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INTERGOVERNMENTAL NEGOTIATING COMMITTEE  
FOR A FRAMEWORK CONVENTION ON CLIMATE CHANGE  
Eleventh session  
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Item 7 (a) of the provisional agenda

MATTERS RELATING TO COMMITMENTS

FIRST REVIEW OF INFORMATION COMMUNICATED BY EACH PARTY  
INCLUDED IN ANNEX I TO THE CONVENTION

Comments from Parties or other member States

Note by the interim secretariat

A. First review of information communicated by each Party  
included in Annex I to the Convention

The Committee, at its tenth session, requested the interim secretariat to prepare, for consideration by the Committee at its eleventh session, a short note and proposals regarding the periodicity of further communications by Annex I Parties as well as the modalities for the consideration by the subsidiary bodies of in-depth review reports and individual communications. In preparing such a note, the interim secretariat was asked to take into account any further comments which Parties or other member States may have transmitted to the interim secretariat before 15 October 1994, for distribution to all delegations (A/AC.237/76, annex I, decision 10/1, para. 5).

The interim secretariat received such submissions from Australia, France, Kenya, Poland, the Russian Federation and Sweden. These submissions are attached and, in accordance with the procedures adopted for miscellaneous documents, are reproduced in the language(s) in which they were received.

B. Innovative and potentially replicable measures

Also at its tenth session, the Committee invited those Annex I Parties that had not identified, in their national communication, measures that appear to them to be particularly innovative and potentially replicable to transmit this information to the interim secretariat (A/AC.237/76, annex I, decision 10/1, para. 3(d)). The interim secretariat received such information from the Netherlands and the United States of America. These submissions are also attached in the language in which they were received.

Any further submissions will be issued in an addendum.

A/AC.237/MISC.42

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**A. First review of information communicated by each Party included in Annex I to the Convention**

## **NATIONAL COMMUNICATIONS-PERIODICITY OF SUBSEQUENT COMMUNICATIONS BY ANNEX I PARTIES**

### **AUSTRALIAN VIEWS**

#### **INTRODUCTION**

The Australian Government considers the periodicity of future national communications to be an important issue, as future negotiations on commitments in the convention will need to be informed by up-to-date information on actions taken by Parties to implement the Convention.

Australia's statement at INC-X presented our initial view that communications should be required every two to three years. This timing would enable the second review of the adequacy of commitments in 1998 to be informed by Annex I Parties' second national communications and the outcome of their review.

#### **RECOMMENDATION TO COP-I**

For the second review of the adequacy of commitments to be informed by Annex I Parties' second national communications, it will be important for COP-I to decide on the periodicity of subsequent communications. To help expedite a decision by COP-I on this issue, Australia considers that the Committee should make a recommendation to COP-I on periodicity of communications. In this regard, Australia welcomes the decision of the Committee at INC-X for the Interim Secretariat to prepare a paper for consideration at INC-XI on proposals regarding the frequency of future national communications.

#### **TWO-STAGE REPORTING CYCLE**

Since INC-X, we have given more detailed consideration to the periodicity issue. To maximise the currency of information available to the Conference of Parties, Australia considers that countries should be required to communicate some elements of information biennially. However, we are mindful of the demands that regular reporting could place on Parties. To overcome this problem, Australia's preferred approach is for a four year, two stage cycle for the submission of national communications. This approach would require Parties to:

- submit every four years a "major" national communication prepared in accordance with comprehensive guidelines adopted by the Conference of Parties; and
- submit a "minor", or interim national communication two years after their "major" communication. The "minor" communication would focus on updating specific elements of the preceding "major" communication. The elements would include the greenhouse gas inventory and emissions projections, and policies and measures taken to reduce emissions and enhance sinks that are additional to those described in the

preceding communication. Parties could also be asked to provide details of any progress with or changes to policies and measures described in their last communication which at the time were under consideration, but had not yet been adopted or committed to.

The benefits of this approach are that it would be a less onerous reporting regime than a requirement to submit "major" communications biennially, and would provide more regular updates of information critical to ongoing Convention negotiations than a 3-year reporting interval.

PAPER NO. 2: FRANCE

COMITE INTERGOUVERNEMENTAL  
DE NEGOCIATION D'UNE CONVENTION CADRE  
SUR LES CHANGEMENTS CLIMATIQUES  
Onzième Session

NOTE DE POSITION

Examen des informations communiquées par chacune des parties  
visées à l'annexe I  
Périodicité des communications ultérieures

L'évolution des connaissances techniques et scientifiques, celles des données socioéconomiques, notamment du développement, impliquent que les pays fournissent dans des délais réguliers, les éléments d'information nécessaires à l'évaluation des progrès réalisés pour atteindre les objectifs de la convention.

La France rappelle qu'une périodicité de 3 ans lui semble la mieux adaptée pour répondre à cette exigence.

