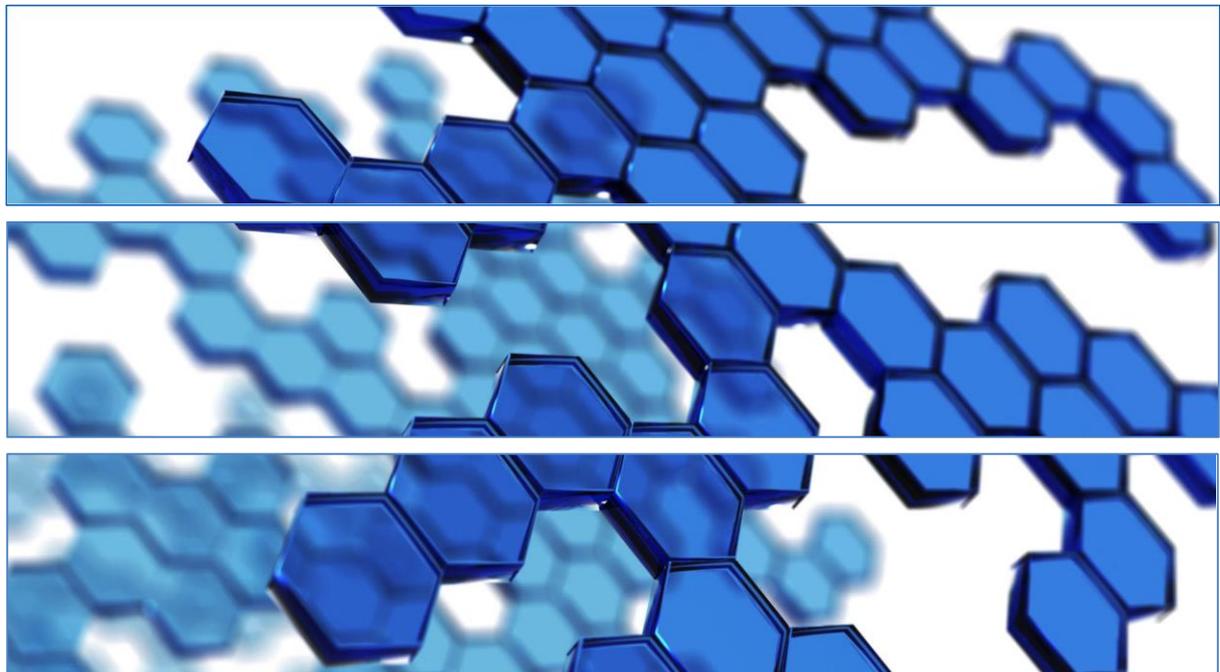


# ICC ENERGY PRIORITIES FOR G20



# ICC Energy Priorities for G20

Energy is indispensable to a productive economy and to support G20 priorities for economic stability, growth and prosperity.

Global energy demand is projected to increase by one-third by 2035, across all types and forms of energy. This increase will be driven by the continued extraordinary population growth and economic development experienced in many regions in recent years.

Meeting the future demands for reliable, affordable and sustainable energy will require timely investment in supply and demand infrastructure, where projects can take up to a decade to develop and implement. Depending on overall energy use and the pace of expansion of low-carbon energy, the level of energy investment is expected to be the largest single area of overall infrastructure investment, requiring US\$1-2 trillion per annum over the coming decades.

The majority of global energy demand in 2035 will still be met by coal, oil and gas. Therefore, G20 leadership on energy policy must: (i) support both the expansion of lower-carbon energy and the sustainable development of conventional hydrocarbon resources; (ii) deliver long-run energy security, ensure affordability, increase energy access and realize environmental objectives; and (iii) provide a stable and predictable environment to encourage long-term investment.

## Policy recommendations for G20 countries

Given the vast scale and long timeframes of the required energy investments, effective and predictable policy and legal frameworks will be critical to ensure that adequate and appropriate energy investment occurs now and over the coming decades. To enable these massive investment requirements, the *ICC G20 CEO Advisory Group* offers the following recommendations to G20 leaders:

### 1. Improve conditions for energy investment and trade

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ICC recommends that the G20 demonstrate leadership in improving conditions for energy investment and trade in order to ensure long-run energy security, deliver energy access and energy affordability and mitigate price volatility:

- a. Pursue policies which expand energy supply diversity, including maximizing use of all viable and acceptable domestic energy resources in a balanced way, and facilitating the import and export of energy.
- b. Promote regional cooperation on cross-border energy infrastructure projects which add to the supply diversity and energy security.
- c. Implement the recommendations of the 2014 B20 Infrastructure and Investment Task Force so as to: (i) deliver a credible pipeline of productive, bankable, investment-ready energy infrastructure projects and streamlined approval processes; and (ii) implement market-based policy frameworks that improve the environment for investment, promote and protect cross-border capital flows, open energy markets, safeguard users' long-term interests, and enable private ownership and management of infrastructure where appropriate.
- d. Champion the elimination of tariff and non-tariff barriers on energy and environmental goods and services, as currently envisaged under WTO and regional trade agreements (such as TTIP and TPP).
- e. Minimize inefficient and wasteful energy subsidies that distort markets.

## 2. Increase the uptake of energy efficiency

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ICC recommends that the G20 demonstrate leadership in increasing the uptake of energy efficiency in order to reduce world energy demand growth, to extend the life of conventional energy resources, to help reduce global carbon emissions and, through the multiplier-effect of energy efficiency investment, to increase cumulative economic output worldwide:

- a. Increase efforts by the *G20 Energy Sustainability Working Group* (G20 ESWG) to promote energy efficiency scale-up, sharing of best practices, raising awareness of existing technologies and expanding the availability of risk-sharing financing, including collaboration with organizations like the IFC on green bonds.
- b. Establish—among G20 countries—government efficiency standards in the main energy-consuming sectors where price sensitivity is limited, notably buildings, housing and transport.
- c. Establish an international monitoring and measurement protocol for energy efficiency savings (e.g. International Performance Measurement & Verification Protocol (IPVMP)).

## 3. De-risk and stimulate new energy technologies

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ICC recommends that the G20 demonstrate leadership in de-risking and stimulating new energy technologies and business models that can spur economic growth, create jobs and reduce the direct and societal costs of energy production and consumption:

- a. Pursue technology neutral policies that reduce barriers to the deployment of new technologies and energy resources, such as solar, wind, sustainable biomass, unconventional natural gas and gas liquids, and carbon capture and storage.
- b. Implement predictable international carbon pricing to enhance investor confidence in low carbon energy supply.
- c. Champion financially-efficient and targeted support mechanisms to de-risk pre-commercial and commercializing technologies and catalyse private sector investment, such as for smart grids or development and deployment of renewable energy solutions such as solar, wind and sustainable biomass.

## 4. Improve global energy governance framework

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ICC recommends that the G20 demonstrate leadership in improving the global governance framework for energy as a necessary success factor for the preceding recommendations and associated policy objectives:

- a. Establish formal business (B20) representation to the *G20 Energy Sustainability Working Group*.
- b. Complete the International Energy Forum Joint Oil Data Initiative (JODI) work on oil, gas and coal information to improve energy market transparency and efficiency.
- c. Reform current institutions (International Energy Agency, International Energy Forum) as necessary, prior to considering the creation of new ones.

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