

INTERNATIONAL CLEAN ENERGY INITIATIVE

To accelerate the development and deployment of clean energy technologies around the world, President Clinton is proposing the International Clean Energy Initiative – a \$200 million multi-agency effort (a more than 100 percent increase over FY 2000 enacted levels) to encourage open competitive markets and remove market barriers to clean energy technologies in developing and transition countries and to provide new incentives for clean energy technology innovation and export. This initiative will promote U.S. exports and create high-value jobs, and will assist countries to power their economic development while fighting air pollution and climate change.

Window of Opportunity for America and the World. Developing country energy use will overtake that of industrial countries by 2020. These energy technology markets are projected to total \$4 to \$5 trillion over the next 20 years and \$15 to \$25 trillion over the next 50 years. Developing country energy use is expected to account for three-fourths of the increase in global energy use between now and 2050.

Advanced, low-polluting energy technologies, developed and manufactured in the United States, can provide these energy services efficiently, but existing markets often do not value environmental and efficiency benefits. In addition, environmentally superior options often carry higher up-front costs, may be unfamiliar, or are perceived as more risky by decision-makers in developing countries. The initiative builds on a recent set of recommendations by the President's Committee of Advisors on Science and Technology (PCAST) and is directed at leveling the playing field between cleaner U.S. energy technologies and services and polluting alternatives.

Real Benefits At Home and Abroad. The initiative will help lay the technical and policy foundation that will allow developing and transition countries to build a clean energy future, leapfrogging past the polluting energy technologies used by the industrial countries, while building competitive markets open to U.S. firms. The goals of this initiative include:

- Doubling clean energy technology exports by 2005, creating as much as \$5 billion in new export revenues for U.S. companies and as many as 100,000 new U.S. jobs.
- Cutting energy use in targeted country buildings and appliances in half through advanced building design tools and building equipment codes and standards.
- Developing integrated renewable energy technologies that have the potential to power the full range of energy services for the 2 billion people in developing countries that do not now have electricity.
- Sharply reducing sulfur, particulate, and greenhouse gas emissions by developing advanced coal-fired power plants and low-cost hydrogen fuels.
- Maximizing use of combined heat & power systems through technical and policy assistance.
- Reducing methane emissions from pipelines and other fossil sources by an amount equal to as much as 100 million metric tons of carbon per year by 2005.
- Providing technical and policy support to encourage the development of natural gas grids.

- Reducing energy use in the industrial sector through the introduction of best practice methods, including advanced sensors and controls, and energy efficient motor drive systems.
- Conducting research in nuclear energy to address cost, waste, safety, and proliferation concerns.
- Providing technical and policy assistance in support of energy sector reform that creates open, competitive markets while protecting the public interest.

Initiative Structure. This initiative will strengthen efforts to streamline current bureaucratic procedures to better assist U.S. firms wishing to invest in clean energy projects in developing and transition countries. This initiative will also encourage public-private partnerships with foreign counterparts to demonstrate clean energy technologies, drive down their cost, and facilitate private sector financing for their large-scale deployment. The initiative will employ a range of proven policy tools, including U.S. technical and policy assistance to developing countries through personnel exchanges, conducting collaborative R&D with key foreign research groups, developing integrated renewable energy, energy efficiency, and advanced fossil energy technologies and pilot projects, and providing a range of trade supports to expand clean energy exports.

The initiative's requested \$100 million increase for these activities includes an additional \$46 million for the Department of Energy (DOE); \$30 million for the U.S. Agency for International Development; \$15 million for the Export-Import Bank; \$5 million for the Trade and Development Agency; and \$4 million for the Department of Commerce. A \$3 million increase in base programs is also requested at DOE, bringing the total increase to \$103 million.