

The Carbon Trust – investing in a low carbon economy

Making business sense of climate change

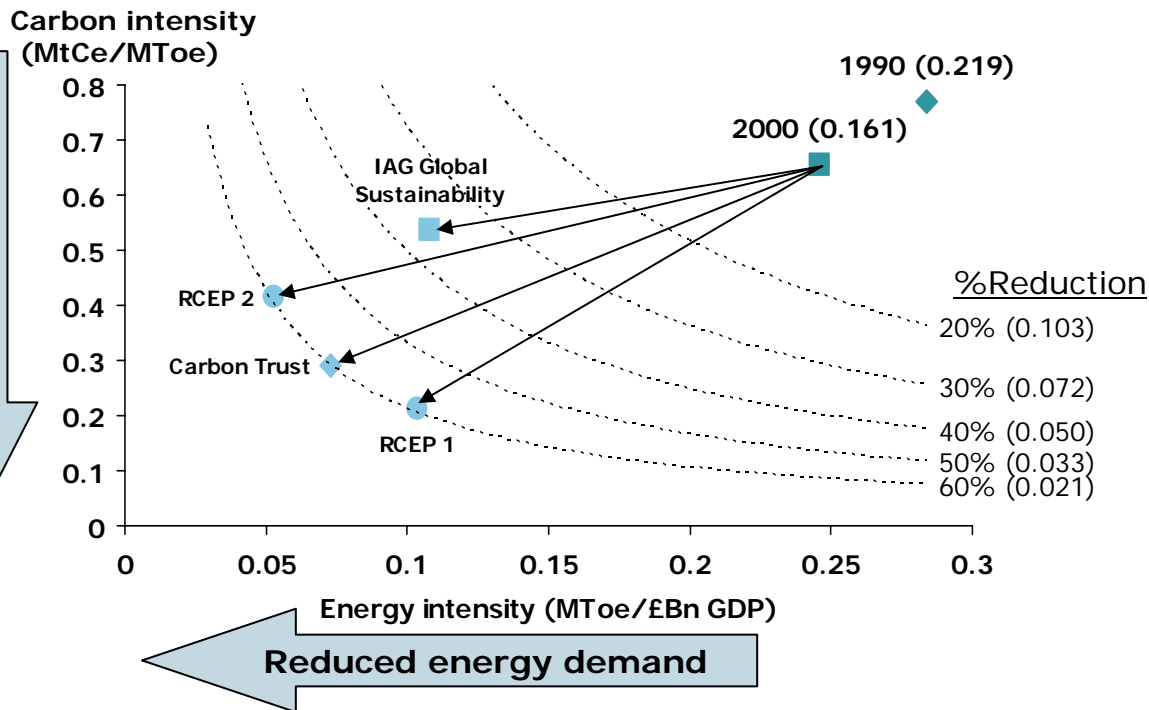


Context

- To move to a low carbon economy, private sector capital at scale will need to be diverted into lower carbon technologies and away from fossil fuel investments
- Energy is usually a commodity and there is little consumer demand for low carbon technologies
- This shift will therefore require bold, consistent, investor-friendly policies from Governments
- Given the scale of the climate change challenge and the level of uncertainty around individual low carbon technologies we need to bring forward a portfolio of technology options and move them down the cost curve to make them competitive
- Countries or companies acting individually or in collaboration will capitalise on their competitive strengths if markets offer attractive returns
- In this context, how can we accelerate low carbon innovation?