Cette périodicité qui se situe dans la ligne des conclusions de l'Union Européenne et de la nécessité inscrite à l'article 4-2 d de réviser les engagements visés à l'article 4-2 a et b, présente de nombreux avantages; elle permet entre autres:

- de réactualiser les scénarii d'évolution des émissions de gaz à effet de serre en fonction des fluctuations économiques ou d'autres facteurs externes,
- d'exercer un suivi précis des efforts entrepris en matière de politiques et de mesures, en incorporant les évolutions des différentes politiques gouvernementales peu susceptibles d'être modifiées à une fréquence annuelle,
- de tester les effets réels de certaines mesures.

Une périodicité plus rapide (2 ans ou moins) imposerait une charge de travail trop lourde sans améliorer sensiblement la qualité de l'information. Une périodicité plus lente (4 ans ou plus) pourrait compromettre la qualité de l'information et par conséquent réduire l'efficacité de la lutte contre l'effet de serre.

Si la conférence des parties se réunit chaque année comme prévu, le problème est posé de savoir si une mise à jour annuelle de ces programmes devra être réalisée. La France est favorable à une mise à jour annuelle pour les inventaires de gaz à effet de serre, les parties restant libres de fournir des informations complémentaires sur d'autres volets des programmes nationaux.

**PAPER NO. 3: KENYA**

The success of national efforts by Annex I Parties upon which the achievement of the objective of the Convention heavily depends, will be difficult to quantify in the communications of these Parties if the period between the initial and other communications of information is too short. Sufficient time should be allowed for a Party to take further actions after the initial communication and to assess the effectiveness of such further actions before compiling the next communication.

Communication of information to the Conference of the Parties every two years by Annex I Parties seems quite a reasonable time interval. Since the communications of all Annex I Parties will not be due at the same time, the Conference of the Parties will always have some information for consideration at its annual meetings. The workload for the Conference of the Parties will increase significantly when the communications from non-Annex I Parties start flowing in. This goes to support a periodicity of communication of information that is not less than two years in recognition of the amount of work involved, both for the Parties and the Secretariat which has to prepare the necessary documentation for consideration by the Conference of the Parties.

PAPER NO. 4: POLAND

**NATIONAL COMMUNICATIONS - PERIODICITY OF SUBSEQUENT  
COMMUNICATIONS BY ANNEX I PARTIES**

RE: Decision 10/1 , para 5:

Regarding the periodicity of further communications by Annex I Parties the position of Poland is as follows:

The periodicity should be 5 years. In shorter periods it would be difficult to assess the changes in GHG emissions and efficacy of actions undertaken within adopted strategies. The cost of preparation of the national communications is considerable and it would be difficult for Poland to finance such work more often.



## PAPER NO. 5: RUSSIAN FEDERATION

Предложения Российской Федерации  
по вопросу представления национальных сообщений Сторон Конвенции,  
включенных в Приложение I, а также по вопросу передачи технологий

1. Согласно Статье 7 Конвенции Конференция Сторон на своих сессиях оценивает на основе всей представленной ей информации осуществление Конвенции Сторонами, общие последствия мер, принятых в соответствии с Конвенцией, а также прогресс, достигнутый в реализации цели Конвенции. Основную информацию для таких оценок должны предоставлять национальные сообщения Сторон Приложения I. Параграф 5 Статьи 12 предусматривает, что первоначальное сообщение о выполнении обязательств Сторонами Приложения I представляется в течение шести месяцев после вступления Конвенции в силу для каждой из этих Сторон, а частотность последующих сообщений определяется Конференцией Сторон. На наш взгляд, принятие обоснованного решения о периодичности представления национальных сообщений Сторонами Приложения I должно базироваться на учете следующих факторов: во-первых - это четкое понимание того, за какой период времени могут произойти значимые с точки зрения продвижения к цели Конвенции изменения в ситуации с антропогенными выбросами парниковых газов и их поглощением, во-вторых - это реальные возможности Сторон по внесению соответствующих положением Конвенции изменений в национальную политику, и, наконец, в третьих - это необходимость учета разницы в периодичности статистической отчетности по различным отраслям экономики у разных стран. Исходя из этого, полагали бы целесообразным, на первой сессии Конференции Сторон определить срок представления вторых сообщений Сторон Приложения I, с тем, чтобы, имея возможность проанализировать опыт обзора первых и вторых сообщений, с наиболее полным учетом трех вышеупомянутых факторов, принять решение о периодичности последующих сообщений. По нашему мнению, вторые национальные сообщения могли бы быть представлены к третьей сессии Конференции Сторон Конвенции в 1997 году.

