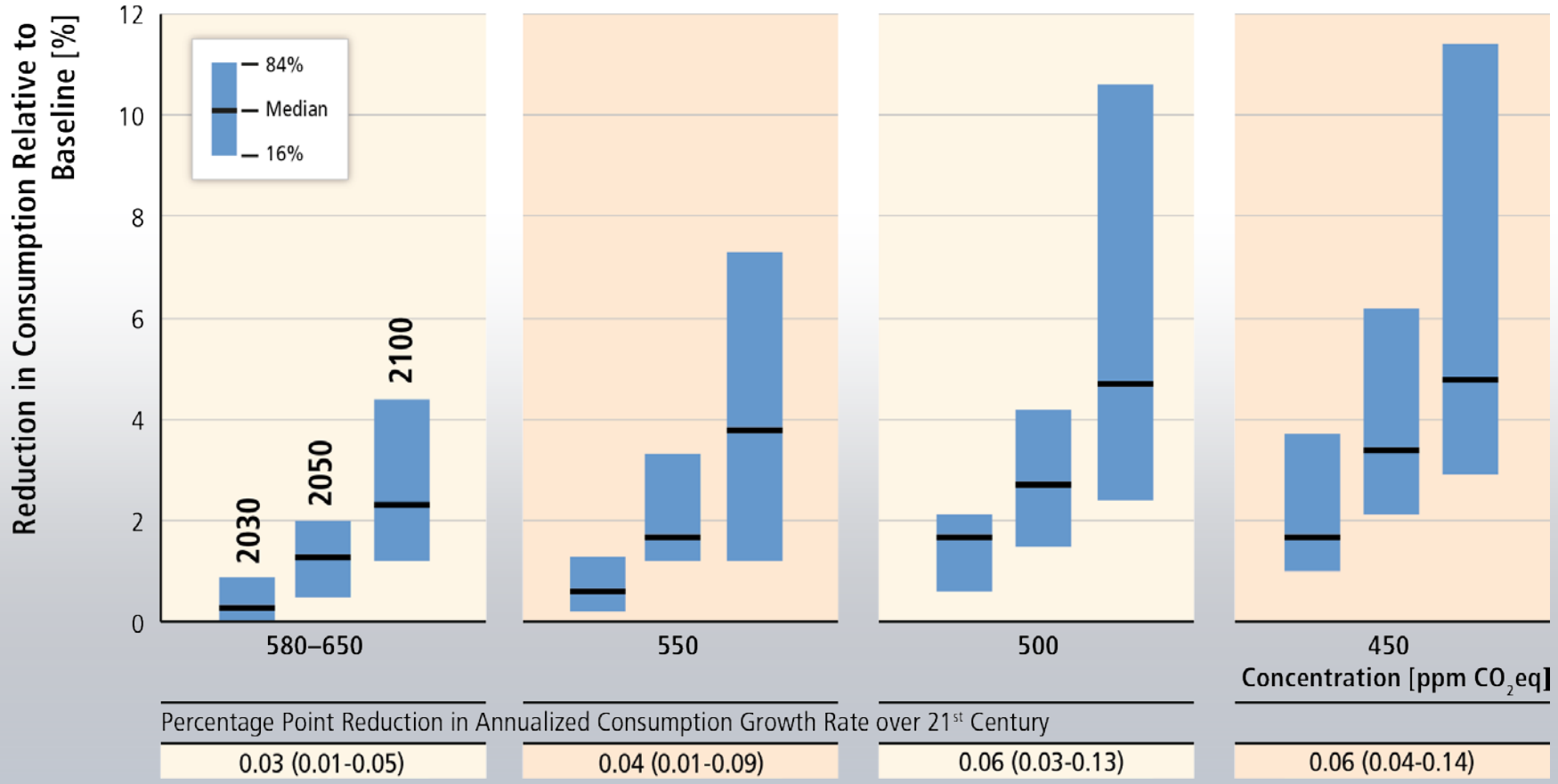


Current Cancún Pledges imply increased mitigation challenges for reaching 2°C.

Based on Figures 6.32 and 7.16

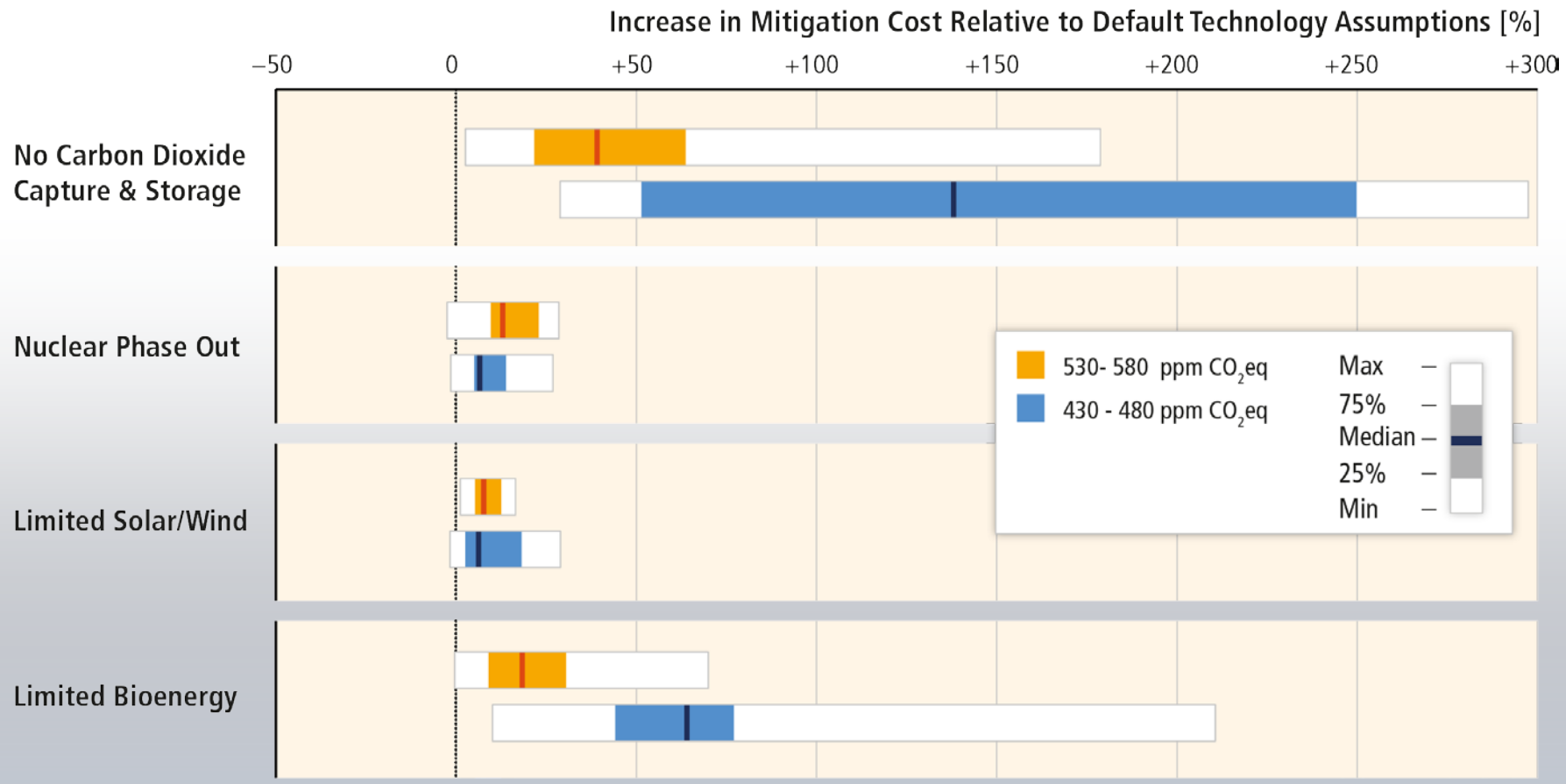
Mitigation cost estimates vary, but do not strongly affect global GDP growth.

Global costs rise with the ambition of the mitigation goal.



