

SUSTAINABLE ENERGY NEWS on EMAIL (SENSE)

Welcome to the third edition of the email newsletter – Sustainable Energy News (SENSE) – a service of the Sustainable Energy and Climate Change Project (SECCP), a partnership between Earthlife Africa, Johannesburg, and WWF, Denmark.

SENSE will be published monthly and we welcome any feedback and submissions. Erika Schutze, employed as Research and Information Co-ordinator, will edit it. Mette Nedergaard will be assistant editor based in Denmark. Please let us know if you wish to be removed from this list or suggest recipients for the list.

Also, please indicate if you would like to receive our separate Climate Change email newsletter, edited by the climate change facilitator, Mamashoabathe Noko.

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1. SECCP News

1.1 SECCP spearheads "Energy Issues" working group for WSSD

In March the SECCP will be convening an Energy Issues working group for the WSSD civil society secretariat. Richard Worthington will be driving it and anybody interested in participating should send e-mail to: richardw@earthlife.org.za.

Mamashoabathe Noko will be initiating a 'Climate Change Issues Working Group for WSSD' – maman@earthlife.org.za.

It is the intention of the SECCP to develop position papers for input to all processes and representative structures related to the Summit.

2. SA's energy progress

3. General Sustainable Energy News

Promotion of alternative energy sources to reduce Mexico City's pollution

Last year in August, researchers reported in *Science* magazine that cutting pollution in New York, Mexico City, Santiago and São Paulo will avoid some 64,000 premature deaths and 65,000 cases of chronic bronchitis by 2020. The researchers looked at the effects of using less-polluting fuels, reducing levels of harmful particulates from power stations and reducing traffic by 30% "These are existing technologies that could be purchased tomorrow," says Devra Lee Davis of Carnegie Mellon University in Pittsburgh.

It appears that these words have been heeded as one of the most polluted cities in the world, where 36 000 people die a year as a result of pollution, is to take action to reduce smoggy air. The Mexico City Environmental Commission, alongside state and federal officials, has announced \$12 billion program aimed at improving the city's air over the next eight years. The program places a new emphasis on environmental education and citizen participation, as well as the

promotion of alternative energy sources.

Proaire proposes the development of an environmental education curriculum for city schools, as well as environmental awareness campaigns through various media and a biennial progress report on the state of Mexico City air.

Other substantial proposals include emissions inspections of smaller commercial establishments such as laundromats, the promotion of alternative energy sources and the introduction of zero emission vehicles for public transportation.

State-owned oil monopoly Pemex, meanwhile, has pledged to reduce sulfur content for domestically-sold petrol 75 % by 2006. It is estimated vehicles contribute a tenth of the sulfur dioxide emissions in Mexico City.

Proaire will also "update" and "modernize" several air quality programs already in effect, including the "*hoy no circula*", by which drivers of older cars must leave them at home one day a week.

Proaire is to be implemented by the city, but some funding and initiatives - such as the improvement in Pemex gas - come from the federal level and the State of Mexico. Designed in part by Nobel Prize-winning chemist, Mario Molina, the program was announced a year behind schedule, owing, said the city, to "lack of federal interest." *TheNewsMexico.com*

Green electricity now available world-wide

On February 20, 2002, a new company called World Wide Green launched its website (www.worldwidegreen.com) from which customers all over the world can buy a 'green update' of their electricity use. World Wide Green now offers, as the first company ever, people in every country in the world the possibility to choose for a guarantee that the amount of electricity they use is produced by new renewable energy sources or is "green electricity".

World Wide Green will deliver the green update to its customers by making use of recently emerged green certificate systems in several countries. Green certificates are also known as green tags, green tickets or renewable energy credits. Official green certificate systems have been put in place during 2001 in Australia, the Netherlands and Texas. In the coming years many countries in Europe, America and Asia will follow.

For full press release and further details please contact G.J. Schaeffer, PhD, General Director of World Wide Green, on the email address at www.worldwidegreen.com - www.caddet-re.org

Germany's PV Financing Schemes

By 30 September 2001, Germany's two financing schemes for photovoltaics had encouraged the installation over 100 MWp of PV, domestic PV module production had increased rapidly, and Germany was a major importer of PV. The industry had created over 3800 jobs by the end of 2000.