2. Одним из наиболее значимых с точки зрения продвижения к достижению конечной цели Конвенции фактором сокращения антропогенных выбросов парниковых газов в атмосферу является переход на использование новых экологически безопасных технологий. Конвенция предусматривает установление широкомасштабного международного сотрудничества по переходу к таким технологическим процессам. В частности, параграф 5 Статьи 4 предусматривает возможность передачи Сторонами Приложения II экологически безопасных технологий и "ноу-хау" другим Сторонам, чтобы дать им возможность выполнять свои обязательства по Конвенции. На наш взгляд, формулировка данного параграфа однозначно указывает на то что, доступ к передовым технологиям, позволяющим сократить выброс парниковых газов в атмосферу должен быть обеспечен всем Сторонам Конвенции. Попытки сузить этот процесс до рамок оказания помощи Сторонам, являющимся развивающимися странами, противоречат вышеупомянутому положению Конвенции и носят неоправданный характер. Очевидно, что исключение из этого процесса такой существенной группы стран, как страны с

переходной экономикой противоречит духу Конвенции и не способствует прогрессу в достижении ее цели. Экономические трудности, которые испытывают страны при переходе к рыночной экономике, связанные с этим процессом социальные проблемы, могут существенно затруднить выполнение этой категорией стран их обязательств по Конвенции. Исходя из этого, неучет специфических потребностей стран с переходной экономикой, в том числе и возможности доступа к передовым технологиям, может негативно сказаться на достижении цели Конвенции. Полагаем целесообразным на одиннадцатой сессии МПК обсудить этот вопрос и принять соответствующее решение, учитывающее интересы различных групп стран, в том числе стран с переходной экономикой.

(Unofficial translation from Russian)

**Views of the Russian Federation  
on a question of presentation of national communications by Annex  
I Parties and on technology transfer**

1. In accordance with the Art. 7 of the FCCC, COP, on the basis of all information made available to it, is to assess at its sessions the overall effect of measures implemented by the Parties pursuant to the Convention and the extent to which progress towards the objective of the Convention has being achieved. Information required for this assessment should be contained in the national communications of Annex I Parties. Article 12.5 provides that initial communication describing implementation of commitments by Annex I Parties is to be presented within six months from the entry into force of the Convention for that Party, but the frequency of further communications shall be determined by the Conference of Parties. In our view adoption of a justified decision on the frequency of presentation of national communications by Annex I Parties has to be based on the following considerations:

a) one should have a clear idea as to what is the time span during which significant changes in GHG anthropogenic emission and absorption, from the point of view of the Convention, might take place;

b) one should take into account the real capabilities of the Parties in introducing appropriate changes to their national policies consistent with the provisions of the Convention and,

c) one should take into account differences in periodicity of national statistics reporting on various branches of economy for different countries.

That's why we would consider it expedient to determine at COP 1 when second national communications by Annex I Parties should be presented. Then, based on the experience gained during the review of the first and second communications and fully taking into account three factors mentioned above, it would be possible to tale decision on frequency of further communications. In our opinion, the second national communications could be presented to the COP-3 in 1977.

2. One of the most significant factors facilitating attainment of the ultimate goal of the Convention - reducing GHG anthropogenic emission to the atmosphere - is a transition to use of new ecologically sound technologies. The Convention provides for establishing of a large-scale international cooperation to facilitate transition to uses of such technologies. In particular, Article 4.5 calls for promoting transfer of environmentally sound technologies and know-how by Annex II Parties to other Parties in order to enable them to implement the provisions of the Convention. In our opinion, the wording of this paragraph unambiguously states that access to advanced technologies, reducing emissions of GHG should be guaranteed to all the Parties to the Convention. Any attempts to restrict this process by providing assistance to developing states only contradict the above mentioned provision of the Convention and are not justified.

It is clear that to exclude from this process such a non-negligible group of states as countries with economies in transition would be in contradiction with the spirit of the Convention and would not facilitate attainment of its goal. Economic difficulties that face countries with economies in transition and related social problems can significantly hinder the implementation of the Convention by this group of countries. Failure to take into account the specific needs of the countries with economy in transition, in particular their need to have access to advanced technologies, could negatively affect attainment of the goal of the Convention. We would consider it advisable to discuss this issue at the INC-XI, and to adopt a decision taking into account interest of various groups of states, including countries with economy in transition.

## PAPER NO. 6: SWEDEN

Comments on the periodicity of review information  
communicated by ANNEX-1 Parties

According to Article 4.1 Each Party shall communicate information regarding implementation of the Convention. Parties included in ANNEX-1 shall communicate information within six month of the entry into force of the convention and other parties shall make its initial information within three years. The frequencies of subsequent information shall be determined by the Conference of the Parties.

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Sweden believes that there is no necessity that Parties make yearly reports to the secretariat about information on implementation of the Convention. It will take some to develop new national policies on climate change and to gain experiences from the effects of measures taken to combat climate change. Given the heavy workload associated with the review process it should be appropriate to communicate information every 3-5 years.

Sweden is also of the view that the second report from ANNEX 1 countries should be coordinated with the communications from non Annex-1 countries. According to the last information on ratification provided by the INC interim secretariat, about 35 non ANNEX-1 countries are required to make their first submission before the first of march 1997 and another 25 before the end of 1997.