Based on Table SPM.2

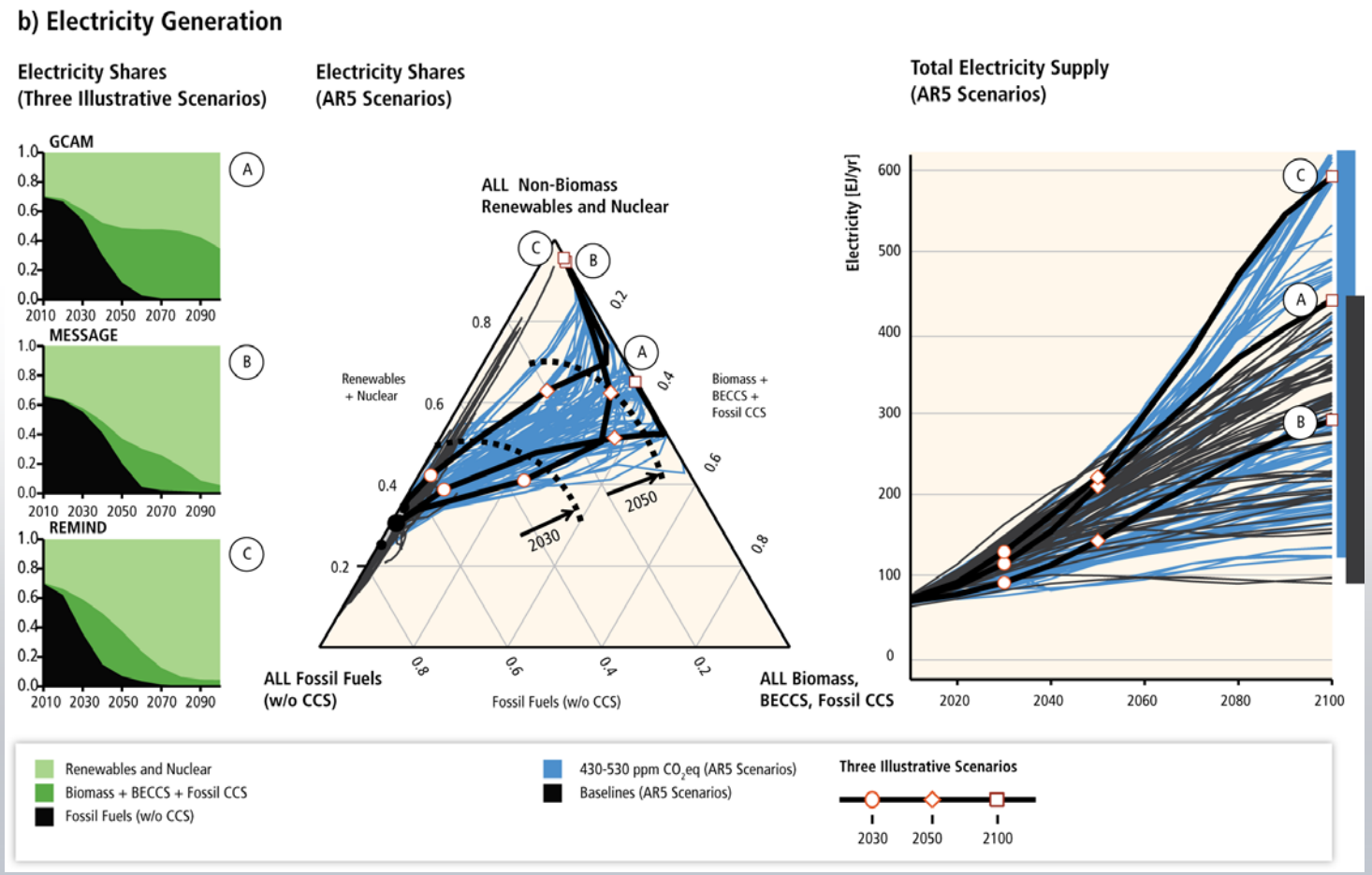
Technological limitations can increase mitigation costs.



Based on Figure 6.24

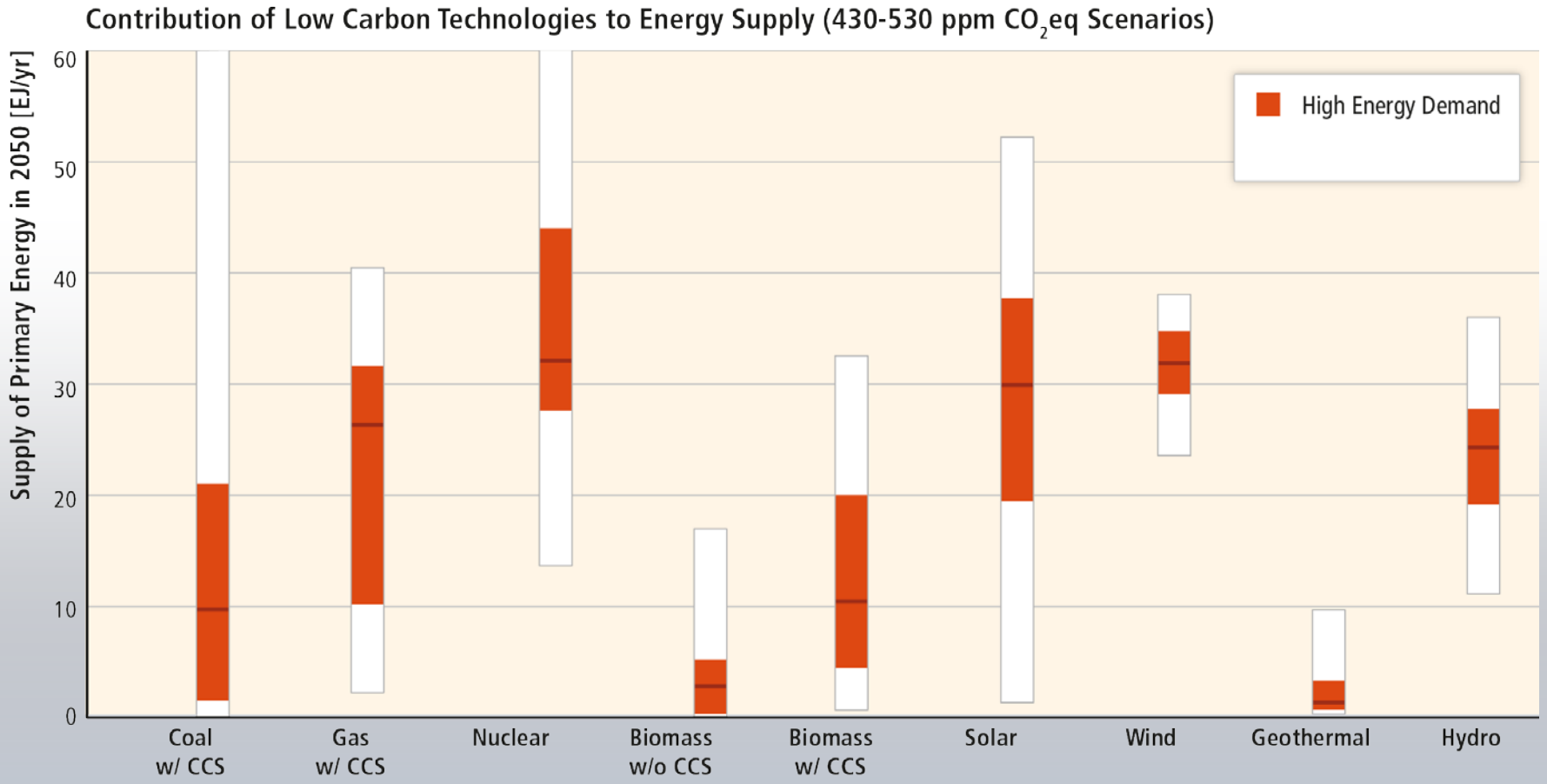
Low stabilization scenarios depend on a full decarbonization of energy supply.

In low CO_2 concentration stabilization scenarios, fossil fuel use without CCS is phased out in the long-term.



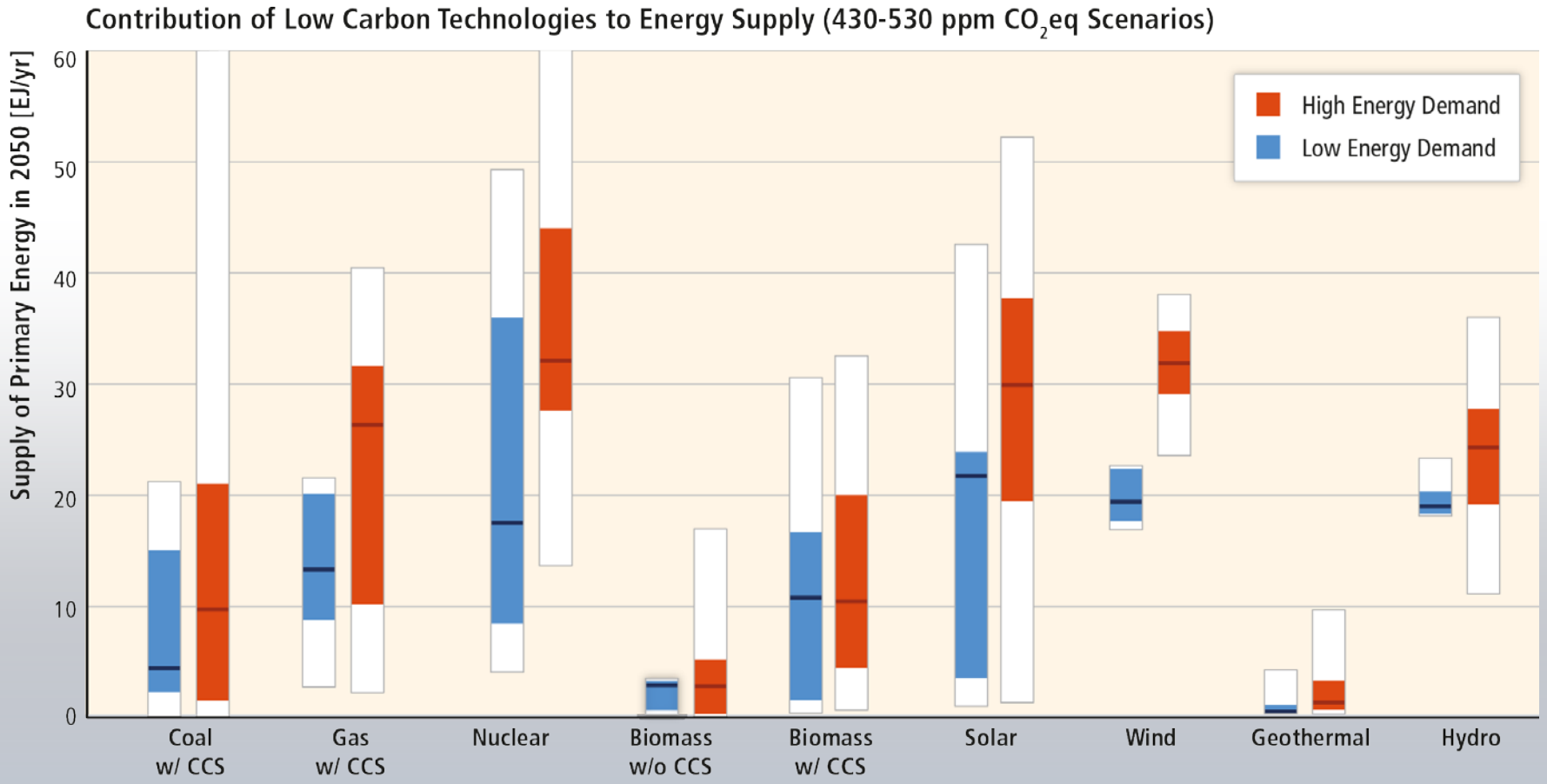
Based on Figure 7.15b

Decarbonization of energy supply is a key requirement for limiting warming to 2°C.