Green electricity in Europe from 14%-22% by 2020

The European Union (EU) adopted a legislative text on promoting electricity production from renewable energy sources (RES) for the first time in September last year. The Directive aims to improve the sustainability and diversity of the EU energy supply and to contribute to meeting the EU's Kyoto commitments by increasing RES-related electricity production from 14% (in 1997) to 22% by 2010.

The share of RES in the EU energy balance is currently quite small, notwithstanding some breakthroughs, thanks to technical progress and legislative measures; eg the wind energy sector grew by over 2,000% between 1989 and 1998. National support regimes for the production of electricity from RES may be maintained. The Directive does not propose a single, harmonized, community support regime for the time being and allows countries to choose a particular type of support. By this new European law, countries commit themselves to respect national objectives for future green electricity consumption and to implement procedures to facilitate the penetration of RES in the internal electricity market; such as the guarantee of access to the grid or the implementation of an origin certificate for this type of energy.

The full implementation of this Directive by 2010 would have a substantial effect on the lowering of EU energy supply dependence, and on the completion of EU commitments to the reduction of CO2 emissions.

www.europa.eu.int/comm/energy/en/fa_3_en.html

Secrecy around the Enron energy affair is another Watergate

The lawyer who led the Nixon White House's attempt to conceal incriminating evidence during the Watergate scandal has accused US Vice-President Dick Cheney of sinking to the same depths in the Enron affair. John Dean, who served as the White House counsel under Richard Nixon, said Mr Cheney's efforts to withhold details of his energy taskforce had put George Bush's administration in "cover-up mode". In a stinging opinion article in the *New York Times*, Mr Dean, who was briefly imprisoned for his role in Watergate, wrote that Mr Cheney's stonewalling "has a familiar ring to someone who served in the Nixon White House. It is the sound of someone who has something to hide." - *The Guardian*

2001 was the second hottest year on record

If you can't stand the heat ... tough luck. Last year was the second-hottest year on record -- and that means that now, nine of the 10 hottest years since 1860 have occurred since 1990. With that clear trend in place, plus the likelihood of another El Nino, 2002 could be, well, miserable. Check out the details at "How's the Weather?" only on the Grist Magazine website <http://www.gristmagazine.com/>

Large-scale Green Certificate Transaction between Dutch and Guatemalan Companies

The first international green certificate transaction involving assets in a developing country was completed last autumn. The transaction, between Hidroelectrica Papeles Elaborados (HPE) a hydro electric firm in Guatemala, and Nuon, a Dutch electricity distributor, represents one of the largest green certificate transactions to date, with Nuon committing to purchase 100% of the environmental benefits of HPE for the next 10 years. The certificates are being transacted from HPE's 8.2 MW run-of-river Poza Verde facility in Guatemala, and will be used by Nuon as part of its green energy products. <http://www.ixj.com>

Indian generators to convert to biomass in carbon trading deal

Conversion of a generator from diesel- to biomass-firing is to take place in Karnataka, southern India through funding from the Swiss investment firm Sustainable Asset Management (SAM). The funding has been arranged through Future Forests, a carbon-neutral consultancy firm, with the aim of offsetting SAM's carbon emissions. The Karnataka project is being handled by nongovernmental organization Women for Sustainable Development, and will allow the generator to be fired with coconut and rice husks, types of weed, and purpose-grown biomass crop. <http://www.ixj.com>

NGO network collapses due to Danish funding withdrawal

INFORSE – the International Network for Sustainable Energy – is a worldwide Network of over 200 NGOs that promote sustainable energy and social development. The Secretariat of INFORSE has had to close down due to the withdrawal of Danish funds. In January the Secretariat developed an Action Plan for how to implement the Information Strategy. However, the new Danish Liberal-Conservative Government informed the public on the 11th of January that a number of institutions would no longer receive Government grants. Forum for Energy and Development (and thus INFORSE Secretariat) is among those institutions that have lost the government support. The grant is cancelled with effect from January 2002 and with no further notice. The Danish State Budget has not yet been passed by the Parliament. However the present Government has absolute majority, therefore the chances that their decision is going to be reverted are close to non-existing. As a result, the Executive Committee of Forum for Energy and Development has therefore decided to close down the Secretariat, including the INFORSE Secretariat. 2002 would have been the year to celebrate the 10 years anniversary of the INFORSE network. Throughout the years INFORSE has gained respect and credibility in many international organizations.

