



Energy and Climate Change Mitigation

Department of Sustainable Development

Volume 2, Issue 7

May 2010

INSIDE THIS ISSUE:

A Sustainable Energy, Climate Future is Our Vision for Western Hemisphere

CARILEC Hosts Event on Regulatory Reform in the Electricity Sector

DSD Director Attends 2010 Forum European Union - Latin America and the Caribbean in Berlin

DSD to Implement New Cradle-To-Cradle Project In Ecuador

A SUSTAINABLE ENERGY, CLIMATE FUTURE IS OUR VISION FOR WESTERN HEMISPHERE By José Miguel Insulza, Secretary General of the Organization of American States

The Organization of American States (OAS) recently co-hosted a meeting of energy ministers and secretaries from the Western Hemisphere. Coming right before the 40th anniversary of Earth Day, this meeting delivered a clear message addressing one of the Americas' most daunting long-term challenges; finding ways to tap into non-conventional sources of energy while developing our economies. As Secretary of State Hillary Rodham Clinton and Secretary of Energy Steven Chu highlighted during the meeting, our countries are taking the first steps on a journey to a more energy-independent, economically vibrant and environmentally aware hemisphere.

Luis Alberto Moreno, President of the Inter-American Development Bank, noted that the Americas are well positioned for the clean energy revolution. In terms of renewable energy, more than 60 percent of the electricity generated in Latin America already comes from

renewable sources. Brazil, Canada, and the United States are some of the biggest producers of hydroelectricity. Virtually all the electricity consumed in Paraguay is renewable, as well as vast majorities in Venezuela and Costa Rica. In 2008, the leading biofuels producers — Brazil and the United States — accounted for almost 90 percent of world ethanol output. And leading regional authorities, like Arturo Florez of the Latin American Energy Organization (known by its Spanish-language acronym OLADE), noted that Chile has strong energy policies with a clear vision for more efficient use of alternative energy.

Nonetheless, the enormous potential of our hemisphere contrasts with a shortage in the supply of sustainable energy. While many countries have expanded their electricity networks and extended electricity generation and distribution to many remote areas, some 40 million people in the Americas still have zero access to electricity. This lack of



OAS Secretary General José Miguel Insulza

electricity translates into inefficient sanitation, weak education systems, and the inability to develop productive, income-generating activities. Additionally, the Caribbean nations, while benefiting from almost universal electricity coverage, face challenges related to affordability and sustainability of energy supplies. Most rely on fossil fuels for their energy. Electricity rates in some of these countries exceed \$0.40 per kilowatt hour — more than four times the rates

(Overleaf)

CARILEC HOSTS EVENT ON REGULATORY REFORM IN THE ELECTRICITY SECTOR

Participants were introduced to, and shared experiences on, energy sector regulatory reform processes

Saint Lucia — On April 22-23, 2010, the Caribbean Association of Electric Utilities (CARILEC), in conjunction with the Caribbean Association of Industry and Commerce (CAIC), the OAS, and Saint Lucia's electric utility LUCELEC

hosted the Regional Forum and Workshop on Regulatory Reform in the Electricity Sector of the Caribbean. The gathering allowed stakeholders to propose and discuss solutions to some of

the issues stemming from regulatory reform processes. The first day consisted of a forum on a wide variety of topics of importance to regulatory reform.



The workshop held on the second day was sponsored by the OAS through the Caribbean Sustainable Energy Program (CSEP), and facilitated by the Public Utility Research Center at the

University of Florida. Participants consisted of 55 utility operators, regulators, and ministry personnel from across the Caribbean. Discussions were broken out

into groups presented with hypothetical situations outlining structure and performance challenges of the electricity industry. The groups were asked to analyze these problems, identify issues that each scenario would raise, establish stakeholder rights and responsibilities in dealing with each identified issue and discuss their findings with the other groups.

paid in much of the United States. Ultimately, such high dependence on imported fossil fuels is taking a toll on these nations.

Climate change further exacerbates these challenges, causing changes in rainfall patterns, disrupting agricultural cycles, and triggering financial losses in rural areas. Droughts also affect the generation of hydroelectricity. These are just some of the energy-related challenges facing the Americas.

Overcoming them requires political will, creativity, persistence and patience. Still, recognition of the problem and our relationship to it are coming to the fore. Mexico's energy secretary, Georgina Kessel, observed wryly that climate change and the energy sector are two sides of the same coin, acknowledging the role of energy producers and adding that they must also be a part of the solution.

So, how do we tackle the energy challenges facing our hemisphere? First, the region must redouble its efforts to improve energy efficiency. In Latin America, energy consumption has grown faster than the region's GDP.