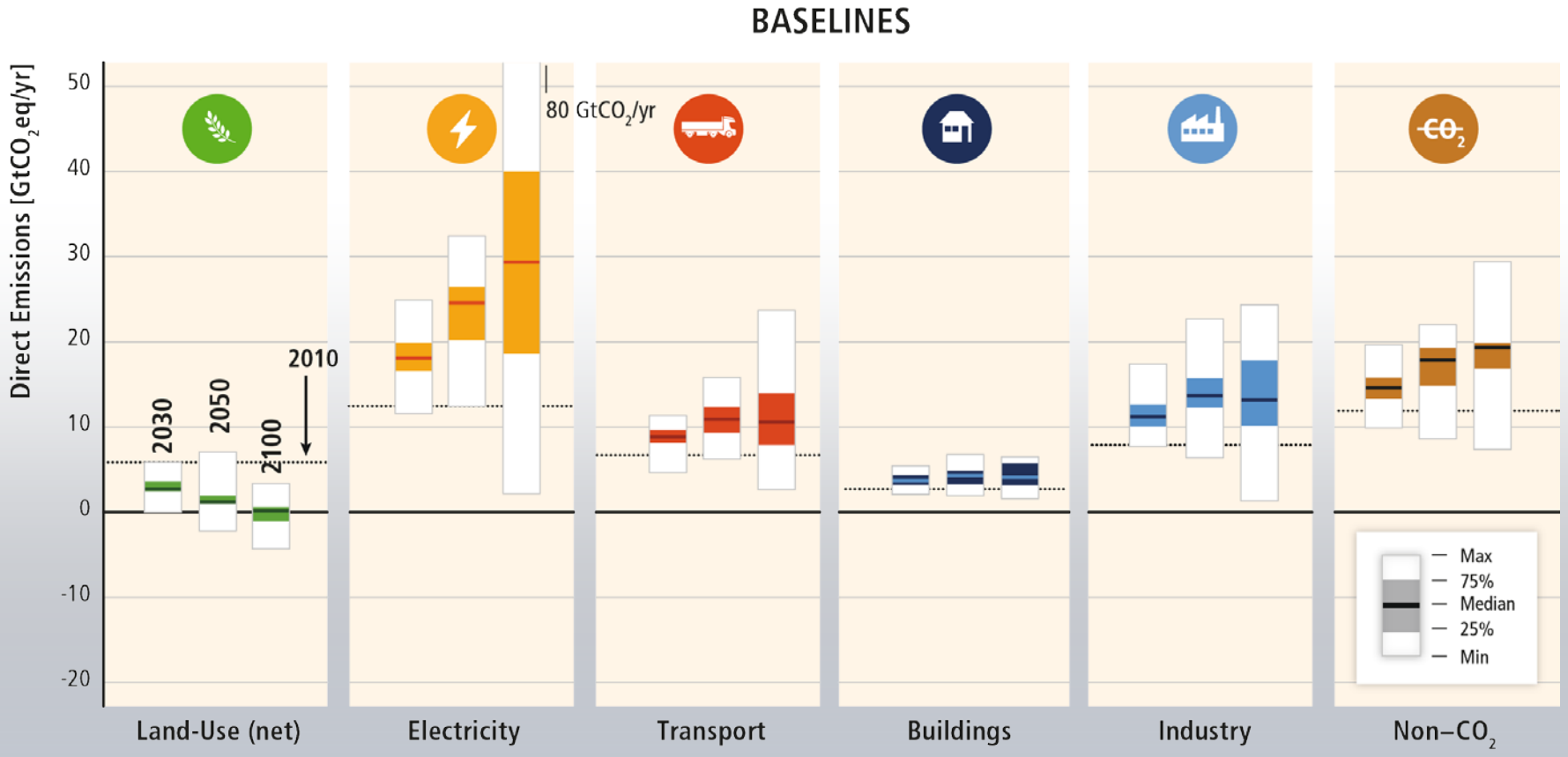
Based on Figure 7.11

Energy demand reductions can provide flexibility, hedge against risks, avoid lock-in and provide co-benefits.



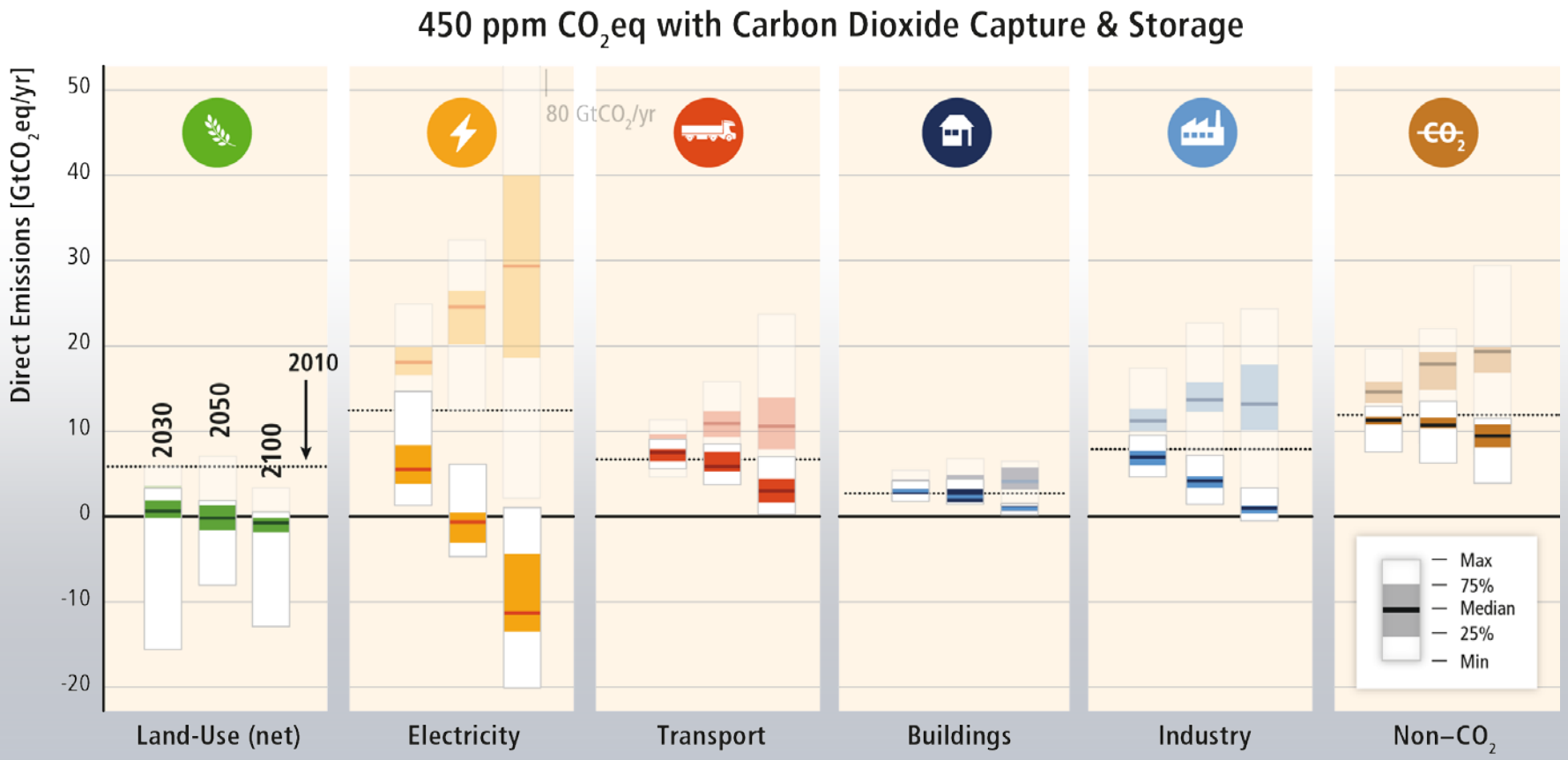
Based on Figure 7.11

Baseline scenarios suggest rising GHG emissions in all sectors, except for CO_2 emissions in the land-use sector.



