Heat Or Eat?  
Europe’s Failed Climate Policy

Dr Benny Peiser
Director, The Global Warming Policy Foundation
Global Warming Policy Foundation

- Founded in 2009 by Lord Lawson and Dr Benny Peiser
- All-party & non-party think tank and educational charity with cross-party support
Global Warming Policy Foundation

- **Lord Lawson (Chairman)** - Secretary of State for Energy 1981-83, Chancellor of the Exchequer 1983-89
- **Lord Donoughue** - Senior Policy Adviser to the Labour Prime Minister (first Harold Wilson, then James Callaghan) 1974-79.
- **Lord Fellowes** - Assistant Private Secretary to the Queen 1977-86, Deputy Private Secretary to the Queen 1986-90, Private Secretary to the Queen 1990-99.
- **Rt Rev Peter Forster** - Bishop of Chester
- **Sir Martin Jacomb** - Deputy Chairman of Barclays Bank, Director of the Bank of England 1986-95.
- **Baroness Nicholson** - Liberal Democrat Peer
- **Lord Turnbull** - Permanent Secretary to the Treasury 1998-2002, Cabinet Secretary and Head of the Home Civil Service 2002-05.
Before the GWPF came into existence there was virtually no debate about global warming policy in the UK.

There is no an increasingly lively debate

Our main focus is to analyse climate policies and their economic and social implications
Key Points

• Europe’s Green Obsession
• Lisbon Agenda Vs Green Agenda
• ‘A Green-Energy Basket Case’
• The Threat to EU Industry & Competitiveness
• The Scandal of Fuel Poverty
• Green Europe Shale Shocked
• Europe’s Suicidal Shale Reluctance
• The End of Europe’s Green Age?
The Lisbon Agenda (2000)

• ‘To make the EU the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion by 2010.’
EU Obsession: The Green Agenda

The 20-20-20 EU policy:
- 20% Energy consumption
- 20% Greenhouse gas levels
+ 20% Renewables in energy mix

A Green Economy for Europe - are we getting there?

Public hearing
9.30 a.m. to 1 p.m. - 12 March 2012
VM 3 • EESC
Rue Van Maerlant 2
1040 Brussels
Europe’s green energy policy

EU "20-20-20" climate and energy package

- 20% reduction in EU CO2 emissions from 1990 levels by 2020
- 20% of EU energy produced from renewables
- 20% improvement in EU energy efficiency.
Reality Check: Unemployment

Eurostat estimates that some 26.5 million men and women are currently unemployed in the EU-27

Youth unemployment rates, EU-27 and EA-17, seasonally adjusted, January 2000 - January 2012.
EU Youth Unemployment

In Greece, youth unemployment today is a staggering 65%
Europe’s Competitiveness Crisis

Cumulative Real GDP Growth from 2001 through 2010

- Japan
- Euro-Zone
- UK
- US
- Brazil
- India
- China

Source: World Bank Annual GDP Data from Bloomberg Professional
German 'green revolution' may cost 1 trillion euros - minister

(Reuters) - Germany's transition to renewable energy may cost up to 1 trillion euros ($1.34 trillion) in the next two decades, the environment minister said on Wednesday, piling pressure on his opponents to back plans to cap power price rises before the election.
Green Europe Shale Shocked

Hubbert's NatGas Forecasts vs. Actual Production

Cumulative thru 2010: 1,131 TCF

850 TCF (Hubbert, 1956)

1,100 TCF (Hubbert, 1978)

Natural Gas Prices in US, Europe, Japan

Global Warming Policy Foundation
Energy Price Shock: EU vs US

Europe left behind as shale shock drives America’s industrial resurgence

US shale gas revolution throws down the gauntlet to Europe

February 04, 2013  Reuters 0

MUNICH - The United States is enjoying an energy bonanza thanks to shale gas, making it a magnet for industry, reducing import dependence and challenging Europe as it battles to dig itself out of recession, energy officials say.

Panelists at a weekend security conference in Munich warned Europe must develop a strategy on how to tap its own resources in order to keep energy costs competitive, or risk seeing power-intensive industries locate elsewhere.
Shale Revolution Is Killing Europe’s Green Agenda
Europe’s Response

Bang go Europe’s green subsidies

As states cut their budgets, costly clean energy technologies — mainly solar and wind — are losing support across the EU

Renewable energy losing its shine in Europe

Sumi Somaskanda, Special for USA TODAY | 8:10 a.m. EDT March 23, 2013
Shale gas boom sparks EU coal revival

By Guy Chazen and Gerrit Wiesmann

The shale gas boom in the US is having a surprise knock-on effect in Europe – a big increase in the burning of coal by European utilities, despite EU environmental policies designed to curb the share of polluting fossil fuels in the energy mix.
I Irony of Ironies:
Europe Switches to Coal as US Gas Glut Reduces Emissions

By Peter C Glover

![Graph showing U.S. Energy-Related CO2 Emissions 1992 to 2012](graph.png)
Shale gas lures global manufacturers to US industrial revival

* European, Asian companies announce plant investments
* Especially steel, chemicals sectors step up spending
* Cheap natural gas means low power prices, cheap feedstock
* Some U.S. companies bring back jobs

By Maria Sheahan and Georgina Prodhana

FRANKFURT/MIENNA, March 26 (Reuters) - When Wolfgang Eder and his team started looking around for a site for a new plant for Voestalpine, the Austrian steelmaker he heads, they had 17 sites in eight countries on their list.

