

# Primer on Paris climate change talks: An optimistic outlook

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Between November 30 and December 11, 2015, leaders from nearly 200 countries convened in Paris, France, to seek agreement on a global approach to combatting climate change. Hopes were high, but the question on everyone's mind is whether the outcome of the 21<sup>st</sup> Session of the Conference of Parties to the United Nations Framework Convention on Climate Change (also known as "COP 21") would be any different than the outcome of COP 15, held in Copenhagen, Denmark, in 2009. Many observers—including Dentons—believed that COP 21 would result in an agreement, principally because of the new approach being taken and the fact that the United States and China are engaged and have committed to specific greenhouse gas (GHG) emission reduction targets.

In Copenhagen, efforts to reach an international climate change agreement failed for many reasons. Chief among those reasons, however, was disagreement among the G20 group of industrialized nations over the approach then under consideration. Most of the G20 nations agreed that global warming should be limited to 2 degrees above the preindustrial average global temperature. They disagreed, however, over the means for achieving that limit. Specifically, a block of the newly industrialized nations who emit among the highest quantities of greenhouse gases (including Brazil, South Africa, India and China, collectively referred to as "BASIC") disagreed that they should have to reduce greenhouse gas emissions in the same proportion as the other G20 countries. In brief, the "top down" approach was a non-starter.

In Paris, a different approach—"bottom up"—was under consideration. The foundation of the Paris climate change talks were "individual nationally determined contributions" (INDCs) in which the submitting country pledges to achieve a self-defined GHG emission reduction goal beginning in 2020. The hope is that those individual pledges will collectively form a basis for a global climate change agreement. This article summarizes the proposal, as it currently stands, and provides our reasons for being optimistic about the chances of a global agreement being reached in Paris.

## Background

The foundation of all international climate talks is the UNFCCC, a treaty adopted in 1992 among the governments of 194 countries, including the United States. One of the primary goals of the UNFCCC is avoiding "dangerous human interference with the climate system" by, among other things, reducing GHG emissions. Decision-making under the UNFCCC is governed by the Conference of the Parties. The meeting in Paris in 2015 was the 21st meeting of the COP (hence the abbreviation "COP 21"). Its antecedents reach back to 1997, at COP 3, in Kyoto, Japan, where 193 countries entered an international treaty. Under the so-called Kyoto Protocol, 37 industrialized countries and the nations of the European Community (collectively identified on Annex I to the Convention) agreed to binding targets for GHG emissions. Those binding emission targets were to be achieved from 2008–2012 (the "first commitment period"). Each Annex I country was required to submit an annual report of inventories of all anthropogenic greenhouse gas

emissions from sources and removals from sinks under UNFCCC and the Kyoto Protocol.

Parties to the Kyoto Protocol **not** listed in Annex I were not subject to any binding emission reduction targets; these non-Annex I countries are mostly low-income developing countries, which could participate in the Kyoto Protocol through the “Clean Development Mechanism”—emissions reduction projects which generate “Certified Emission Reduction” units which may be traded in emissions trading schemes.

Perhaps predictably, few Annex I countries achieved their emission reduction targets. Those that did, such as Russia, were aided by overall decline in productivity.

## The new paradigm: Intended nationally determined contributions

With failure of the Kyoto Protocol looming, the Conference of Parties convened in 2009 in Copenhagen seeking to reach agreement in the period beginning in 2012, the end of the first commitment period under the Kyoto Protocol. As already noted, the meeting in Copenhagen was a failure.

A new approach, however, was suggested during COP 19 in Warsaw. Each country was encouraged to submit its “intended nationally determined contribution” toward an agreement to be hashed out in Paris, the site of COP 21. As of October 23, 2015, 154 countries accounting for 85 percent of global GHG emissions, have submitted their INDCs to the UNFCCC Secretariat. According to a study published by the Grantham Research Institute on Climate Change and the Environment (London School of Economics), those INDCs collectively are insufficient to limit global warming to 2 degrees above preindustrial temperature levels. That said, they do get us nearly halfway toward that goal. Business as usual is predicted to lead to catastrophic temperature levels 5 degrees or higher above preindustrial levels, whereas with the INDCs the temperature rise is predicted to be approximately 2.7 degrees.