Furthermore, according to Article 4.2 (d) a second review of Article 4.2(a) and (b) shall take place by the Conference of the Parties not later than 31 of December 1998. It seems to be appropriate that the Conference of the Parties have before it a thorough compilation, synthesis and analysis of as much national communications as possible. It will take some time for the secretariat and/or the Subsidiary Bodies to provide such information to the Conference of the Parties. It would therefore be advisable to have the second communication from ANNEX-1 Parties before the end of June 1997. The review process should be an ongoing task in 1997. This timetable would make it possible to have preparations for the second review by the Conference of the Parties in late 1998, that is a year and half from the time limit for ANNEX-1 Country Reports.

Sweden propose that emissions of carbon dioxide is to be reported on a yearly basis to the secretariat. Countries could also provide information on major events on policy nature that it believes be relevant to report.

## **B. Innovative and potentially replicable measures**

## NETHERLANDS' NATIONAL COMMUNICATION ON CLIMATE CHANGE POLICIES

**Additional Information on Innovative Measures**

with reference to decision 3.3 (d) of the 10th meeting of the INC (A/AC.237/WG.1/L.20)

**a. Energy conservation in industry and voluntary agreements**

The Netherlands uses a mix of instruments in order to implement measures, including standards and regulations, financial and fiscal incentives and voluntary agreements, in accordance with sector specific characteristics. This approach of using an optimized mix of instruments in appropriate variations, based on the strong points of each instrument, in itself could be replicated in other Member States.

Current Netherlands' policy involves energy conservation measures based as far as possible on voluntary agreements with sectors of industry. These agreements are supported by relevant programs and legal instruments. Section 4.3.1 and Box 4.2 and Box 4.3 in the National Communication provide further explanation.

The Netherlands also regulates industry with so-called environmental licences (based on the Environmental Protection Act), which are effectively permits to operate provided certain environmental standards of operation are maintained. Provincial and municipal bodies with responsibility for granting environmental licenses have recently been given the authority to impose requirements on companies regarding energy consumption. It has been agreed that the Long-Term Agreements will form the basis of the license-granting procedure. This forms an extra incentive for companies to comply with their Long-Term Agreement targets.

The voluntary agreements show very encouraging signs of meeting what are ambitious targets. The efforts have been made in a spirit of cooperation, and companies have not been obliged to undertake work which cannot be considered to be in their own best interest.

To date, a total of some 500 major companies have signed Long-Term Agreements on energy conservation with the Government. As of May 1994, about 75% of Dutch industrial energy consumption was covered by the Long-Term Agreements and declarations of intent that had been signed. By the end of 1994 this figure will be 90%. Page 42 and 43 and Box 4.5 present the achievements to date.

The initial results of the Long-Term Agreements in operation indicate that the sectors which have so far submitted reports are well on target to achieve agreed improvements in energy efficiency. In many areas these Long-Term Agreements are also leading to technological innovation.

The Long-Term Agreement approach will be broadened to include sectors outside manufacturing industry. An agreement has been signed with the glass horticulture sector (see also Box 4.6) and with the social rental sector. Discussions are continuing with small businesses, health, education, commercial services, the retail trade, agriculture, the housing construction sector, and the road haulage sector.

Companies subscribing to a Long-Term Agreement assume the following obligations:

- to draw up a tailor-made energy conservation plan, with the option of calling in assistance from Netherlands' Organisation for Energy and Environment (NOVEM) or from external consultants.
- to meet a number of criteria when taking investment decisions.
- to monitor the progress of their energy efficiency programmes, and to submit an annual report on energy efficiency to NOVEM.



In order to be able to monitor the progress of energy efficiency within a company, the energy consumed and the production volume achieved in manufacturing its core products are measured. The companies concerned must make provision to supply this data. Each year, they are required to submit information to NOVEM on their energy consumption, their improvements in energy efficiency and the main projects and measures they have implemented.

b. Enhancing the contribution of the energy distribution sector

Energy conservation policy is aimed at substantially increasing the contribution in conservation made by the energy distribution companies through their recently updated Environmental Action Plan (MAP2; see page 48-50). They have entered into an second agreement with the Government, the full text of which is contained in Annex 1. This will reinforce the market position of energy conservation and renewables.

Based on the agreement between the cooperative distribution utilities and the Minister of Economic Affairs, they are responsible for a large part of energy conservation, about 30% of the overall target for energy conservation policy in 2000.

The agreement would appear to be of great interest to countries wishing to enhance the role of the energy companies. The proposed measures are to be funded by the energy distribution companies themselves on the basis of a MAP levy and from the companies' own resources. The MAP levy will average 1.8% of the cost of the energy supplied to consumers.

c. Environmental levies on energy

Besides final energy consumption being subject to VAT (17.5%), all fuel use (for consumption and production purposes) is subject to an environmental tax. Electricity is not taxed by this environmental levy directly, but the fuel input for electricity generation is.