Many industrialized countries have successfully decoupled economic growth from energy inputs by increasing efficiency and productivity. There remains a great potential for reducing energy needs while still expanding economic growth. We should challenge our leaders to find ways to make this a reality.

Further, we must identify and develop sustainable sources of energy. The OAS currently supports efforts with our member states to do just that. Since 2007, we have been working with Brazil and the United States to implement the bilateral accord between these two countries to promote the development and use of biofuels. The OAS is helping countries in Central America and the Caribbean to benefit from the knowledge developed in the U.S. and Brazil. By transferring know-how and technology, this partnership can help build local ethanol and biodiesel production meeting local transportation needs.

Finally, at the Summit of the Americas last year, President Barack Obama stated that "we must come together to find new ways to produce and use en-

ergy." He proposed the creation of the Energy and Climate Partnership of the Americas (ECPA) to help secure a sustainable future. A Brazilian representative at the recent Washington meeting noted that this partnership is an exceptional opportunity to exchange ideas and debate policies about sustainable development while enhancing regional cooperation. The OAS has been designated to coordinate the ECPA Clearinghouse. This year, the OAS will collect information and best practices that may be shared throughout the region.

We are at a historic crossroads where the nations of the Americas must unite to radically transform the way we produce and utilize energy. The time has come to embrace a new technological and industrial revolution, rooted in sustainability and the promotion of renewable energy and energy efficiency. We must combat the scourge of energy shortages and foster infrastructure to facilitate modern, climate-friendly forms of energy.

This article was printed on April 21, 2010 on The Hill, a congressional, non-partisan newspaper that publishes daily in Washington, D.C.

DSD TO IMPLEMENT NEW CRADLE-TO-CRADLE PROJECT IN ECUADOR

Initiative goes beyond recycling and fosters environmentally-friendly engineering

The DSD is working with the government of Ecuador on a new project seeking to implement the Cradle-to-Cradle (C2C) concept. C2C is a model which uses biological cycles occurring in nature as the source of inspiration for the design of industrial cycles. It fosters the idea that, by emulating biological processes in the manufacturing of new goods and services, the industry may reach a higher level of environmentally-friendly engineering without sacrificing quality. The C2C concept is a considerable leap towards a sustainable manufacturing industry.

From inception, C2C goods are designed with the notion that they must be able to be absorbed or converted into a resource either by nature (biological cycle) or the manufacturing industry (industrial cycle). This concept differs radically from the traditional concept of recycling, where a good reaching the end of its life-cycle is utilized for the production of another good of lower quality. This is due to the fact that the chemically-bounded or inter-mixed materials used in the manufacturing of a good are difficult to treat or separate, thus limiting effective reuse, recycling and recovery activities.

The C2C concept does away with this issue by engineering goods that can be transformed without losing their value at the end of their life-cycle.

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This publication was prepared by the Division of Energy and Climate Change Mitigation of the Department of Sustainable Development of the Organization of American States

www.oas.org/dsd

DSD DIRECTOR ATTENDS 2010 FORUM EUROPEAN UNION - LATIN AMERICA AND THE CARIBBEAN IN BERLIN

The event focused on technological cooperation in the field of renewable energy and energy efficiency

DSD Director Cletus Springer represented the OAS at the 2010 EU-LAC Forum. The event brought together over 250 decision-makers, experts, and high level representatives in politics, business, academia, and civil society from both regions to exchange opinions and experience on technological cooperation, renewable energy and energy efficiency frameworks.

The Forum agreed that the development and widespread utilization of renewable energy and energy efficiency technologies are among the most effective means of promoting sustainable development and stemming climate change and that, while much progress had been made in

expanding their role in the energy mix of the EU, Latin America and the Caribbean, there remains considerable potential for further expansion through cooperation. The Forum acknowledged the need to address policy, legal, institutional, financial, market and technological barriers. Representatives felt that it was necessary to achieve appropriate integration of the various levels of economic scientific and development cooperation, cooperative ventures in the field of climate and political dialogue between the two regions.

Companies investing, or looking forward to invest, in renewable energy and energy efficiency projects in Latin America and the Carib-

bean expressed frustration over immature investment arrangements; absence of specific policy guidelines for investment; unclear regional or national targets and standards for renewable energy and energy efficiency; need for energy market regulation and attractive tariffs for renewable energy; and insufficient reliable data to inform the design of projects. Nearly all Latin American and Caribbean government representatives acknowledged lacking the requisite capacity to deal effectively with the wide-ranging demands of investors, some of which are not always congruent with national development norms and political and social sensitivities.