## China’s and United States’ engagement

As noted at the outset, one of the primary reasons for optimism over the likelihood of an agreement being reached in Paris is the fact that the United States and China were both at the table and agreed on INDCs. The historic agreement between the United States and China was reached on November 12, 2014, when the two countries issued a joint announcement which stated in part:

Today, the Presidents of the United States and China announced their respective post-2020 actions on climate change, recognizing that these actions are part of the longer range effort to transition to low-carbon economies, mindful of the global temperature goal of 2°C. The United States intends to achieve an economy-wide target of reducing its emissions by 26%-28% below its 2005 level in 2025 and to make best efforts to reduce its emissions by 28%. China intends to achieve the peaking of CO2 emissions around 2030 and to make best efforts to peak early and intends to increase the share of non-fossil fuels in primary energy consumption to around 20% by 2030. Both sides intend to continue to work to increase ambition over time.

The United States formally submitted INDC on March 31, 2015, in which it reaffirmed its pledge to reduce GHG emissions by 26–28 percent below 2005 levels by 2025, and to make best efforts to reduce by 28 percent. China reaffirmed its commitment in its June 30, 2015 INDC submission.

The United States intends to fulfil its commitment largely through implementation of these initiatives:

**Clean power plan:** The Environmental Protection Agency (EPA) proposed guidelines for existing power plants in

June 2014 that would reduce carbon dioxide emissions from the power sector 30 percent below 2005 levels by 2030.

**Standards for heavy-duty engines and vehicles:** In February 2014, President Obama directed EPA and the Department of Transportation to issue the next phase of fuel efficiency and greenhouse gas standards for medium- and heavy-duty vehicles by March 2016. These will build on the first-ever standards for medium- and heavy-duty vehicles (model years 2014 through 2018), proposed and finalized by this Administration.

**Energy efficiency standards:** The Department of Energy set a goal of reducing carbon dioxide emissions by 3 billion metric tons cumulatively by 2030 through energy conservation standards issued during this Administration. The Department of Energy has finalized multiple measures addressing buildings sector emissions including energy conservation standards for 29 categories of appliances and equipment as well as a building code determination for commercial buildings.

**Economy-wide measures to reduce other greenhouse gases:** EPA and other federal agencies are taking actions to cut potent greenhouse gases, whose impact on global warming is more impactful than carbon dioxide. Specifically, EPA will regulate emissions of methane from landfills, coal mining, agriculture, and oil and gas systems. At the same time, the State Department is working to reduce emissions of hydrofluorocarbons (HFCs) through an amendment to the Montreal Protocol and EPA is cutting domestic HFC emissions through its Significant New Alternatives Policy (SNAP) program.

These measures are meeting with fierce opposition by stakeholders, and it is unclear whether they will survive the numerous judicial challenges that have been mounted. That said, the United States has made good on plans for achieving INDCs, and that leadership went a long way toward its appearing as an honest broker in the COP 21 proceedings.

China formally submitted its INDC in June 2015, restating its previously announced goal to peak its emissions by 2030 and to increase the proportion of non-fossil fuels to 20 percent that same year. To meet the latter goal, China must deploy 800 to 1000 gigawatts in non-fossil fuel capacity, which would nearly eclipse the United States' current total capacity. China also announced its intent to reduce the carbon intensity (i.e., the CO<sub>2</sub> emissions per unit of GDP) of the energy consumed by 60–65 percent below 2005 levels, and to increase its forest carbon stock volume by 4.5 billion cubic meters above 2005 levels. The forest carbon goal equates to almost 250 million acres (or one gigaton of carbon). This is an ambitious goal.

The GHG emission reduction commitments of the United States and China went a long way toward increasing the odds of a global climate change agreement emerging from Paris.