Some data on this levy are given on page 37 of the National Communication. There are no refunds for exporting industries. The tax is comparable to roughly USD 3/ton CO<sub>2</sub>. Typical examples of the tariffs are

coal	Dfl 22.64/tonne
heavy fuel oil	Dfl 31.04/tonne
natural gas	Dfl 20.79/1000m <sup>3</sup>

The Netherlands' Government would prefer a regulatory tax on the basis of an EU-wide approach. As it is uncertain whether a European tax will be introduced, preparations will begin in the Netherlands for a European Community tax as well as for the alternative of a national regulatory tax (on small-scale consumers). These preparations will also make it possible to introduce a tax in 1996.

**Appendix C: The Second Set of Agreements**

***Set of Agreements***

between

EnergieNed, the Netherlands' Association of Energy Distribution Companies

and

the Minister of Economic Affairs

regarding the co-ordination of the National Government's energy conservation policy and the energy conservation activities set out in the Second Environmental Action Plan (MAP) of the Netherlands' energy distribution sector.

**The parties,**

1. The Netherlands' Association of Energy Distribution Companies, EnergieNed

and

2. the Minister of Economic Affairs, hereinafter referred to as the Minister

**Whereas**

- the Netherlands' energy distribution sector wishes to distribute energy, and to promote its efficient use, in a socially responsible manner, with due regard for environmental protection;
- the NMP 2 sets national targets for reductions in emissions of greenhouse gases (primarily CO<sub>2</sub>) and acidifying substances for the period 1991 to 2000;
- in connection with the CO<sub>2</sub> targets, an energy conservation policy has been formulated in accordance with the Second Energy Conservation Policy Document, the intention of which is not only to effect the said emission reductions, but also to reduce integrated energy costs and increase security of supply in the long term;
- the said Second Energy Conservation Policy Document is largely comprised of activities to be undertaken by the Netherlands' energy distribution sector;
- the Netherlands' energy distribution sector has developed plans, set out in the Second Environmental Action Plan of the Netherlands' Energy Distribution Sector, which largely constitute the national energy conservation policy;
- the Netherlands' energy distribution sector's planned activities will contribute substantially to the attainment of the targets for emissions of greenhouse gases and acidifying substances set out in the NMP 2, both in terms of conservation (directly through the energy savings associated with the activities) and otherwise (through the other environmentally beneficial effects of the activities);
- proper integration and a high degree of continuity in the policies of the Netherlands' energy distribution sector and the National Government are necessary for the proper pursuance of both parties' energy conservation activities;
- consideration needs to be given to more general co-ordination in the energy sector as a whole, in the context of the Integrated Environmental Plan of the Energy Sector (IMES);
- insofar as activities undertaken by the Netherlands' Agency for Energy and the Environment (Novem) on behalf of the Minister are concerned, co-ordination can be expected as provided for by the joint operating agreement concluded between EnergieNed and Novem;
- arrangements need to be made regarding the exchange of information, reporting, monitoring and accounting for the financial resources made available by both parties for the activities.



**Do hereby agree to the following:****1. Definitions**

- 1.1 **Subsidy:** money paid to an investor in accordance with a subsidy scheme as provided for in the A MAP II, or money paid to an investor in pursuit of the Second Energy Conservation Policy Document, insofar as applicable, or money paid for associated research into the use of biomass or a new technology.
- 1.2 **Energy conservation:** any activity leading to the conservation of fossil fuel, including the utilization of renewable energy sources and the extraction of energy from waste.
- 1.3 **Energy service:** any form of service whose provision encourages investment in the conservation of energy by the end user, in such a way that the end user does not initially have to invest.
- 1.4 **The U MAP:** the Points of Departure for the Second Environmental Action Plan of the Energy Distribution Sector, finalized on 18 October 1993.
- 1.5 **The A MAP II:** the Second General Environmental Action Plan of the Energy Distribution Sector, finalized on 3 March 1994.
- 1.6 **B MAP:** the Company Environmental Action Plan of an individual energy distribution company.

**2. Term**

This Set of Agreements shall remain in force for three years, beginning retrospectively on 1 January 1994 and ending on 31 December 1996.

**3. Measures**

- 3.1 The package of measures set out in the A MAP II comprises activities designed to meet the following targets for the avoidance of CO<sub>2</sub> emissions (in millions of tons), and subsidiary targets for energy conservation (in petajoules (PJ)) and the avoidance of emissions of acid equivalents and methane, by the year 2000:
- **Category I, user-side:**  
6.2 million tons of CO<sub>2</sub>, 105 PJ of energy, 161 million acid equivalents
  - **Category II, production-side:**
  - **Category IIa, co-generation/heat distribution/others:**  
8.0 million tons of CO<sub>2</sub>, 91 PJ of energy, 70 million acid equivalents
  - **Category IIb, renewable energy:**  
CO<sub>2</sub> reduction, energy conservation and reduction of acidifying emissions are included in the target quoted for Category IIa, within which a separate package of measures has been set out for renewable energy. The aim is that 2.8% of electricity consumed should be generated from renewable sources by the year 2000. Equivalent to 1.1 million tons of CO<sub>2</sub>, 17 PJ of energy and 34 million acid equivalents.
  - **Category IIc, landfill gas:**  
850 000 tons of methane, the equivalent of 1.7 million tons of CO<sub>2</sub>. A separate methane emission reduction target has been set for this category. Within the context of the A MAP II, methane emissions are considered to be interchangeable with carbon dioxide emissions; they are not considered to be so for the purposes of this agreement.
  - **Category III, innovation policy:**  
The aim is to bring about significant progress in the priority fields identified within the A MAP.
- 3.2 The A MAP II expects user-side measures to have about 30% less impact than was envisaged in the U MAP. EnergieNed will analyse this discrepancy by reference to the B MAPs. The results of this analysis and the conclusions drawn by EnergieNed will be the subject of discussions with the Minister in the autumn of 1994 during which the parties will consider whether — on the basis