The brilliance of bio-energy – small projects using biomass

There is a growing, worldwide interest in small-scale, distributed heat and power generating systems that use renewable energy sources. For plant capacities between 10 MWe and 30 MWe, systems can be connected to the main grid - this is sometimes termed 'embedded' generation - or stand alone and supply the local community only. At an even smaller scale, down to just a few kWe, a range of technologies are available, mainly for the individual domestic or small business user. In this range of small- to micro-scales, biomass will play a significant future role in meeting local heat and power demands, in both developed and developing countries. <http://www.ixj.com>

Oregon Nears Tame Debut of Electricity deregulation

Oregon's cautious yet historic entry into electricity deregulation will debut with a whimper on March 1. The meatiest part of the Oregon law, painstakingly crafted by the 1999 Legislature and implemented at ratepayers' expense, allows businesses for the first time to buy electricity directly from non-utility suppliers and, theoretically, to take advantage of competitive prices. Advocates of the law call the plan "restructuring," not "deregulation." The tame approach to open and competitive markets allows businesses to stay with their traditional utility if they choose, and, with proper notice, to move back and forth among various rate structures. Residential customers must remain with their utility, although, also beginning March 1, they may pick from a variety of rates. The options are linked to types of power, such as renewable resources and wind, and to the times of day the electricity is used.

But a hangover from a year's worth of high power prices, fallout from California's botched deregulation plan and backwash from the Enron bankruptcy have squelched any desire to try what has been labeled "direct access."

So far, three non-utility suppliers, known as "electricity service suppliers," have received state certification to offer electricity to Oregon businesses. All three said an analysis of rates and talks with businesses have shown they likely won't sign up any customers this year, despite their eagerness to crack into retail markets throughout the West.

The other two state-certified suppliers are IdaCorp Energy of Boise and Powerex of Vancouver, British Columbia. Enron Energy Services began the certification process but suspended its application after the collapse and bankruptcy of its parent, Enron Corp.

AES, IdaCorp and Powerex officials blame Oregon's two main utilities, Portland General Electric and PacifiCorp, for stifling outside suppliers' ability to offer competitive rates.

The law allows the two utilities, which account for 70% of all electricity consumed by the state, to tack a portion of their own power costs onto competing rates. The transition, or "exit," fees -- linked to wholesale electricity purchases and power plant valuations -- are designed to protect utilities from sudden jumps in costs should large customers depart. But the outside suppliers contend that the fees are higher than expected and wipe out any cost advantage competitors might otherwise be able to offer.

As long as the surcharges remain, the market will be hamstrung. www.oregonian.com

Public Companies Tweak Accounting to Hide Environmental Debt

February 18, 2002 (ENS) - The U.S. Environmental Protection Agency launched a national campaign in January 2001 to get publicly traded companies to disclose their environmental debts to shareholders as required by regulation. Now, more than a year later, a majority of public companies that have violated federal environmental laws still do not make those disclosures.

The EPA is attempting to stop the practices of some corporations that seek by accounting strategies to cover up financial losses and liabilities so these problems do not bring down share prices.

The findings are based on a 1998 EPA study of corporate compliance with Regulation S-K issued by the Securities and Exchange Commission (SEC) which mandates quarterly and annual financial reporting of corporate environmental liability and debt exposure as part of reporting legal proceedings on violation of environmental laws.

Three of every four publicly traded U.S. corporations surveyed openly violated the Securities and Exchange Commission's environmental financial debt accounting regulations, the EPA disclosed.

Congressional committees trying to unravel the Enron accounting scandal where hundreds of millions of dollars of debt was hidden illegally from shareholders, do not appear to know about this concealment of environmental debt.

None of the investigating House or Senate subcommittee personnel contacted by ENS were aware of the EPA's charge of gross financial environmental debt departures on the part of companies trading on the U.S. stock exchanges.