A low carbon economy needs both cleaner energy and big reductions in energy demand

Levers to reduce UK carbon emissions



The 2003 Energy White Paper set the UK on a path to reduce carbon emissions by 60% by 2050:

“Technology innovation will have a key part to play in underpinning all our goals and delivering a low carbon economy”

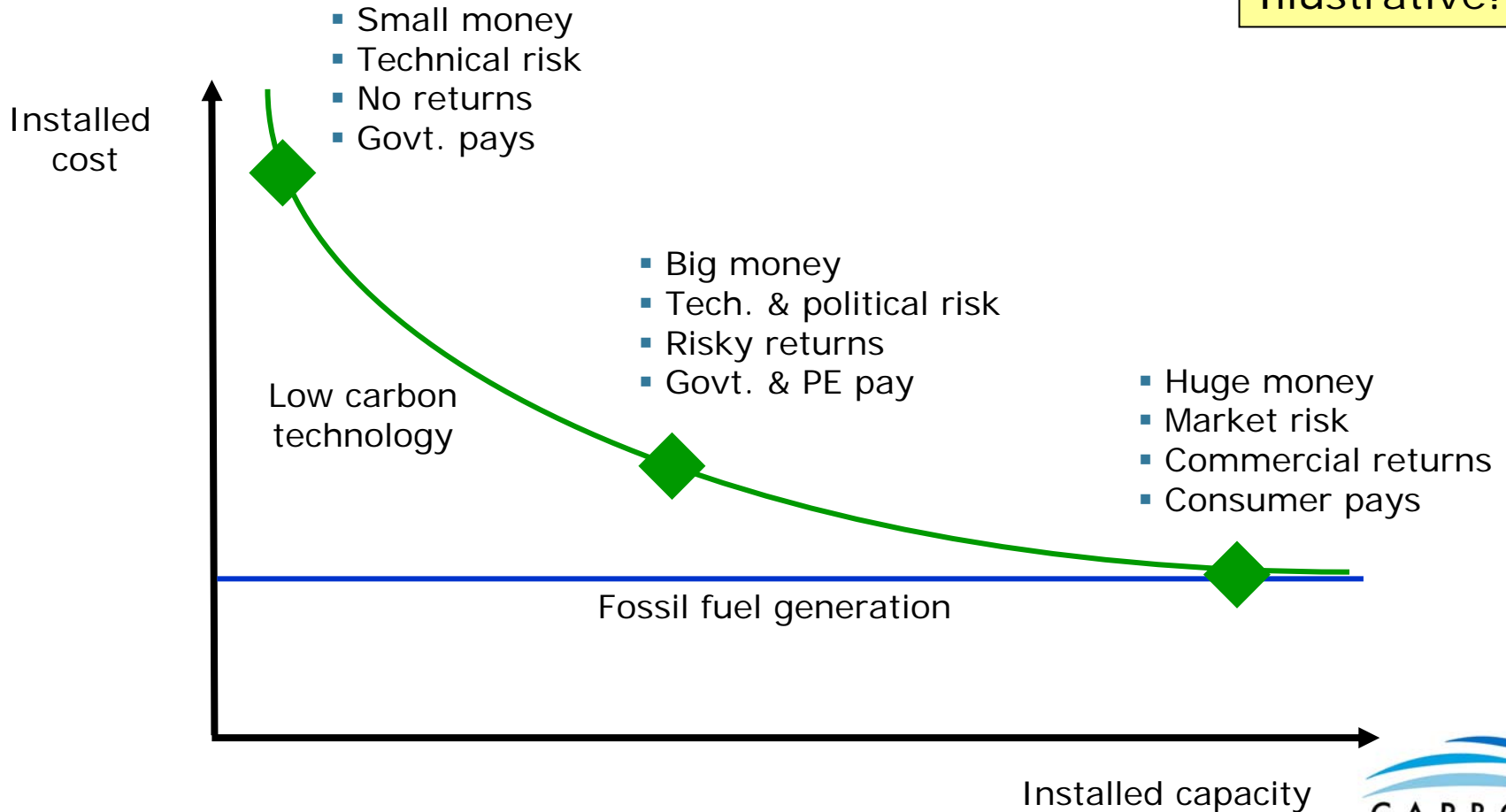
“To deliver these outcomes our aim will be to provide industry and investors with a clear and stable policy framework”