Europe’s commissioner for energy this week urged the continent to avoid new energy taxes or tax increases, reflecting that competition from cheap U.S.-produced shale gas is making energy more affordable in international markets.
German industry warns could lose edge through high energy costs

* U.S. companies benefit from cheap shale gas - BDI
* German energy policy could cost $446.42 bln by 2030
* Asian industrials also worried by their high gas costs

By Henning Gloystein

LONDON, Nov 8 (Reuters) - German industrials are concerned they will lose a competitive edge against U.S. rivals where a boom in unconventional shale gas production has led to a sharp drop in industrial energy costs, the country's industry lobby group BDI said on Thursday.

EU energy chief urges "speed limit" on German green power costs

* EU's Oettinger warns of runaway green power costs
* Subsidising costs for consumers could double in coming years
* Oettinger, RWE chief propose better harmonisation in Europe

COLOGNE, Germany, Sept 25 (Reuters) - Germany must rein in the runaway costs of subsidising electricity from renewable sources or risk overburdening consumers, European Energy Commissioner Guenther Oettinger said on Tuesday.
Good Bye Green Europe

The Washington Post

European industry flocks to U.S. to take advantage of cheaper gas

• As new dollars pour into the United States, the outflow of industries from Europe is costing jobs and weighing on decisions about ambitious and expensive green-friendly policies that critics say are contributing to the energy-price gap.
• US gas prices last year dropped to a quarter of the European price and a growing number of European manufacturers have announced plans to invest across the Atlantic. “
Soaring green energy taxes could force firms out of UK as industry becomes uncompetitive

By TAMARA COHEN
PUBLISHED: 02:04, 14 July 2012 | UPDATED: 02:04, 14 July 2012

Costly renewable energy 'will damage UK's economy'

Industry will become increasingly uncompetitive due to soaring green energy taxes, according to the Government's own advisers.

A shocking report has found UK manufacturers' electricity bills are already significantly higher than those in other leading nations due to climate change levies.
Europe ‘Kills Green Agenda’

Energy Journal: EU’s Lawmakers Take Ax to Green Agenda

EU CARBON PLAN AT JUNK STATUS

The future of Europe’s environmental agenda is in serious doubt after lawmakers rejected a proposal that would make carbon emissions more expensive.

Cap and Trade Collapses

Even the European Parliament rejects carbon price-fixing.

One of the great policy bubbles of our times has been cap and trade for carbon emissions, and on Tuesday it may have popped for good. The European Parliament refused to save the EU’s failing program, which is the true-believer equivalent of the pope renouncing celibacy.
EU Carbon Emissions Trading Scheme in Freefall

Record-low carbon price threatens to derail transition away from fossil fuels and ability to meet climate-change targets

By Alex Scott

The European Union carbon emissions trading scheme—the biggest in the world and the heart of Europe’s climate-change program—is in dire straits. The scheme’s carbon price has collapsed. The primary reason: The economic recession has suppressed manufacturing, thereby reducing emissions and creating a huge oversupply of carbon emissions allowances.

Respiratory problems

EU ETS carbon spot price, € per tonne

Source: Thomson Reuters Point Carbon
Europe is becoming a green-energy basket case

By Editorial Board, Published: April 22

FOR YEARS, European leaders have flaunted their unwavering commitment to fighting climate change — and chastised the United States for lagging behind. But last week brought yet more confirmation that the continent has become a green-energy basket case. Instead of a model for the world to emulate, Europe has become a model of what not to do.
Europe's $287bn carbon 'waste': UBS report

SID MAHER  The Australian  November 23, 2011 12:00AM

SWISS banking giant UBS says the European Union's emissions trading scheme has cost the continent's consumers $287 billion for "almost zero impact" on cutting carbon emissions, and has warned that the EU's carbon pricing market is on the verge of a crash next year.

Europe 'falling behind US and blighted by energy costs'
Europe is falling dangerously far behind the US in productivity growth and is blighted by crippling energy costs, the pan-EU industry federation has warned.

EU Debate Over Climate Change Policy Could Dampen Renewable Energy Growth

By Ewa Krukowska and Alex Morales, Bloomberg
06 May 2013 | 7 Comments
Renewable energy advocates wait as European ministers consider whether jobs and industry should take precedence over environmental regulation.
Rising Energy Bills Threaten Families

Green taxes add 15% to electricity prices: Government finally admits how much more families pay to meet emissions targets

“To think I was a size 16 and now I’m a size 10”

Penny Haslam
Greeks Raid Forests in Search of Wood to Heat Homes

By Nektaria Stamouli and Stelios Bouras

Illegal logging has surged in Greece as households suffering through three years of recession hoard wood to burn during cold winter days.
Fuel poverty is when a household needs to spend more than 10% of their household income on all domestic fuel use including appliances to heat their home to an adequate level of warmth.