The hiding of corporate environmental debt from shareholders is a significant issue in the stock market where corporate exposure to environmental financial costs involving compliance, cleanup, and legal fees is estimated by the insurance underwriting industry at over 100 billion dollars.

A.M. Best Company, a global insurance service firm with corporate headquarters in Oldwick, New Jersey, reported in November 2001 they expect the property-casualty industry to ultimately incur upwards of \$121 billion in net asbestos and environmental losses.

Corporate noncompliance with U.S. environmental laws is being rewarded when the SEC does not vigorously enforce its environmental accounting filing regulation, a top EPA legal official says.

It is the SEC's job to administer and enforce the federal securities laws to protect investors and to maintain fair, honest, and efficient markets. But in the past 20 years the SEC has only once enforced its Regulation S-K financial environmental accounting regulation, setting a precedent for other financial debt departures in the stock markets.

Corporations are allowed too much leeway for interpretation of what is financially material when it comes to disclosure of environmental liability and cleanup costs to shareholders according to the Corporate Sunshine Working Group. The nationwide coalition of more than 60 organizations is spearheading an effort to have the Securities and Exchange Commission strictly enforce and improve securities law requiring corporate filing of environmental material expenses. The coalition includes money management firms such as Kinder Lydenberg

& Domini, to labour organizations such as the United Steelworkers of America, to environmental groups such as Friends of the Earth.

Attorney Sanford Lewis, co-chair of the Corporate Sunshine Working Group, says, "Our objective is to have the SEC uniformly enforce their current environmental accounting regulations and create more clarification for existing rules."

SA Energy developments

Electricity Distribution Industry Regulatory Draft Bill

The Department of Minerals and Energy is presenting an EDI Regulatory draft Bill to Cabinet in February 2002 and thereafter it is to be published for public comment. The Minerals and Energy Portfolio Committee was given a brief overview on the draft Bill on the 13 February 2002. The Department is also in the process of registering the EDI Holding Company to oversee the restructuring process. The Company is expected to be dissolved after five to seven years and it is expected that regional distributors would be freestanding entities by then. The Department has recently advertised posts for a CEO for EDI Holdings, as well as board members and executive directors. The company should be up and running shortly.

The EDI restructuring process was officially launched with a Ministerial Workshop on 22 August 1997 in Pretoria. All major stakeholders participated in this workshop.

In order to activate the EDI restructuring process, the first structure to be put in place was the Stakeholder Advisory Committee (SAC). The Minister of Minerals and Energy appointed 22 stakeholders to this committee, representing all the major role-players in the EDI, consisting of suppliers, customer and labour groupings.

The first phase, the proposal phase, is nearly completed. The next phase will be the transformation phase which will seek to transform the current fragmented EDI structure into a series of Regional Electricity Distributors.

For more information contact Nelisiwe Magubane at (012) 317 9239

Environmental Protection Unit

The Environmental Protection Unit has recently provided assistance to the Directorate Air Quality Management in formulating the new air quality management plan for South Africa, and a power point presentation explaining the plan in full should shortly be available on the Department website.

Though the Unit focus is air quality management, it is also providing complementary support in upcoming pollution and waste management legislation. An intergovernmental workshop was hosted by the Department on 19 - 20 February to clarify the direction to be taken regarding the upcoming legislation and to ensure that national, provincial and local government programs are in sync. The intention was to have bills on air quality management and pollution and waste management submitted to cabinet before June, but the proper time table will be decided on at the workshop.

The Unit's work on air quality management serves largely as a case study for the broader purpose of increasing the effectiveness of the Department in implementing NEMA.

The Unit was appointed by the Department of Environmental Affairs and Tourism to ensure the implementation of Chapter 7 of the National Environmental Management Act relating to compliance, enforcement and protection.

For more information contact Peter Lukey at 011 839 3764

5. Questions and Answers

Q: What's a Gigawatt? A: A kilowatt (1000 watts)

Megawatt (1 000 000 watts - million) – three storey high turbine = 2 megawatts

Gigawatt (1 000 000 000 watts - billion),

A watt is a capacity, as in a 40-watt light bulb. However, its use is measured in the number of hours one utilises it. One is billed in terms of kilowatt hours (energy that is spent) by the power utility.