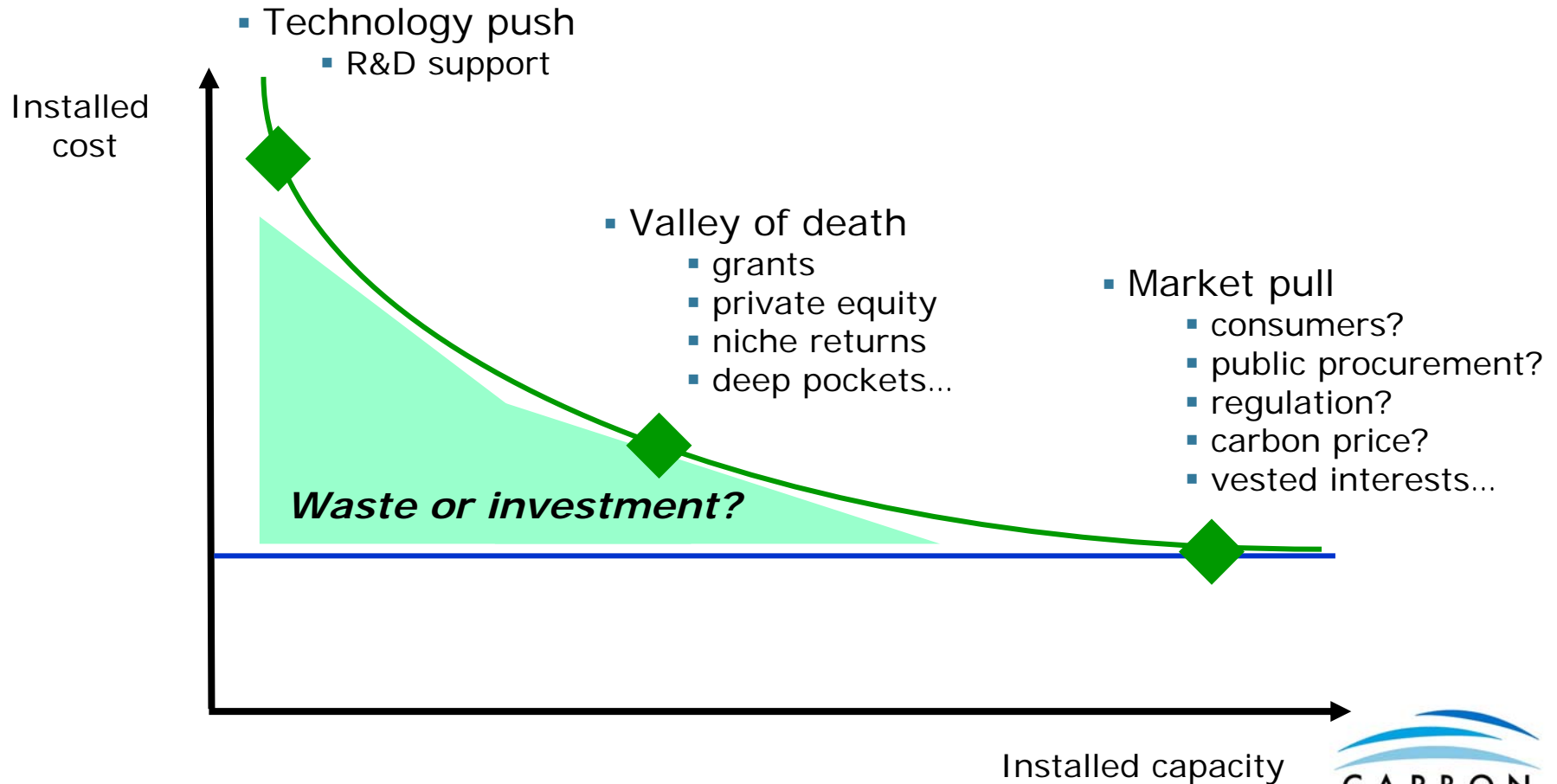
Making business sense
of climate change