of the points of departure of the MAP II and the measures and impact assumed in the NMP 2 and Second Energy Conservation Policy Document – mechanisms can be developed to supplement the package of measures. The said discussions will address not only the technical, financial and organizational aspects of the measures under consideration, but also the statistical data used (each measure's impact on CO<sub>2</sub> reductions). At the same time, the activities undertaken with a view to realizing renewable energy targets may be reviewed and compared to the U MAP.

- 3.3 Participation by individual energy distribution companies in the National Government's certification scheme for CO<sub>2</sub> sequestration through afforestation in the Netherlands will not be considered to fall within the scope of the MAP measures referred to in Clause 1 of Article 3. EnergieNed will ensure that participating energy distribution companies report any associated CO<sub>2</sub> reduction separately.

#### 4. Areas of special attention and activities

##### 4.1 General activities

- 4.1.1 EnergieNed will endeavour to ensure that individual electricity distribution companies pursue the policy objectives which they have formulated, in accordance with the A MAP II.

The Minister will endeavour to pursue the policy set out in the Second Energy Conservation Policy Document with a view to supporting the activities of the energy distribution companies as set out in the A MAP II.

- 4.1.2 The Minister will in particular endeavour, together with the Minister of Housing, Spatial Planning and Environmental Management, through legislation and regulation to support and secure support for the activities of the Netherlands' energy distribution sector, as set out in the Second Energy Conservation Policy Document and NMP 2.

##### 4.2 Category I: user-side

###### 4.2.1 Lighting in non-residential buildings

EnergieNed will endeavour to ensure that individual energy distribution companies continue and extend the current programme for energy-efficient lighting. EnergieNed will also endeavour to ensure that individual energy distribution companies undertake the further development of finance schemes and other energy services.

###### 4.2.2 Household electrical appliances (white goods)

EnergieNed will endeavour to extend to the national level the trial project for the promotion of energy-efficient domestic refrigerators and freezers, which it is conducting together with eight energy distribution companies. EnergieNed will also seek other ways of encouraging consumers to choose energy-efficient appliances. The Minister will endeavour to give more substance to regulations regarding energy labelling and energy standardization of refrigerators and freezers. This approach may be extended to other categories of white goods.

###### 4.2.3 Home and building insulation and HE boilers

EnergieNed will endeavour to ensure that individual energy distribution companies promote insulation and possibly also give further support to the marketing of HE boilers. The intention is that an insulation subsidy scheme should be operated and that the existing arrangements and procedures should be retained where possible. In the autumn of 1994, EnergieNed will discuss with the Minister the results of the insulation subsidy scheme to be launched on 1 April 1994.

If the number of subsidy applications is a lot smaller than expected, EnergieNed will consider whether, and if so how, the scheme can be modified (with the level of subsidy one aspect to be examined), or whether the promotional effort can be increased.



EnergieNed will endeavour to ensure that the individual energy distribution companies continue to promote low-NO<sub>x</sub> appliances with a view to reducing acidifying emissions. In doing so, they will be anticipating the introduction of national NO<sub>x</sub> emission standards for various categories of appliance.

#### 4.2.4 Provision of energy services

The Minister and EnergieNed will hold further talks during 1994 on the extension of energy services. Various activities, including a study, are being undertaken in preparation for these discussions. Following the discussions, EnergieNed will draw up a programme of activities. The Minister will consider the possibility of providing financial support during the introductory phase to help establish the concept of energy services. Consultation on this matter has yet to take place with EnergieNed and other interested parties.

#### 4.2.5 Activities in the greenhouse horticulture sector

EnergieNed will, in consultation with the Agricultural Board, endeavour to ensure that individual energy distribution companies support studies of energy consumption in the greenhouse horticulture sector. Efforts will also be made to ensure that energy conservation measures are given sufficient attention in, for instance, the greenhouse horticulture sector's multi-year agreements.

#### 4.2.6 Activities in the industrial sector

EnergieNed will endeavour to ensure that individual energy distribution companies develop mechanisms for the provision of information, advice and (partial) funding both to support the implementation of certain (umbrella) multi-year agreements and as a way of approaching industrial users in sectors with which no multi-year agreement has been made. The Minister will endeavour to promote industrial energy conservation, both by means of generally accessible schemes for industrial users, such as EMA, Tieb and B SET, and via the Novem industrial programmes, with support being given to individual energy distribution companies through the programme for light industry.

