

WORLD'S ENERGY DEMAND PROJECTIONS

| | 1980 | 2000 | 2005 | 2015 | 2030 | 2005-2030* |
|-------------------|--------------|---------------|---------------|---------------|---------------|-------------|
| Coal | 1 786 | 2 292 | 2 892 | 3 996 | 4 905 | 2.1% |
| Oil | 3 106 | 3 646 | 4 001 | 4 718 | 5 589 | 1.3% |
| Gas | 1 237 | 2 089 | 2 358 | 3 036 | 3 934 | 2.1% |
| Nuclear | 186 | 675 | 721 | 807 | 858 | 0.7% |
| Hydro | 147 | 226 | 251 | 327 | 416 | 2.0% |
| Biomass and waste | 753 | 1 041 | 1 157 | 1 340 | 1 619 | 1.4% |
| Other renewables | 12 | 53 | 58 | 144 | 306 | 6.9% |
| Total | 7 228 | 10 022 | 11 438 | 14 368 | 17 627 | 1.7% |

- Fossil fuel account for 80% of energy demand.
- The demand for energy will continue to be met by fossil fuel for coming years.

The incentives vis-à-vis Renewable energy project

- CERs received for
 - ✓ Renewal power project – 0.35 – 1 tCO₂/MWh
 - ✓ NM0215/NM0217: 0.05 tCO₂/MWh for first project to 0.01 by the time 12% of same fuel capacity is from new technology
 - ✓ Higher the fraction of fossil fuel, greater is incentive received by Renewable energy project.
- Maximum MW capacity creditable
 - ✓ Renewable – No limits
 - ✓ NM0215/NM0217 – Phases itself out. 15% of same fossil fuel capacity existing in the country.

NM0215+NM0217

- I. *Project activity: Using less GHG intensive technology to produce electricity from fossil fuel*
- II. *Last meeting recap*

Chair's Proposal

- ✓ *Applicability: If more than 50% of generation is based on project activity fossil fuel*
- ✓ *Benchmark constructed using 15% most efficient plant based on project fossil fuel*

Implication:

- ✓ *Applicable to one fossil fuel per country, and where one fossil fuel is dominant source of generation*
- ✓ *Limits MW capacity credited to maximum 15% of existing same fossil fuel capacity.*

Alternative Proposal

Refined Proposal

- ✓ *Applicability:*
 - ✓ *If more than 30% of generation is based on project activity fossil fuel*
 - ✓ *Total fossil fuel share in generation is 60%*
- ✓ *Implication: Limits applicability to countries that are pre-dominated by fossil fuel but expands the applicable to situations where no one fossil fuel in a country is dominant.*
- ✓ *60% rule for fossil fuel implies Renewable projects get more credits vis-à-vis 50% condition*