

ONE HUNDRED TWELFTH CONGRESS
Congress of the United States
House of Representatives
COMMITTEE ON ENERGY AND COMMERCE
2125 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6115

Majority (202) 225-2927
Minority (202) 225-3641

December 11, 2012

The Honorable Fred Upton
Chairman
Committee on Energy and Commerce
U.S. House of Representatives
2125 Rayburn House Office Building
Washington, DC 20515

The Honorable Ed Whitfield
Chairman
Subcommittee on Energy and Power
U.S. House of Representatives
2125 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Upton and Chairman Whitfield:

The recently released PriceWaterhouseCoopers (PwC) fourth annual Low Carbon Economy Index 2012 report “Too late for two degrees?” finds that the world economy must now decarbonize at an unprecedented rate of 5.1% per year to maintain an even chance of limiting warming to 2°C.¹ The report underscores the point that each year of delay in reducing carbon pollution increases the rate of decarbonization needed to avoid more than 2°C of warming. It also finds that higher rates of decarbonization may well be unachievable. We are writing to request that the Committee hold a hearing on this important and troubling new analysis.

The Low Carbon Economy Index specifically examines the change in global economic carbon intensity (defined as “the emissions per unit of GDP”) that is required to hold the global carbon budget to 450 ppm and a 50% chance of avoiding warming over 2°C.² The decarbonization rate can be considered an indicator for the amount of effort and cost that would be required for the world to avoid a dangerous degree of global warming. In 2009, the first PwC

¹ PriceWaterhouseCoopers, LLC, “Too late for two degrees? Low carbon economy index 2012.” (November 2012) (online at http://www.pwc.com/en_GX/gx/low-carbon-economy-index/assets/pwc-low-carbon-economy-index-2012.pdf).

² *Id.* at 2.

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Low Carbon Economy Index report found that the necessary rate of decarbonization was 3.7% annually.³ However, this latest report found that in just four years, the annual rate of decarbonization needed to have an even chance of avoiding greater than 2°C of warming increased to 5.1%.⁴ Thus, the level of effort necessary to avoid dangerous global warming rose by 20% with just a four-year delay.

The PwC report also found that it is “highly unrealistic” to expect that the world will be able to decarbonize at a rate of 5.1%.⁵ The greatest improvement in carbon intensity the world economy has ever achieved was 4.9% in 1981, prompted by the severe recession.⁶ For each of the past four years, carbon intensity has improved by less than 1%.⁷ Since 2000, the average decrease in carbon intensity per year is 0.8% and in 2011, this rate decreased to 0.7%.⁸

PwC concluded that “governments and businesses can no longer assume that a 2°C warming world is the default scenario.”⁹ Many in the scientific community are now incorporating higher average temperature increases into their latest analysis of potential climate impacts. In the recently released IEA World Energy Outlook 2012, IEA found that today’s “global energy system is unsustainable” and forecasted the average global temperature to increase 3.6°C above pre-industrial levels by 2035.¹⁰ Even if the current improvements in annual decarbonization were doubled or even quadrupled, the world is still expected to warm by 4°C or 6°C by 2050.¹¹

The report contends that “radical transformations” are necessary to avoid these drastic consequences. The recommendations include the “rapid uptake of renewable energy, sharp falls in fossil fuel use or massive deployment of CCS [carbon capture and sequestration], removal of industrial emissions, and halting deforestation.”¹²

This report underscores that delaying action to address carbon pollution is rapidly escalating the effort that will be necessary to avoid the most dangerous degree of warming as well as the amount of warming that is essentially unavoidable. Inevitably, rapidly escalating

³ *Id.*

⁴ *Id.*

⁵ *Id.* at 3.

⁶ *Id.* at 9.

⁷ *Id.* at 4.

⁸ *Id.* at 5.

⁹ *Id.* at 9.

¹⁰ International Energy Agency, *World Energy Outlook 2012*, at 1 (November 2012) (online at <http://www.iea.org/publications/freepublications/publication/English.pdf>)

¹¹ PriceWaterhouseCoopers, LLC, *Too late for two degrees? Low carbon economy index 2012*, at 9 (November 2012) (online at http://www.pwc.com/en_GX/gx/low-carbon-economy-index/assets/pwc-low-carbon-economy-index-2012.pdf).

¹² *Id.*

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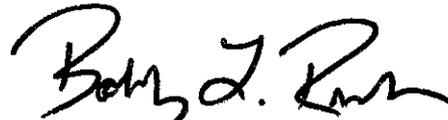
both the necessary mitigation and adaptation efforts also means rapidly escalating costs. In other words, we will pay an increasingly higher price for ongoing delays in action.

We urge you to schedule a hearing in the near future to examine the compelling and urgent findings presented in this report.

Sincerely,



Henry A. Waxman
Ranking Member



Bobby L. Rush
Ranking Member
Subcommittee on Energy
and Power