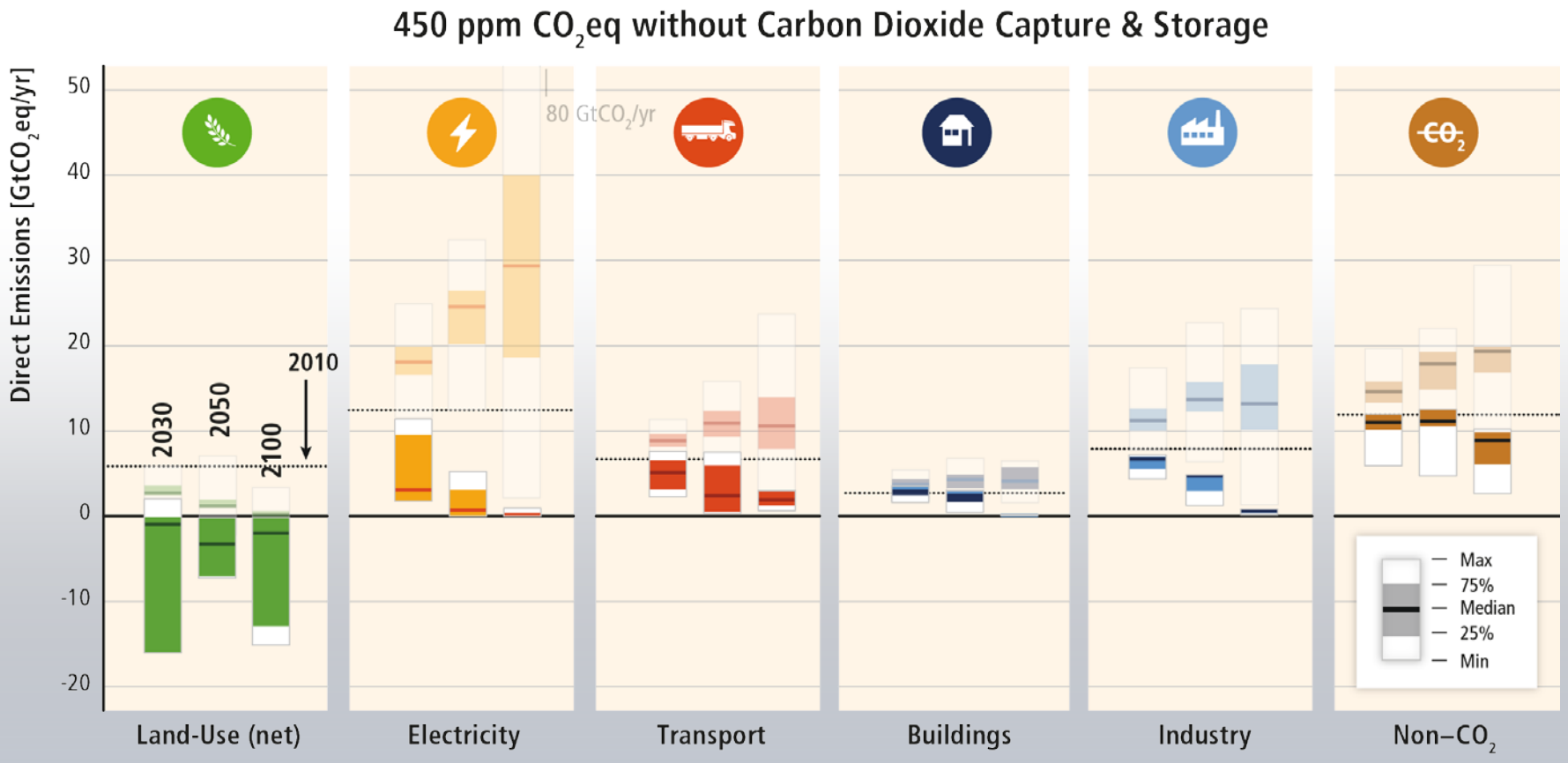
Based on Figure TS.17

Mitigation requires changes throughout the economy. Systemic approaches are expected to be most effective.



Based on Figure TS.17

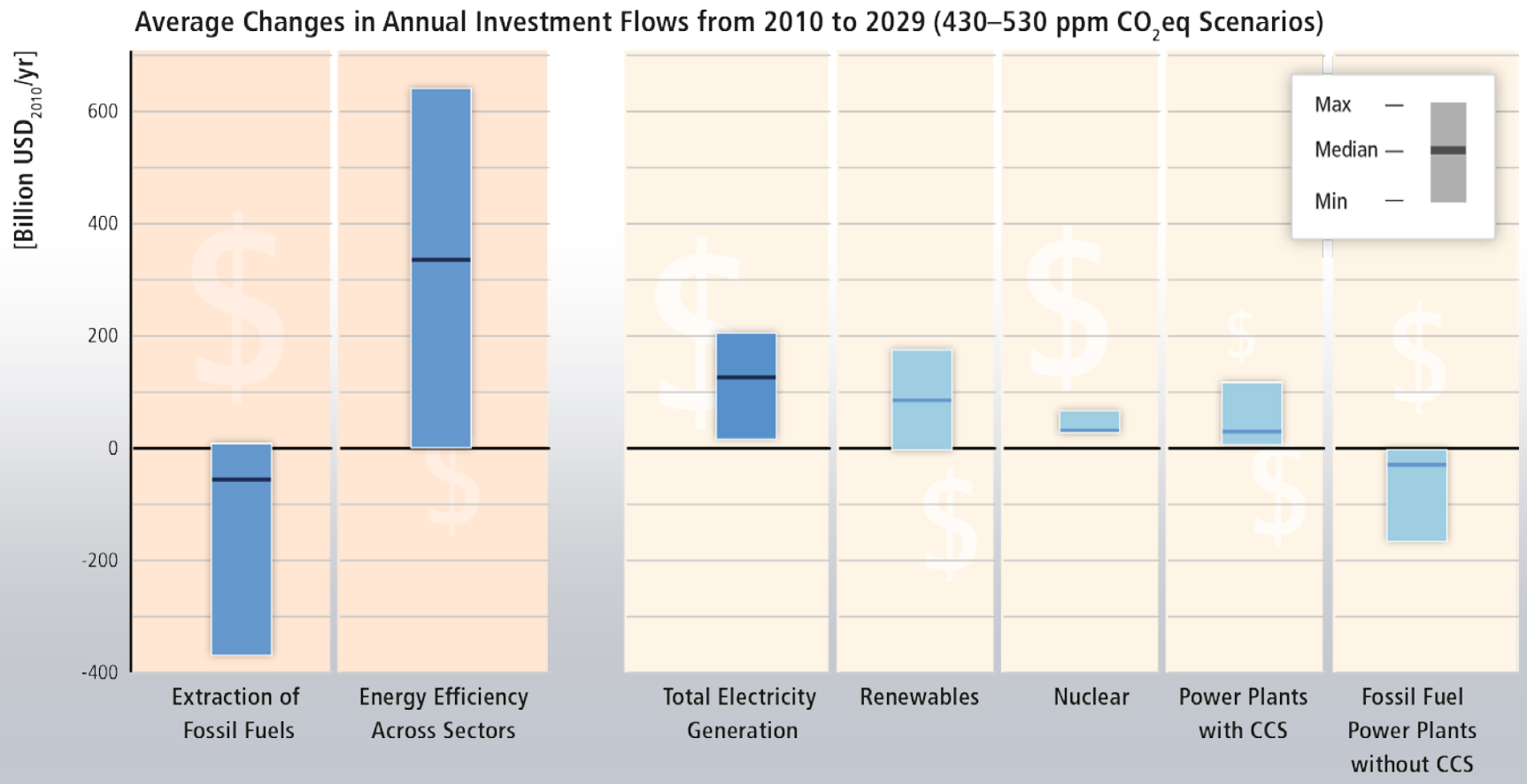
Mitigation efforts in one sector determine efforts in others.



Based on Figure TS.17

Effective mitigation will not be achieved if individual agents advance their own interests independently.

Substantial reductions in emissions would require large changes in investment patterns and appropriate policies.

