CEM8: Preliminary findings from the public-private roundtable discussions

Following the CEM8 closed-door session on June 7th, Ministers were encouraged to join high-level representatives from industry, the private sector, international organisations, research entities and academia to have more in-depth discussions on the following topics:

- Digitalisation of the Energy Sector to Enhance Energy Productivity & Renewable Integration
- Optimising the Impact of our Energy Efficiency and Renewable Energy Policies
- Electric Vehicle Deployment Policies for the Next Decade: From the Second Million to Mass Market Adoption
- Leveraging City-Scale Building Efficiency action

Some preliminary findings from these roundtable discussions can be found below.

Digitalisation of the Energy Sector to Enhance Energy Productivity & Renewable Integration

This roundtable discussion was chaired by Christoph Frei, Secretary General and Chief Executive Officer at the World Energy Council and attended by representatives from government, the private sector, international organisations and academia.

Participants gathered to discuss the implications of digitalisation which will, likely sooner than expected, radically change the energy sector in all countries, offering significant opportunities for increasing energy productivity and renewables integration. At present, the pathway to realising the major benefits of energy efficiency and renewable integration through digitalisation is not well understood and would benefit from further analysis and innovative thinking.

A number of policy and regulatory solutions for energy ministers to be aware of when considering digitalisation of the energy-sector was acknowledged. These regulatory topics should include open versus closed-source platforms/protocols and address related sovereignty, privacy and cyber security concerns as well as new and ways to catalyse innovative market and financing models.

As a result of the roundtable, participants were able to identity some potential joint government/industry initiatives to address these issues such as developing focused pilot projects to experiment with networked devices and related policies. Participants also discussed the urgency that policy makers need to have in addressing some of these issues which merited further work.

Optimising the Impact of our Energy Efficiency and Renewable Energy Policies

This roundtable discussion was chaired by Joan MacNaughton, Chair of the Board at The Climate Group and attended by representatives from government, the private sector, international organisations and academia.

Participants were brought together in this roundtable to discuss the growing importance of the interplay between energy efficiency and renewable energy policies and their impact both on each other and on the energy system as a whole.

Strong agreement that both energy efficiency and renewable energy are centrally important for all future energy systems and therefore it is essential to broaden thinking on how they interact and how policy will deliver the best outcomes. There was a strong sense that many countries are already

starting to think more holistically and considering approaches that are more cross sectoral covering electricity, transport and heat.

Many countries identified the need to create policy and regulatory environments that enable new solutions, particularly in the context of technological innovation and digitalisation, which is opening up many new solutions. Innovation is a strong theme. Many countries proposed to focus on developing new market designs that foster competition, create a level playing field, and enable innovation. An emerging trend is the move towards thinking in terms of energy services, mixing supply and demand elements to deliver the best outcomes for policy goals and for consumers.

There was agreement that this is an area that merits further work and should be an element of discussion for CEM9.

Electric Vehicle Deployment Policies for the Next Decade: From the Second Million to Mass Market Adoption

This roundtable discussion was chaired by Fatih Birol, Executive Director at the International Energy Agency and attended by representatives from government, the private sector, international organisations and academia.

The roundtable was opened by Minister Wan Gang (China). Participants gathered for a lively exchange on electric vehicles (EVs). This roundtable took place against a backdrop of the increasingly successful deployment of EVs. After approximately five years of broad commercial availability, over 2 million consumer EVs were in circulation at the end of 2016. However, despite this success, EVs make up less than 1% of passenger car sales worldwide.

The discussion built on the announcement that a number of governments and other stakeholders will engage in the EV30@30 campaign, aiming to achieve a 30% market share for electric vehicles by 2030, recommending strategies for its implementation.

Participants acknowledged that the future success of EVs will be dependent on robust, innovative and aggressive second generation EV adoption policies. They agreed that these will need to build on the policies that led to the first 2 million sales in order to enable the transition to mass market adoption.

The need for global agreements on standardisation, the opportunity to adopt an open protocol for the communication between chargers and the distribution system operators, the need for investment to support the early deployment of charging infrastructure and financial incentives encouraging consumers to opt for EVs were mentioned as priority areas for short term public interventions.

Urban environments were identified as laboratories allowing stronger deployment because of the multiple benefits of EVs, including reduced air pollution and noise. Fleets were also identified as a priority for strengthening early EV deployment.

Participants were optimistic about growth prospects for EVs, driven by cost reductions, performance improvements, significant efforts on research and development, sizeable investments and increasing commitment from all stakeholders to scale up electric mobility.

Participants agreed that international cooperation is relevant to scale up market penetration and improve the understanding of effective policies. They also acknowledged that the transition to a self-

sustained market will pose significant policy challenges, underlining the need for policy research, continued monitoring of policy effectiveness and consumer response, and the dissemination of information through capacity building initiatives.

Leveraging City-Scale Building Efficiency Action

This roundtable discussion was chaired by Philippe Joubert, Senior Advisor and Special Envoy for Energy and Climate at the World Business Council for Sustainable Development and attended by representatives from national and local governments, the private sector, and international and finance organisations.

Participants recognised the critical importance for national governments to set a stable and ambitious framework for building efficiency to make significant progress on national energy and climate goals. They highlighted the role national governments can play to help cities and businesses build local technical and financial capacity to run effective building efficiency programs. Participants also acknowledged the need for project aggregation in highly-fragmented building efficiency markets.

It was stressed that building efficiency action must happen at the local level, and that it must be reinforced by better coordination with the national government and private sector.

The roundtable resulted in a call to action to increase finance for capacity building in the sector and to drive scale by applying business cases that have proven effective in local markets.