3 broad stages of technology development

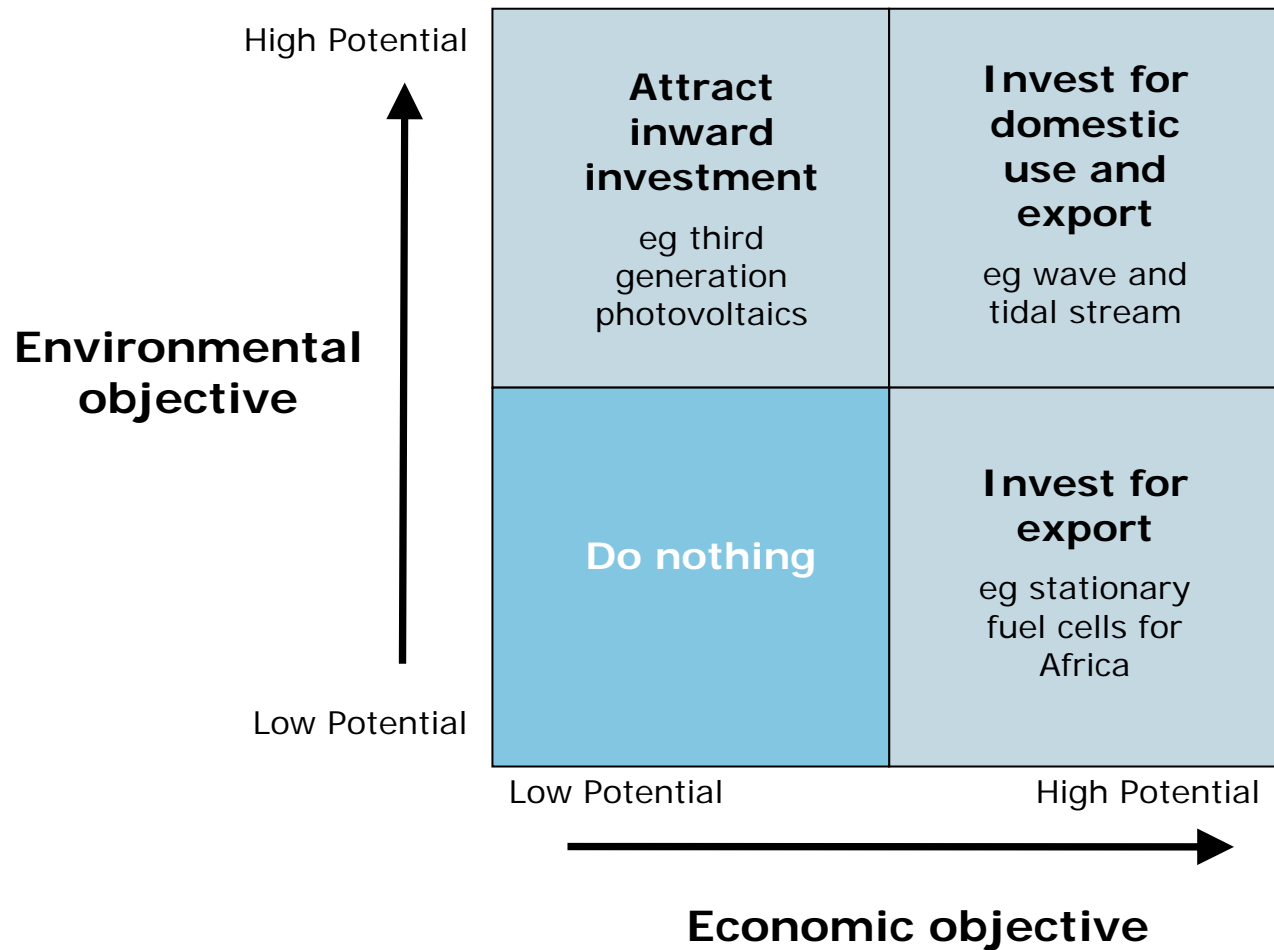
Illustrative!