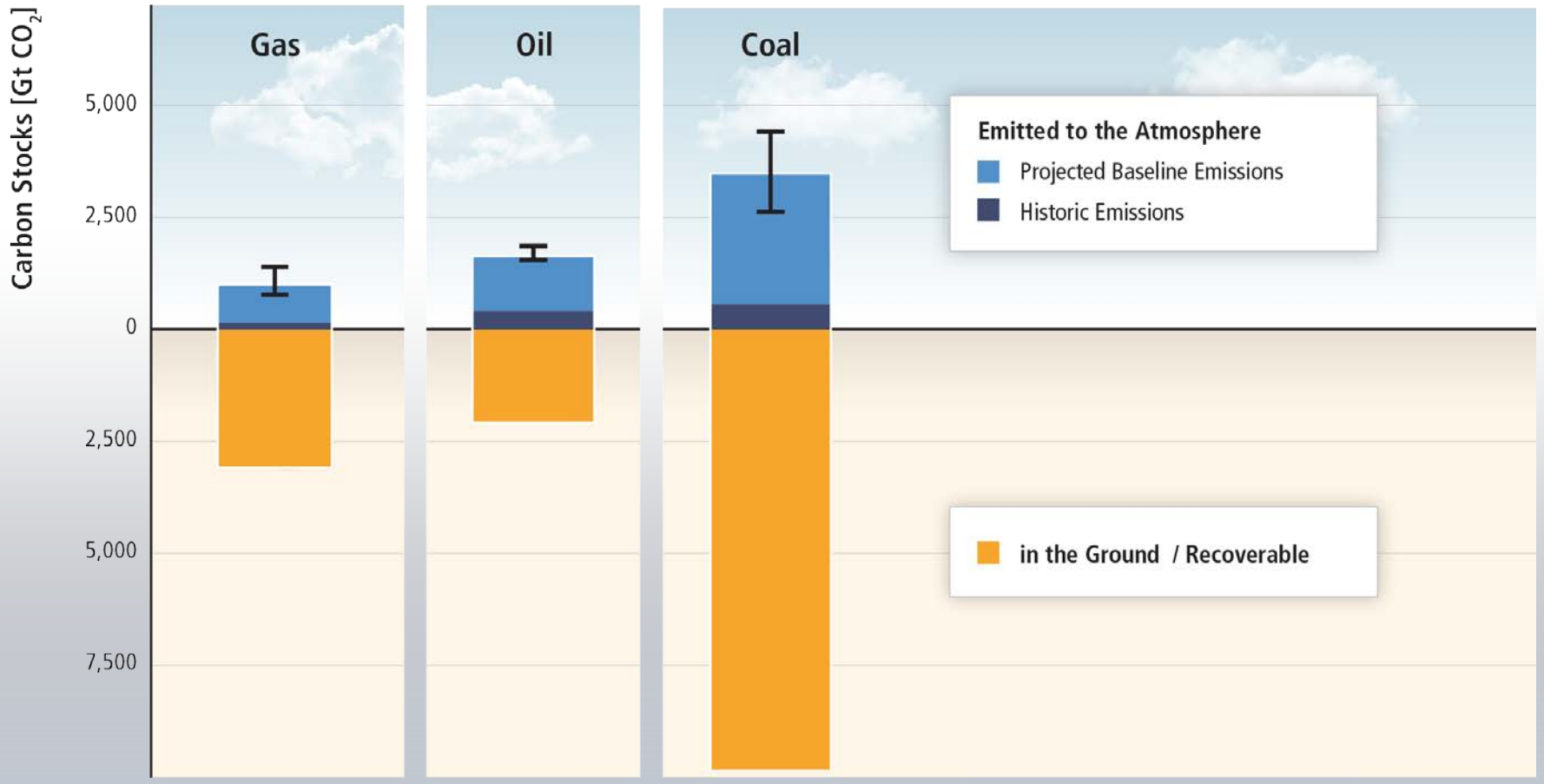


Based on Figure 16.3

… what does this imply for European climate and energy policy?

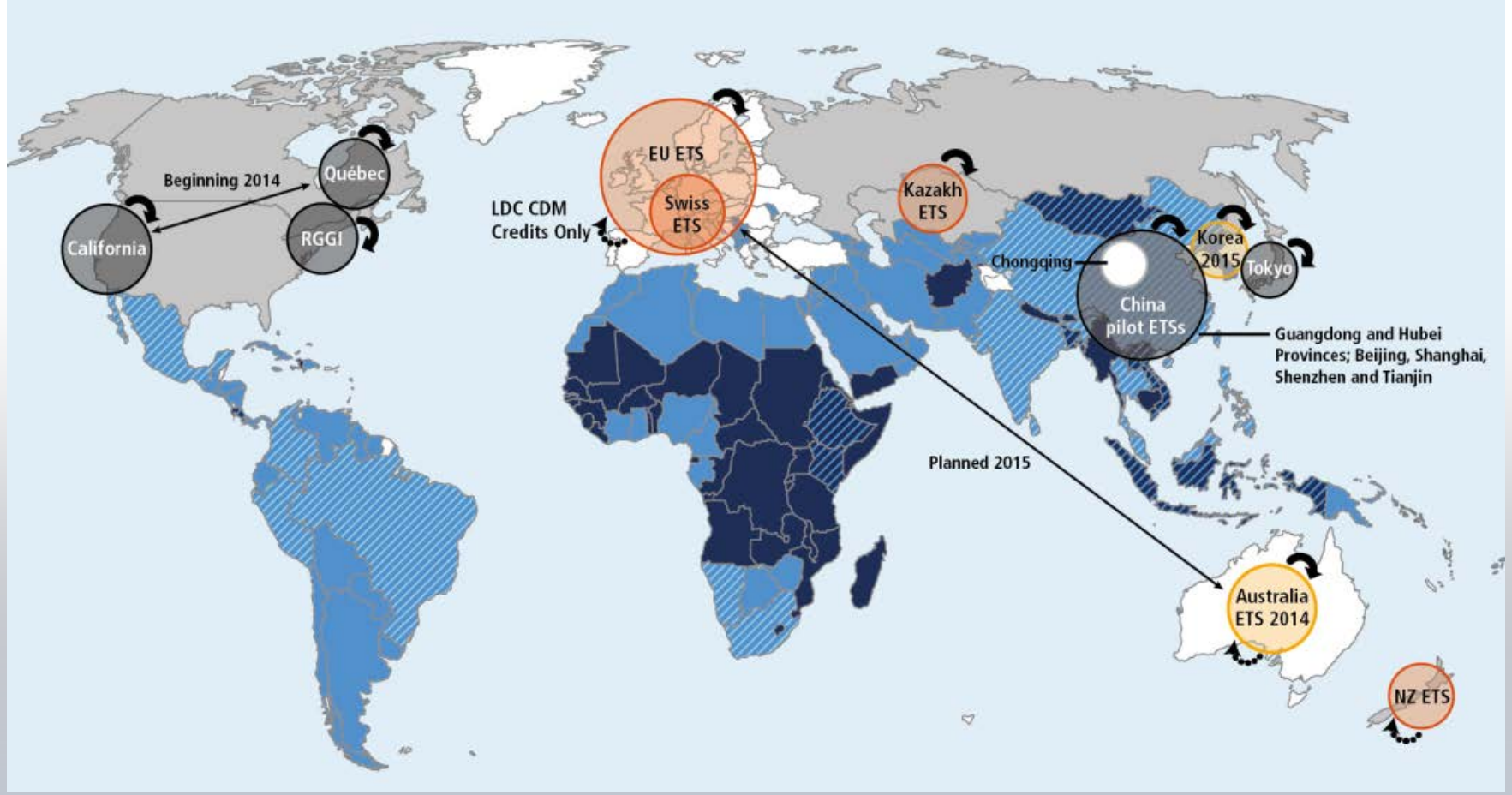
- Own thoughts -

There is far more carbon in the ground than emitted in any baseline scenario.



Based on SRREN Figure 1.7

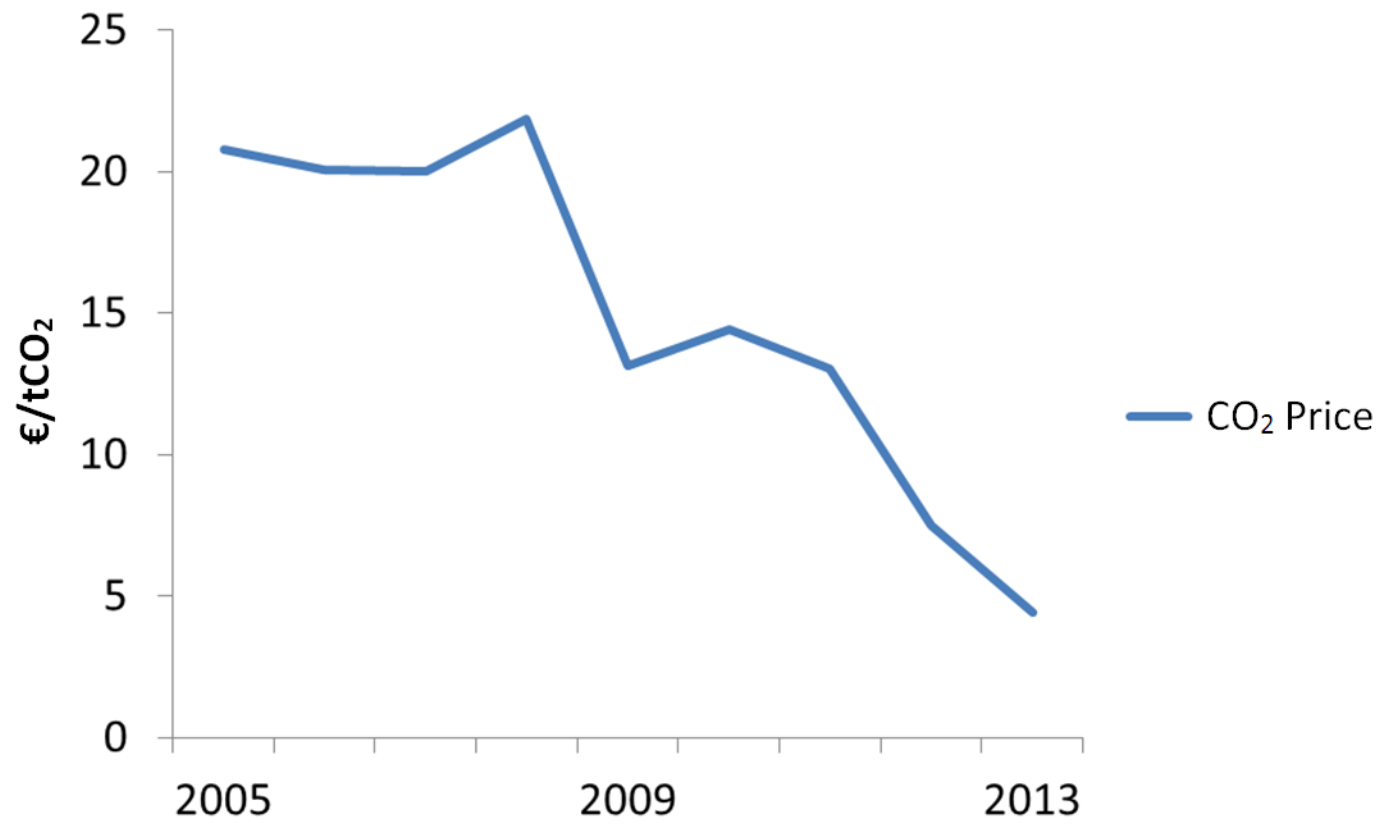
Are emission trading schemes part of the solution?



