

For a fair competition
between fossil and renewable energies
through a proportional saving on fossil energies sold

Edgar Vercruysse, Ir. UG.

Addendum to the study dated April 2015
“For a fair Coal – Natural-gas competition through a proportional saving of coal sold”

Addendum to the study dated April 2015

“For a fair Coal – Natural-gas competition through a proportional saving of coal sold”

For a fair competition between fossil and renewable energies
through a proportional saving on fossil energies sold

The study dated April 2015 has been remitted to various Administrations participating in the Climate Summit in Paris, next December. They showed great interest in the study through comments and questions which we would like to answer.

The reinforcement as well as enlargement of the ETS European trade system of CO₂ emissions rights remain essential and of primary importance. The system's achievements could lead, in the near future, to a large rallying in favour of a carbon price allowing for a significant reduction in the use of all fossil energies, coal, petrol and natural gas.

Only thing left to assess is whether or not this rule will be enough to contain global warming to 2°C.

Actually, the study “For a fair Coal - Natural-gas competition through a proportional saving of coal sold” supplements the ETS system relating to CO₂ emission pricing.

Its objective is not to establish a CO₂ pricing but investment commitments from coal, petrol and natural-gas producers for low-carbon energy projects.

The *ETS pricing* for CO₂ emissions issued from the **consumption** of fossil energies would be complemented by *investments commitments* that will be proportional to their **production**.

Coal, petrol and natural gas *producers* are concerned by this.

At this stage, the study only focused on the excessive coal pollution compared to that of natural gas. It can also be applied to petrol and natural gas. The study would then focus on the excessive pollution those energies generate in comparison to that of storable or continuous green energy, such as the hydraulic one for instance. It will then calculate the *investment*, proportional to its production that each energy requires. The *investment commitments* of the coal, petrol and natural-gas producers would in this case be significantly enhanced. Those *investments* appear critical when it comes to the success of a low-carbon economy.

Rather than a tax, a stumbling block perceived as expropriation, fiscal, financial and economic incentives of Public Authorities in favour of those investments would largely facilitate the adhesion of the coal, petrol and natural-gas producers.

This new application, along with the ETS system, may well become a must in restricting global warming to 2°C.

While remaining owners of their investment, the coal, oil and natural gas producing countries could, we believe, commit themselves **collectively**. This investment in green energy production would be their contribution to reducing greenhouse gas emissions. The increase in

green energy production *would reduce the production of fossil energy and CO2 commensurately.*

The renewable energies admitted on the grid are reducing the kWh production of the usual fossil or nuclear power plants. *The resulting extra kWh cost is currently returned to the electricity consumers.* Actually, the profit-earning capacity of the new investments in green energy of the fossil energy producers are guaranteed by the electricity consumers.

The result will be a shift of the coal, petrol and natural-gas producers' activities towards value added projects such as:

- development of the renewable energies,
- interconnection of the countries' grids,
- storage of solar and wind energy into batteries,
- storage of solar and wind energy as carbon-free fuels,
- conversion and storage of *unused* electric power into carbon-free fuels,
- development of the road traffic by *electric cars*,
- development of *passive* buildings,
- development of hydraulic power plants,
- development of geothermal power plants,
- development of biogas power plants,
- development of *high yield* coal power plants

These major projects require the technical, financial and political cooperation of numerous countries.

Such a climate action could very well generate economic growth, employment and international cooperation.