3 broad stages of technology development

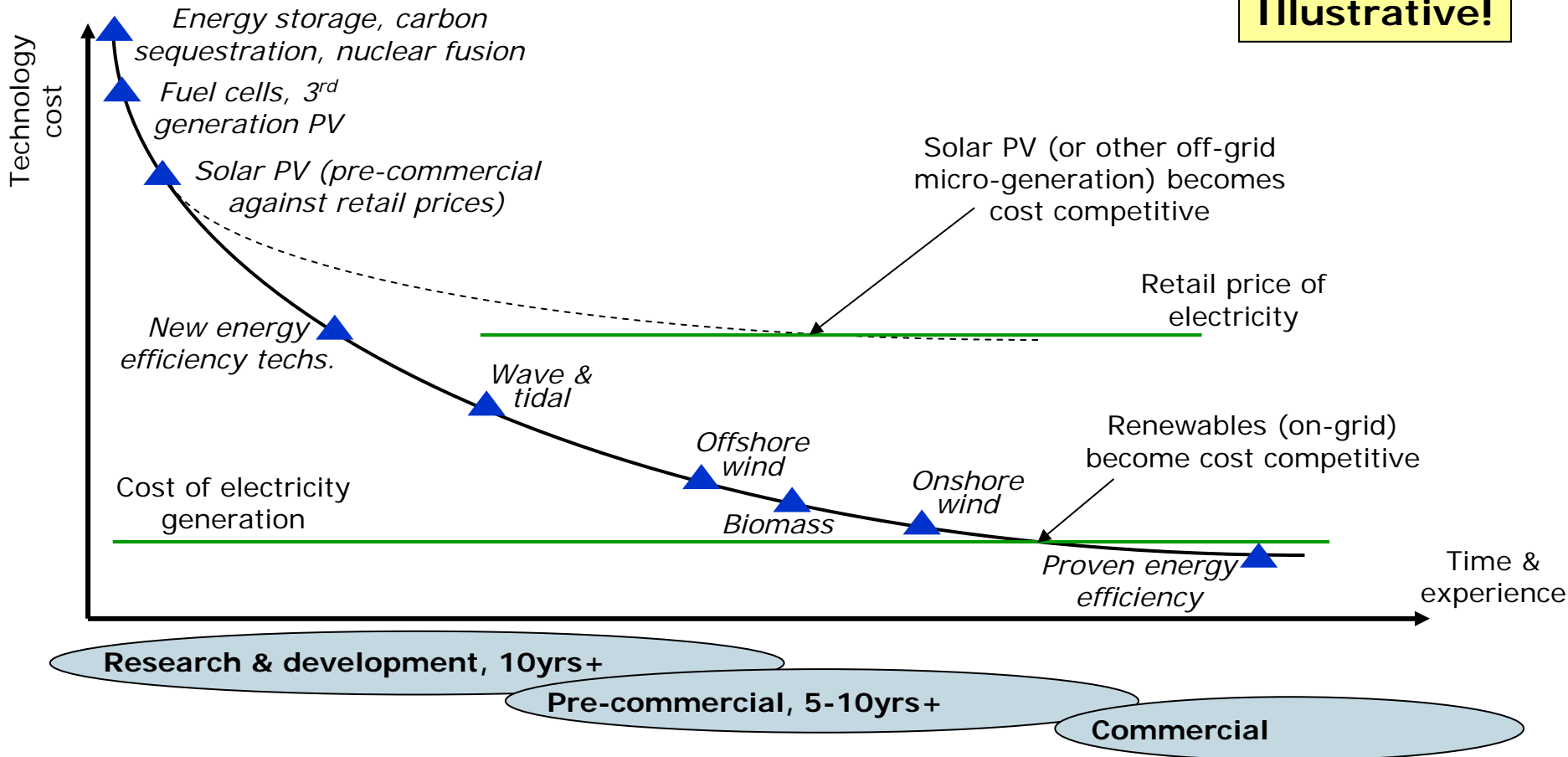


Innovation in low carbon technologies can fulfil both environmental and economic objectives



The aim is to accelerate the development of low carbon technologies as they come down in cost

Illustrative!



Making Business Sense of Climate Change