IPCC, siehe Abbildung 13.4

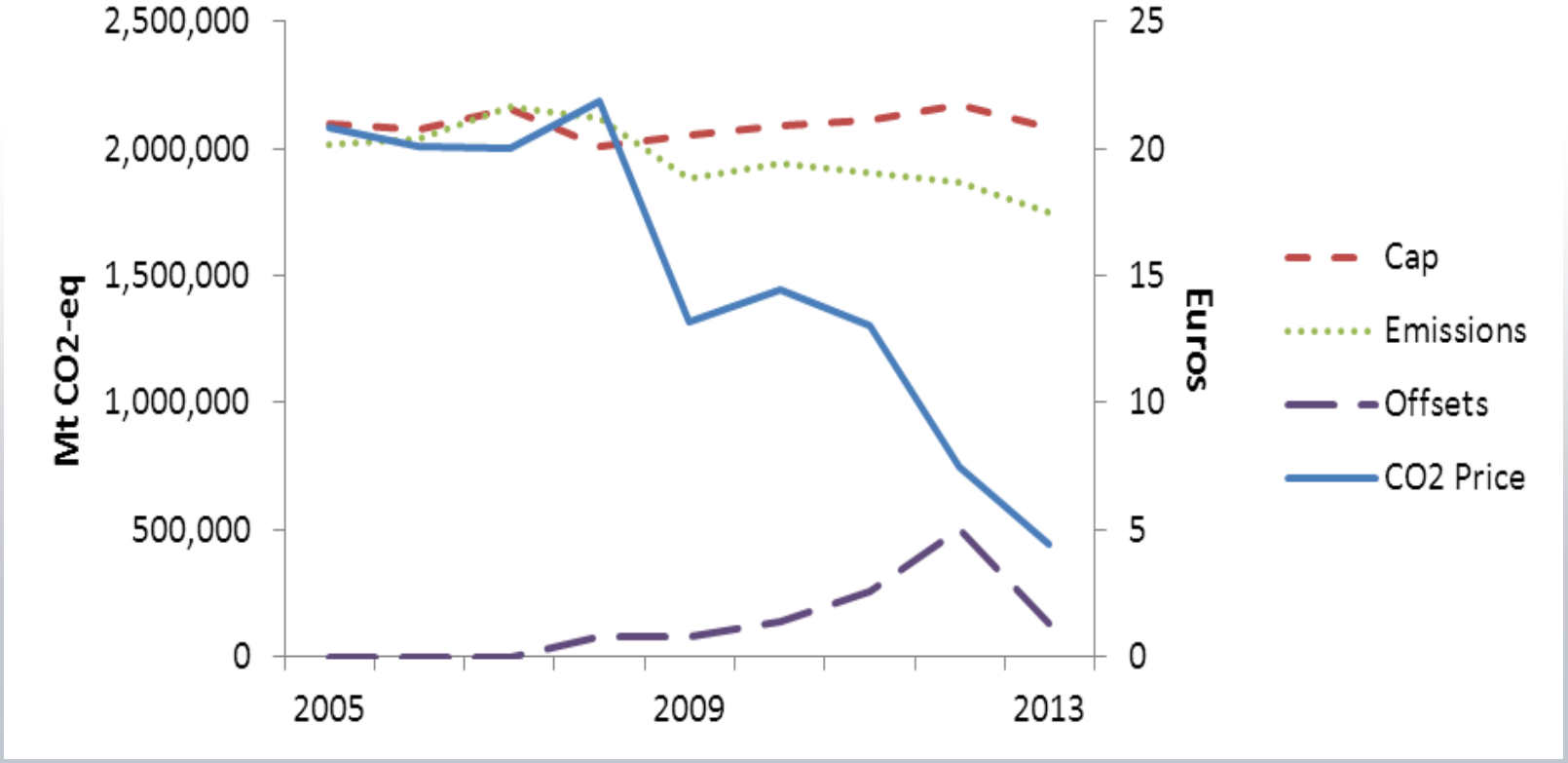
The EU ETS: ex-post Analysis

Strong decline of CO_2 price



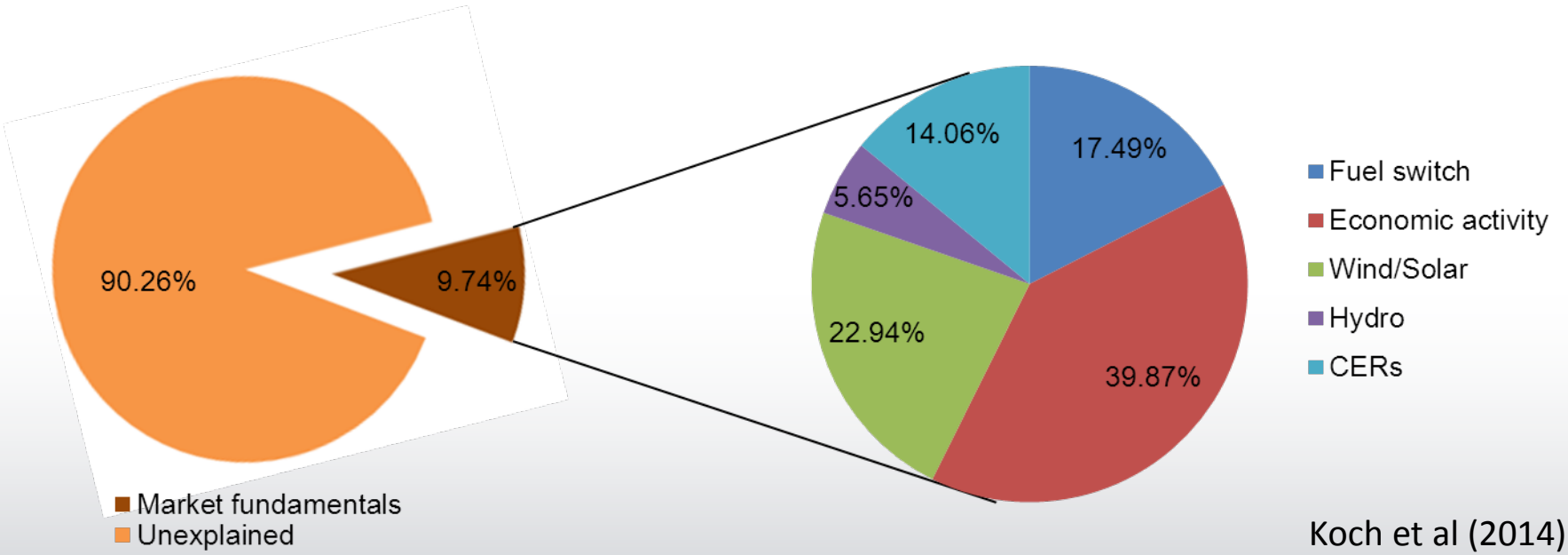
Evaluation of the environmental effectiveness

- Emission cap was legally binding. But is has not been physically binding as emissions stayed below the cap.



Grosjean et al. 2014

Empirical evaluation of price drivers of EU emission allowances

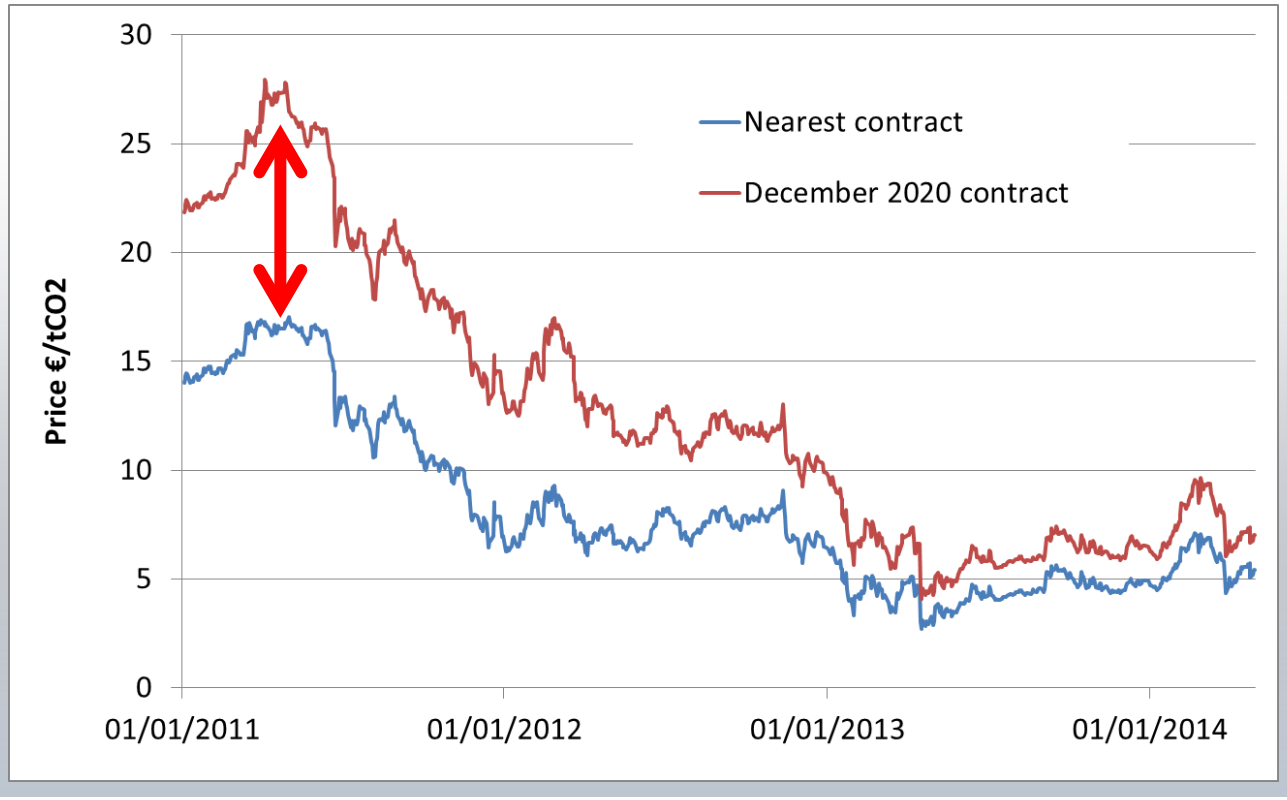


Koch et al (2014)