Sources:
- Yellow: House Consumption Survey (2008)
- Red: House Consumption Survey (2010)
- Black: Census (2001)
- © Color Gas Ltd 2010

‘National crisis’: As many as 9 million families will be in fuel poverty by 2016

Advertisement Feature

Unless the government acts quickly, the number of families in fuel poverty could increase by as much as 50% by 2016.

Pensioners burn books for warmth

Hard-up pensioners have resorted to buying books from charity shops and burning them to keep warm.

Volunteers have reported that a large number of elderly customers are snapping up hardbacks as cheap fuel for their fires and stoves.

Temperatures this week are forecast to plummet as low as -15°C in the Scottish Highlands, with the mercury falling to -6°C in London, -5°C in Birmingham and -7°C in Manchester as one of the coldest winters in years continues to bite.

Workers at one charity shop in Swansea, in south Wales, described how the most vulnerable shoppers were seeking out thick books such as encyclopaedias for a few pence because they were cheaper than coal.
1M BRITS DEAD IN WINTER SCANDAL

3rd March 2013
By Alastair Grant

WINTER weather has killed a million Brits since the 1980s and will kill a million more by 2050, experts have warned.

Age support groups and doctors blame poor housing, high energy bills and pensioner poverty.

Many killed by the cold are elderly but the ill, vulnerable and very young also die.

A total of 973,000 people died due to winter weather from 1982/83 to 2011/12, Office of National Statistics data for England and Wales shows.

Half a million pensioners spend Christmas in bed

Half a million pensioners were thought to have spent Christmas in bed to keep warm, new figures have disclosed, as it emerged that more than a million are missing out on cold weather payments.

Number of children in fuel poverty rises to 1.6 million
15% Of Germans Face Energy Poverty

15 Prozent der Deutschen droht Energiearmut

Die Strompreise steigen - und gerade Bürger mit niedrigem Einkommen leiden darunter. Ihnen droht Energiearmut. Der Sozialverband VdK kritisiert, die Regierung habe „die soziale Dimension der Energiewende nicht im Blick“.

800,000 Deutsche können Strom nicht bezahlen

800,000 GERMAN HOUSEHOLDS CAN NO LONGER PAY THEIR ENERGY BILLS

Germany’s consumers are facing record price rises for green energy. Social campaigners and consumer groups complain that up to 800,000 households in Germany can no longer pay their energy bills.

Woodland Heists: Rising Energy Costs Drive Up Forest Thievery
EU leaders to square the circle of cheap energy

Published 08 May 2013
Tags: backloading, climate change, EU summit, Russia, shale gas, Third energy package

EXCLUSIVE / EU leaders will grapple with controversial issues including shale gas development and climate change mitigation at an energy summit on 22 May, documents obtained by EurActiv show.
The Situation in Britain

UK energy policy is based on 2008 Climate Change Act

- 80% cut in CO2 emissions by 2050
- 30% of electricity from renewables by 2020

- In 2008, the Labour Government created the Department of Energy and Climate Change to advance this green energy agenda
Climate Change Act 2008

Introduced by Labour Government and supported by

• Conservative Party
• Liberal Democrats
• Scottish National Party
• Democratic Unionist Party
• 50 green NGOs
• Confederation of British Industry
• Trades Unions
• Only 5 MPs voted against the Act
The Consensus Crumbles

The Copenhagen Fiasco

- 2009 UN climate summit flops
- International deadlock solidifies
- Developing nations demand $100bn climate aid – p.a.
The Consensus Crumbles
Public Backlash

Green targets to cost every household £500 a year

101 Tories revolt over wind farms

Home improvements will trigger mandatory ten per cent levy

Death knell for wind farms

Last Monday’s Mail
George Osborne 'describes green lobby as environmental Taliban'

George Osborne has begun describing the green lobby as the "environmental Taliban", it has been reported.
Britain has shale gas for 1,500 years, but bills won’t be lower

“Britain could have enough shale gas to heat every home for 1,500 years, according to new estimates that suggest reserves are 200 times greater than experts previously believed. The British Geological Survey is understood to have increased dramatically its official estimate of the amount of shale gas to between 1,300 trillion and 1,700 trillion cubic feet, dwarfing its previous estimate of 5.3 trillion cubic feet. It is thought that it will be technically possible to recover up to a fifth of this gas, making Britain’s shale rocks potentially as bountiful as those in the US. ...”
Europe’s Great Shale Battle
Growth Agenda Vs Green Agenda

What shale we do?

- Shale-gas basins
- Extraction: 2012
  - Banned/moratorium
  - Allowed
  - Allowed & permits issued

Sources: International Energy Agency; KPMG; press reports
Europe’s Suicidal Shale Reluctance

• Europe to decide between **CHEAP** energy strategy and **EXPENSIVE** energy agenda
• Between **GROWTH** or **STAGNATION**
• If the green lobby continues to block the shale revolution, Europe will become the only big economic bloc without significant energy resources.
• North America, India, China, Africa and Latin America will all have access to cheap and abundant conventional and unconventional gas and oil.
• Europe’s economy would decline further and industrial relocation will accelerate.