### 4.3 Category II: production-side

#### 4.3.1 Category IIa: co-generation/heat distribution/others

The Minister will endeavour to ensure that co-generation receives financial support; the intention is that such support should be gradually reduced as the market position of co-generation improves. Co-generation based on renewable energy sources or refuse and residues is of special importance, in recognition of which the Minister will make the support of such co-generation a special priority. Forms of co-generation to be prioritized in this way include:

- co-generation based on waste incineration
- co-generation based on biogas or landfill gas
- co-generation based on biomass
- co-generation based on process off-gases

The Minister will also look at the possibility of a subsidy scheme to promote quality improvements in co-generation and facilitate the integration of decentralized co-generation. Plans for such a scheme will be worked out in 1994, with a view to possible implementation from 1995. The Minister will endeavour to ensure that the demonstration programme involving reduction of NO<sub>x</sub> emissions from a gas engine co-generation plant is continued.

EnergieNed will endeavour to ensure that individual energy distribution companies decide what form their co-generation investments will take partly upon broader energy-sector issues, as covered by the IMES. EnergieNed will also endeavour to ensure that individual energy distribution companies give special attention to the reduction of acidifying emissions from small-scale co-generation plants, use the most easily implemented technology where possible, and strive to keep emissions to the gas-turbine level.

#### 4.3.1.1 Heat distribution

The Minister and the Netherlands' energy distribution sector will jointly, with due consideration for the wider collaborative framework of the IMES, examine the ways in which and the conditions under which heat distribution can be firmly established. Among the issues to be considered are:

- The planning of co-generation and heat distribution projects in the long term, partly with a view to ensuring that efficient use is made of electrical capacity;
- Selection of the most appropriate locations, with a view to achieving the best possible cost-benefit ratios and management of financial risks.

In anticipation of these deliberations, the following activities are already underway. From 1994, the Minister and EnergieNed will, in proper consultation with other interested parties, promote the development of heat distribution, partly through the activities of the Co-generation Project Bureau (PW/K), which is co-operating with Novem in this field, within the framework of the Novem heat supply programme. Through the specially established working group, the Minister and EnergieNed are promoting proper consideration of all appropriate energy conservation measures, including heat distribution, for 'VINEX' sites and adjacent existing developments.

#### 4.3.1.2 Other supply-side conservation techniques

EnergieNed will monitor and make an inventory of individual energy distribution companies' B MAP activities in the fields of landfill gas, waste incineration and gas expansion. The Minister will endeavour to ensure that such activities are supported through the subsidy scheme for co-generation plants based on waste incineration or landfill gas. Where necessary, the Minister and EnergieNed will promote further implementation of the Programme for the Generation of Energy by Waste Incineration.

#### 4.3.2 Category IIb: renewable energy

##### 4.3.2.1 Wind power

The Minister will endeavour to ensure that the wind power subsidy scheme is continued. EnergieNed will endeavour to ensure that individual energy distribution companies invest in wind power and/or promote such investment by the provision of additional subsidies over and above the private generator tariffs paid for wind power. The Minister will also strive to remove barriers to the actual utilization of wind power, as described in the Second Energy Conservation Policy Document. To this end, in consultation with the governments of windy provinces, the scope for establishing larger wind farms will be examined, and the reservation of suitable sites in zone plans will be encouraged.

##### 4.3.2.2 Electricity generation from biomass

EnergieNed will endeavour to ensure that during the term of this Set of Agreements, a small number of projects involving electricity generation by biogasification are established. The Minister will endeavour to ensure that such projects receive financial support, and will also strive to secure resources for the purpose of associated research.

##### 4.3.2.3 Hydro power

EnergieNed will endeavour to ensure that during the term of this Set of Agreements, two projects of suitable size are established. The Minister will endeavour to ensure that these projects receive financial support.

##### 4.3.2.4 Solar power

EnergieNed and the Minister will ask individual energy distribution companies to promote the use of solar power, with a view to ensuring that annual solar boiler sales reach the levels specified in the proposed Solar Boiler Covenant. EnergieNed will design the monitoring systems in such a way that sales of solar boilers contribute to individual energy distribution companies' progress towards the above-mentioned target of generating 2.8% of energy from renewable sources. Photovoltaic solar power generated by individual energy distribution companies may also be counted towards this target.



#### 4.3.3 Category IIc: landfill gas

As mentioned earlier, CH<sub>4</sub> and CO<sub>2</sub> emission reductions associated with landfill gas utilization will be reported separately.