- Only 10% of price formation can be explained by market fundamentals (renewable deployment, economic crisis, CDM, …)
- But when taking into consideration policy events dummies (e.g. backloading vote) explanatory power jumps from 10% to 44%.
- In the situtation with the non-binding cap, the standard price formation does not work

Dynamic cost-effectiveness of ETS is lacking

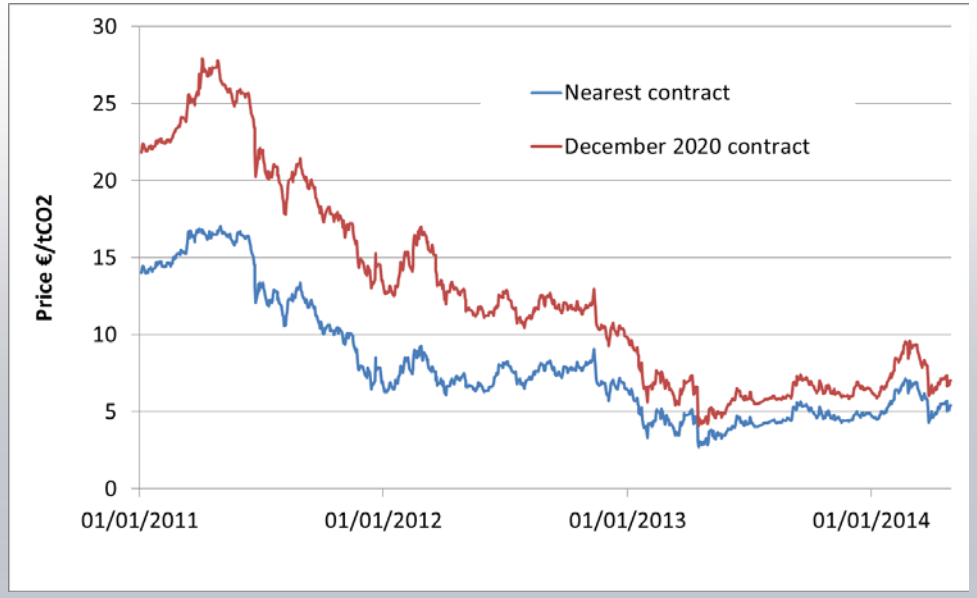
- Declining CO_2 price
- Currently , no substantial price increase expected for 2020 (only little spread between nearest contract and future contract for 2020)



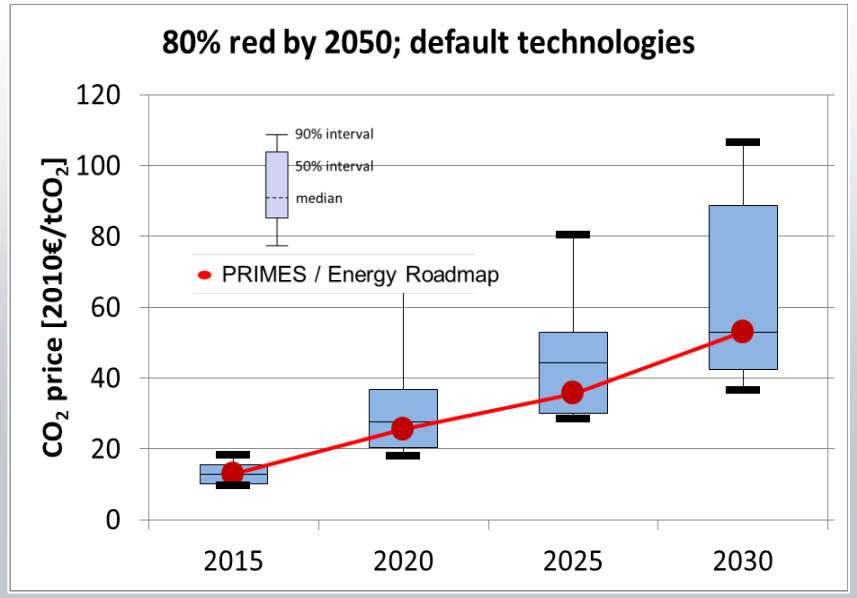
Dynamic cost-effectiveness of ETS is lacking

- Consider the price in 2020 as a benchmark for evaluating dynamic cost-effectiveness of the ETS
- There is a gap between expectations and models that suggest a cost-effective price higher than 20€ / tCO_2 in 2020

EUA nearest contract and Futures 2020



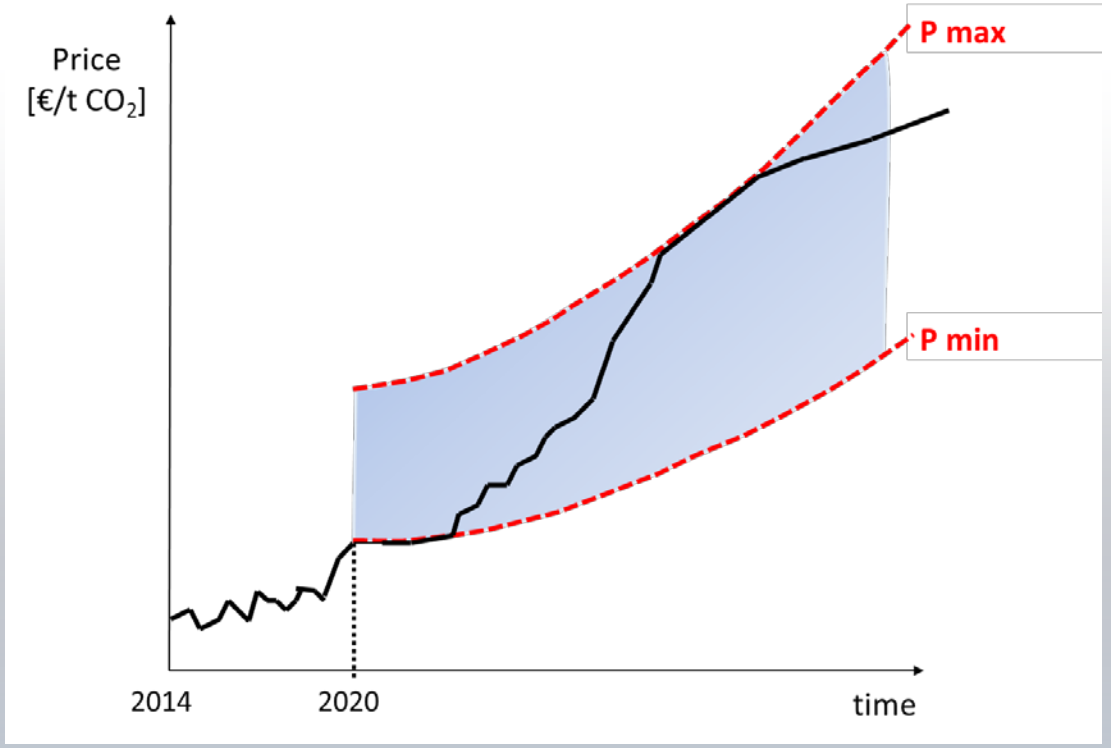
Cost-effective CO_2 price from modeling



Knopf et al. (2013)

Setting a price collar

- Gives reliable framework for investment decisions




Granted. International climate policy may not be effective. But do we need climate policy at all? Aren‘t there many more important problems?

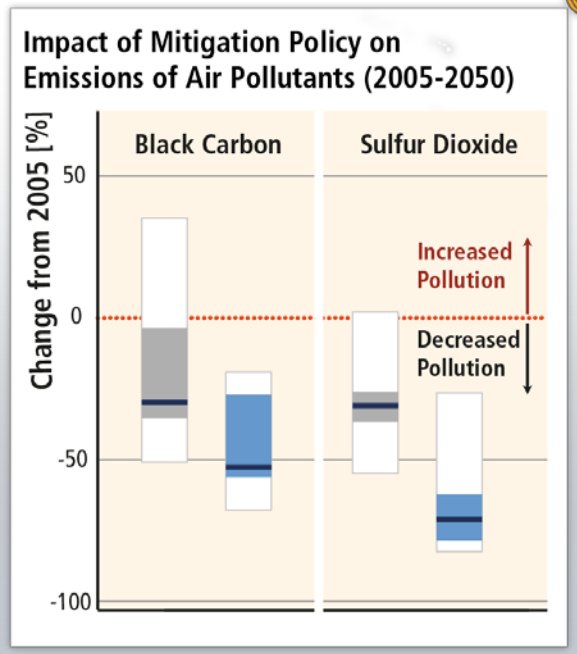
Massive infrastructure investments are needed globally.

