CONSERVATION, ENERGY EFFICIENCY AND GHGs: SOME QUESTIONS

Robert R. Nordhaus
Van Ness Feldman, P.C.
George Washington University Law School

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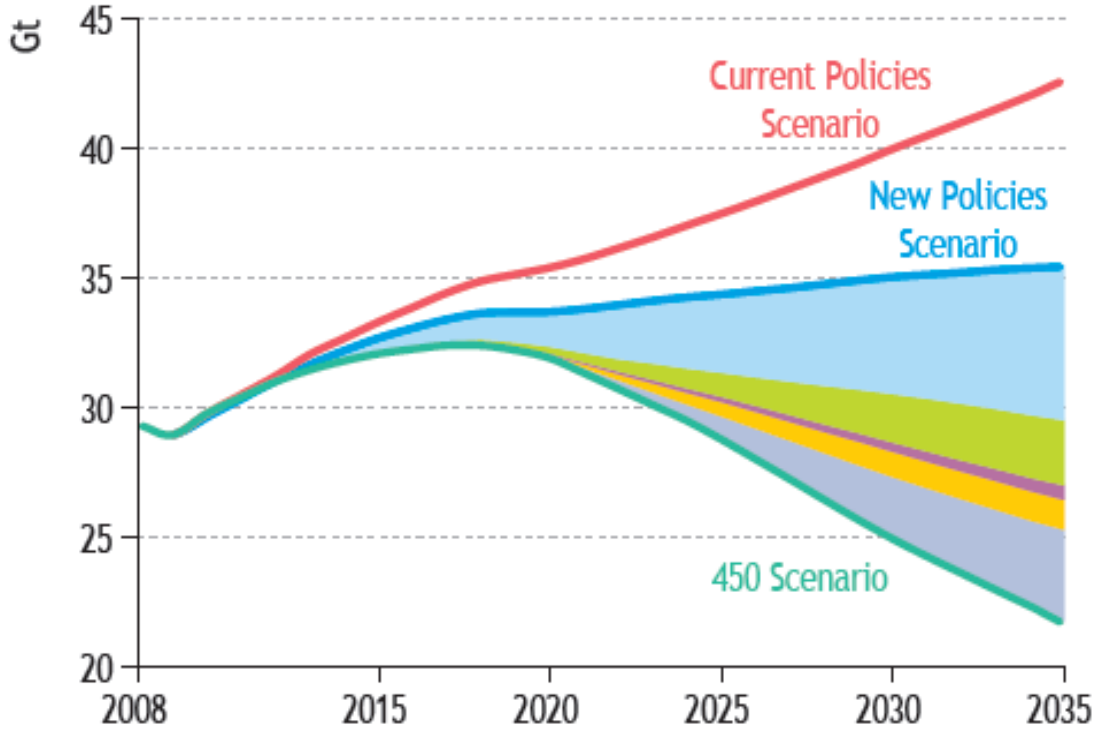
REDUCTIONS IN ENERGY-RELATED CO2 EMISSIONS 450 PPM SCENARIO



	Abatement	
	2020	2035
Efficiency	76%	43%
Renewables	14%	18%
Biofuels	2%	4%
Nuclear	4%	8%
CCS	3%	26%
Total (Gt CO_2)	1.8	13.7

Source: IEA World Energy Outlook 2010

Questions

- Focusing first on oil –
  - In the near-term, how will oil producers (who today are predominantly national oil companies) react to a reduction in demand from energy efficiency policies? Will they reduce output, keep output constant at a lower price, or even increase it in order to maintain revenues?
  - Assuming that energy efficiency measures result in a decrease in current global oil production, how will the existence of the unproduced oil reserves affect future supply costs and production? Does the answer depend on the longevity of the energy efficiency programs?

Questions

- Is the analysis for natural gas and coal different from that for oil?
- Assuming that energy efficiency measures postpone rather than permanently reduce GHG emissions, what is the value in the resultant near-term reduction in the rate of increase in GHG concentrations?