

International workshop on:

The Challenge of Financing Low-Carbon Growth

Venice, Thursday 15 April - Friday 16 April, 2010

ICCG Conference Room, Island of San Giorgio Maggiore

A joint workshop organized by the **Climate Policy Initiative**,
Fondazione Eni Enrico Mattei
and the **International Center for Climate Governance**

The Climate Policy Initiative (CPI - www.climatepolicyinitiative.org), Fondazione Eni Enrico Mattei (FEEM – www.feem.it) and the International Center for Climate Governance (ICCG – www.iccgov.org) jointly organize an international workshop on the "Challenge of Financing Low-Carbon Growth", to be held on the Island of San Giorgio Maggiore, Venice on Thursday 15 April and Friday 16 April 2010.

The workshop will bring together policymakers, academics, and experts from industry and the finance and energy sectors to explore the financing of climate policy. Using lessons from infrastructure development projects in renewable energy and in gas networks, financing will be considered as one of the primary drivers of successful policy implementation.

After an outline of the importance of finance in climate policy, the workshop will focus on relevant cases of infrastructure finance, illustrating the need for CPI's core competence on performance review through analyses that assess implementation of specified policies, diagnose the reasons for poor performance, and identify opportunities for improvement. Experts will discuss how the experience of financing practices associated with gas networks on diversification of natural gas supplies might raise an analogue to performance questions in the context of the transition to a low-carbon growth future. We will highlight experiences in the renewable energy sector, both at the national and international levels, and explore both public and private funding practices.

This workshop will provide a platform for energy sector industrial firms, researchers, policymakers and financial institutions to start a concrete dialogue on how incentives between policies and investors could be aligned in order to pave the way for a low-carbon transition.

Thursday, 15 April 2010

14:00 - 14:15 Welcome

- Bernardo Bortolotti, Executive Director, Fondazione Eni Enrico Mattei
- Thomas Heller, Executive Director, Climate Policy Initiative
- Barbara Buchner, Director Venice office, Climate Policy Initiative

14:15 - 16:15 Panel 1: What role for finance in climate policy?

This panel reviews recent analyses of the climate financing problem and provides calculations of the financing costs performed by a number of institutions. The presentations are aimed at outlining the challenge and specifying both the role for international finance (e.g., international market mechanisms) and national finance (e.g., national stimulus programs at the public level).

Chair: David Nelson, Climate Policy Initiative

- Carlo Carraro, Chairman, Scientific Advisory Board of Fondazione Eni Enrico Mattei and President, University of Venice;
Emanuele Massetti, Senior Researcher, Fondazione Eni Enrico Mattei and Euro-Mediterranean Centre for Climate Change
- Richard Bradley, Head, Energy Efficiency and Environment Division, International Energy Agency
- Guy Turner, Director of Carbon Markets, Bloomberg New Energy Finance
- Nick Robins, Head of Climate Change Centre, HSBC

16:15 - 16:45 Coffee break

16:45 - 18:00 Panel 2: Lessons on funding practices from developing gas networks

This panel uses historical cases of infrastructure finance to highlight lessons for renewable energy and low-carbon growth. Panelists will discuss three topics: a description of comparable policies; analyzing and diagnosing the outcome of these policies; and verifying the lessons from these policies for the purpose of shifting towards a low-carbon path. The focus of the discussion will be on lessons from infrastructure finance practices in transnational gas networks and the role of public and private funding practices in facilitating transitions to low-carbon technologies in energy sector.

Chair: William Ramsay, Director of the Energy Program, Ifri

- Richard Jones, Deputy Executive Director, International Energy Agency
- Peter Hughes, Peter Hughes Energy Advisory
- Thomas Birr, Head of Strategies Department, RWE

20:00 - Social dinner

Friday, 16 April 2010

9:00 - 11:00 Panel 3: Lessons from infrastructure finance in the renewable energy sector

This panel will present a standard case from the U.S. perspective of how an energy developer makes its investment decisions, with an overview of the cost and risk factors involved, exploring which criteria investors take into account when financing conventional plants (e.g., fossil fuels) and how these criteria change when applied to unconventional (e.g. renewable) plants. Criteria including the characteristics of actors, organizational aspects, risk structure, and cost structure will be analyzed in depth, in order to paint a better picture of the investment analysis that lies behind the infrastructure finance practices. Panelists will provide perspectives from the developed and the developing world to compare and contrast these factors with those in the US, with a focus on determining what mechanisms can be used to make renewable cost competitive and drive greater development.

Chair: Andrei Marcu, Head of Regulatory Affairs, Environment and Climate Change, Mercuria Energy Group

9:00 - 9:15 Overview on the current state of the renewable sector

- Paolo Frankl, Head of Renewable Energy Division, International Energy Agency

9:15 - 9:30 Laying out an investment analysis for various energy technologies: coal, gas, solar, wind, nuclear

- Mark Ellis, Climate Policy Initiative

9:30 - 10:30 Perspectives from the developed and developing world

- Roberta Bowman, Senior Vice President and Chief Sustainability Officer, Duke Energy
- Gonzalo Saenz de Miera, Director of Regulatory Prospective, Iberdrola
- Jonas Kollberg, Group Asset Management, Vattenfall

10:30 - 11:00 Coffee Break

11:00 - 12.30 Concluding Panel: Technology innovation and diffusion

This concluding panel brings experts from the policy, research, business and finance communities together to focus on a specific financing question: how to design and implement policies that manage technology innovation and diffusion? Using the lessons learned from the workshop, panelists will add their perspective on the incentives needed to pave the way for a low-carbon transition and the application to technology risk in developing new sources of energy.

Chair: Thomas Heller, Executive Director, Climate Policy Initiative

- François Dassa, Head of Corporate International Relation, EDF
- Ben Guest, Managing Partner, Hazel Capital
- Jeremy Oppenheim, Director, McKinsey Climate Change Special Initiative

Closing of the workshop by Thomas Heller, Executive Director, Climate Policy Initiative

12.30 - 14:00 Lunch