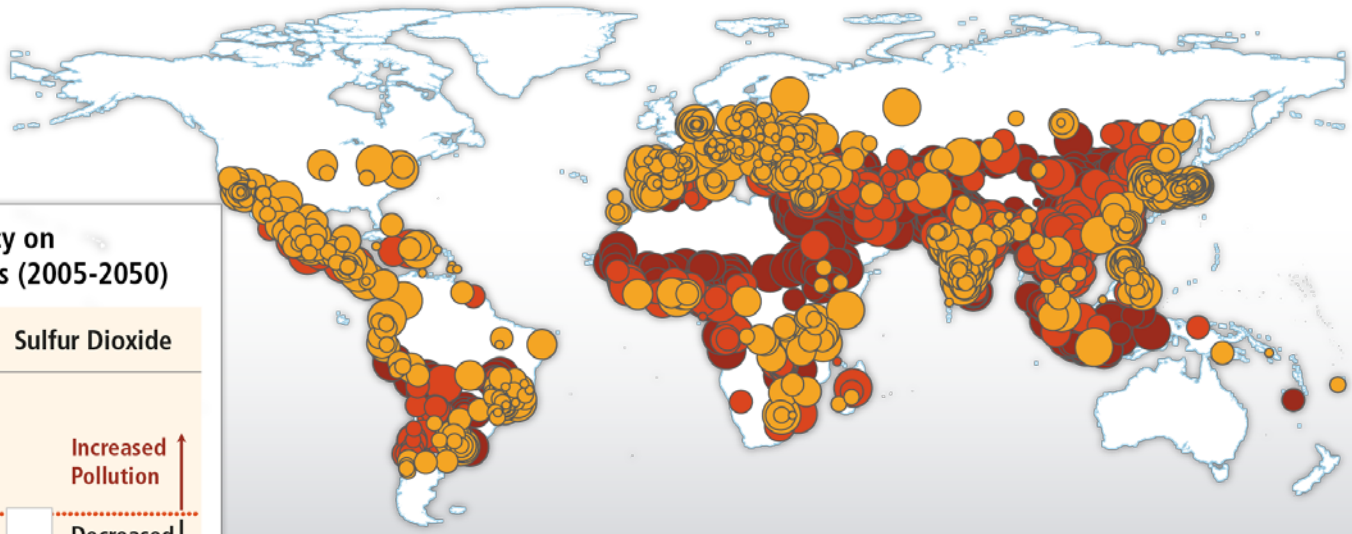
- Telecommunication

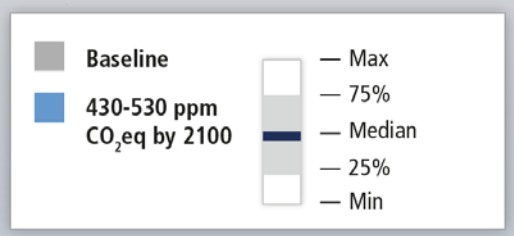
- Access to electricity

- Water availability

Climate change mitigation can result in co-benefits for human health and other societal goals.

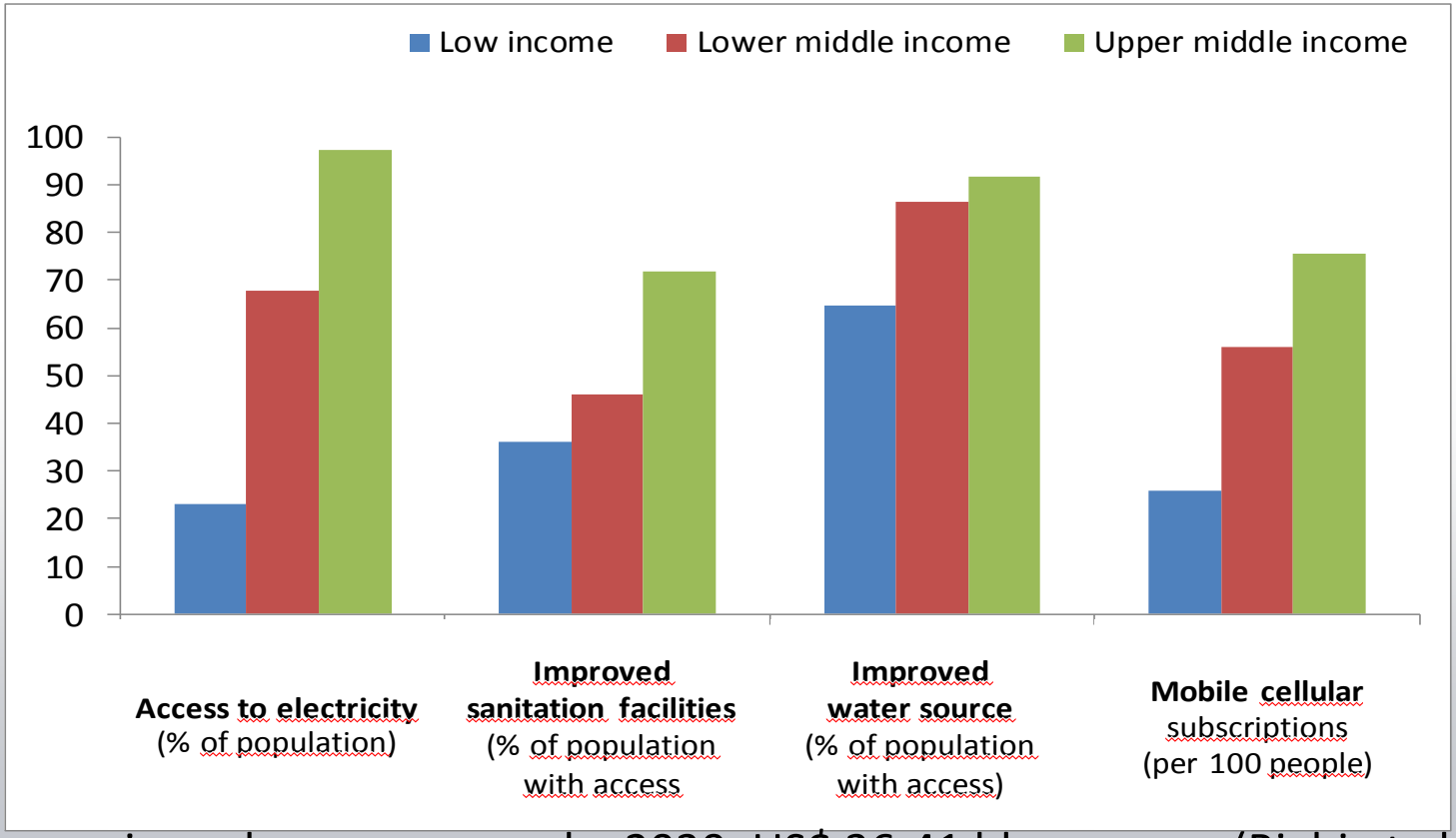






Based on Figures 6.33 and 12.23

Infrastructure investment

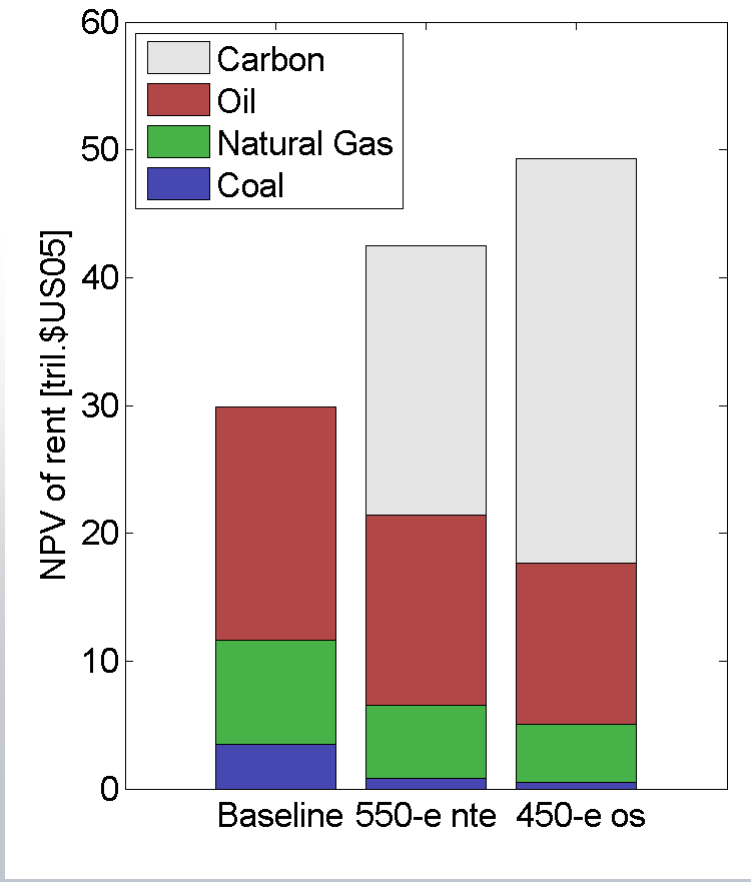


Jakob and Edenhofer, submitted

- Achieve universal energy access by 2030: US$ 36-41 bln per year (Riahi et al. 2012)
- "Great convergence" of global health standards by 2035: about US$ 40 bln per year (Jameson et al. 2013)

data from 2009, Source: WDI online

The carbon rent: Emission pricing revenues could overcompensate profit losses of fossil fuel owners.



- Fossil resource rents decrease with climate policy ambition
- For a globally optimal carbon price, over-compensation by carbon rent (=permit price or tax * emissions)
- Carbon rent appropriated domestically via auctioned permits or tax
- Receipts from a CO_2-tax or auctioning could be used to lower taxes, for investments in infrastructure or to reduce debts

Bauer et al. (2013)

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CLIMATE CHANGE 2014

Mitigation of Climate Change

www.mitigation2014.org

Working Group III contribution to the
IPCC Fifth Assessment Report

WMO UNEP