#### 4.4 Category III: innovation policy

The following priority fields are identified in the A MAP II:

- Biomass, bio-waste and photovoltaic power
- Advanced small gas turbines, fuel cells and heat pumps
- Sensors, residual heat utilization, membrane separation and industrial recycling
- Advanced gas boilers for the co-generation of heat and electricity for homes and non-residential buildings

EnergieNed will bear these priority fields in mind when formulating the Collective Orders. The Minister and EnergieNed will frequently discuss the budgeted allocation of funds in relation to the priority areas. EnergieNed and the Minister will endeavour to ensure that the energy distribution companies participate in one or more demonstration projects.

### 5 Funding

5.1 To fund the measures referred to in Articles 3 and 4, individual energy distribution companies will be permitted to make allowance for the costs by raising energy tariffs by up to 2.5%. The Minister will make allowance for this when setting maximum electricity tariffs for end-users. EnergieNed will bear this figure in mind when setting its advisory tariffs for gas, electricity and heat. EnergieNed will impress upon its members the importance of showing income from and expenditure on MAP activities in their financial reports.

5.2 The Minister will endeavour to make resources available for the implementation of the energy conservation policy; in accordance with the policy set out in the Second Energy Conservation Policy Document, a number of subsidy schemes have an important function in relation to this agreement.

5.3 The allocation of resources to the various target areas is set out in the appendix. The figures quoted are overall annual averages.

### 6 Procedures

#### 6.1 Subsidy schemes

Objective criteria which do not distort competition will be applied by energy distribution companies when awarding financial subsidies for user-side conservation.

6.1.2 EnergieNed will endeavour to develop model energy conservation subsidy schemes for use by the energy distribution companies in the context of this agreement and to promote the use of such model schemes more or less consistently across the country.

6.1.3 EnergieNed will submit such schemes to the Minister for comment in good time, and will take the Minister's views into account as far as possible.

6.1.4 The Minister will submit drafts of relevant subsidy schemes to EnergieNed for comment in good time, and will take EnergieNed's views into account as far as possible.

#### 6.2 Monitoring

6.2.1 EnergieNed will produce annual reports detailing the results of the A MAP II; these reports will include the following information:

- the reductions in emissions of CO<sub>2</sub>, acid equivalents and methane realized, and the energy conservation achieved, through each activity;
- both the results of and the financial resources (MAP expenditure) committed to each category of measures;

- the operational costs incurred (MAP expenditure);
- all MAP income in each tariff category (gas, small electricity consumer and large electricity consumer bands);
- a list of the MAP levies applied by each energy distribution company.

6.2.2 EnergieNed will ensure that monitoring is conducted in such a way as to reveal what impact the various measures have in the various sectors.

### 6.3 Consultation

At least four times a year, or as often as is considered necessary, representatives from EnergieNed, the Ministry of Economic Affairs and the Minister of Housing, Spatial Planning and Environmental Management will meet to review progress with the measures referred to in this Set of Agreements.

## 7 Modification and cancellation

Either party may if they wish introduce interim modifications to the content of this agreement, in accordance with the following rules:

- The other party should be notified of any modification as soon as possible.
- Modifications are allowed, provided they do not prejudice the attainment of the targets, also in light of market developments.
- Measures of a different nature may be substituted, so long as the attainment of the targets is not prejudiced.





PAPER NO. 2: UNITED STATES OF AMERICA

Pursuant to the agreement adopted at the tenth session of the INC, the United States urges the Secretariat to take particular note of the following programs, in many of which the key is a public/private partnership, which we consider unique and innovative and that are potentially replicable in other countries:

- **Climate Challenge:** A program developed jointly by the electric utility industry and the Administration, under which participating utilities inventory current emissions and commit to undertake and report on actions selected from a portfolio of emission-reduction measures;
- **Climate Wise:** Encourages and publicly recognizes voluntary efforts by business, industry, state and local governments, and other organizations to reduce greenhouse gas emissions and report their results;
- **Green Lights:** Begun in 1991, over 1500 organizations have committed to this national effort to improve the efficiency of their lighting systems;
- **Natural Gas STAR:** Sets an industry-wide performance benchmark for leakage and emissions control throughout the entire natural gas system;
- **AgSTAR:** Encourages dairy and swine farmers to provide on-farm energy needs with methane produced from animal manure;
- **Motor Challenge:** A voluntary, industry-driven collaborative program that galvanizes U.S. business and industry into action to better understand, apply, and target energy-efficient industrial electric motor systems;
- **Cash Value of Parking:** Legislative proposal that encourages the use of public transportation by giving workers the option of retaining an employer-provided parking space or accepting a cash allowance equal to the market cost of the leased parking space minus any amount paid by the employee; and
- **U.S. Initiative on Joint Implementation (USIJI):** A pilot program to evaluate possible approaches to joint implementation domestically and to provide a model for international consideration.

These and similar programs, announced in the Climate Action Plan and further discussed in this Report, provide a foundation for cooperation between the public and private sector that greatly enhances the ability of the United States to reduce greenhouse gas emissions cost-effectively. Please note that the Climate Action Report does not seek to identify policies or measures additional to those described in the Climate Action Plan that might ultimately be taken as the United States continues to move forward in addressing climate change.