

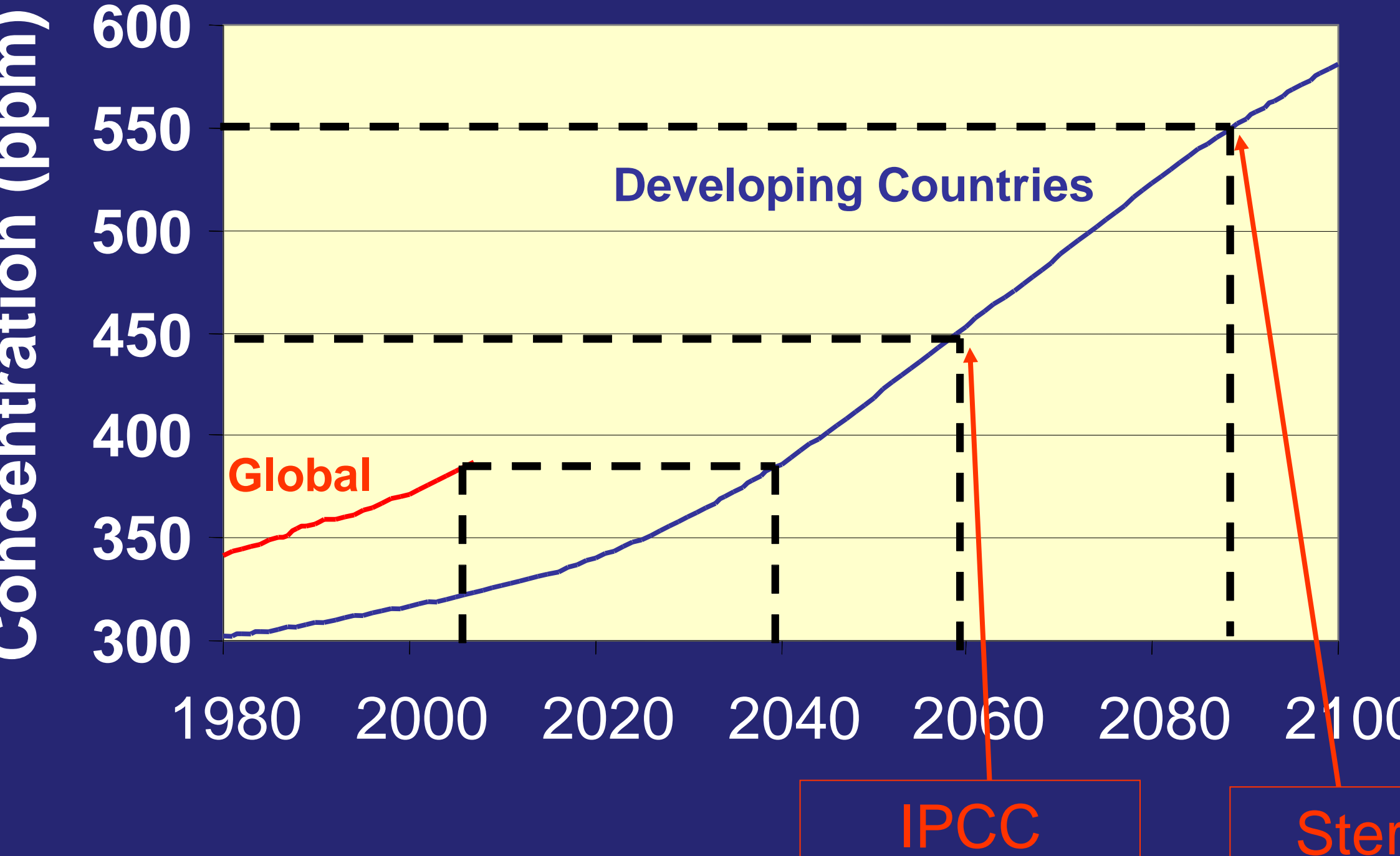
For Low Carbon Development



David Wheeler

Center for

Comparative CO2 Concentration Paths



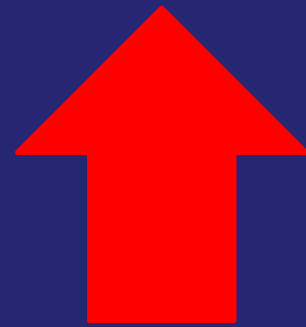
Technology
Cost

Policy

Global
Regulation

High-Carbon

Low-Carbon



Reality

Technology
Cost



High-Carbon

Low-Carbon



Copenhagen

today I'd like to announce that ... the United States is prepared to work ... toward a goal of jointly mobilizing 100 billion a year by 2020 to address the climate change needs of developing countries.” Hillary Clinton, Dec. 17

Post-Copenhagen

*Obama to offer big freeze on spending
President tries to convince Americans that he's on top of
3 trillion deficit – The Independent Jan 27*

Financial Realities

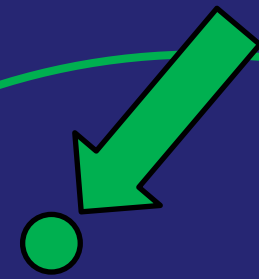


The world will need a *phenomenal* amount of money to change its energy supply from fossil fuels to cleaner sources to adapt to climate change.”

— Yvo de Boer

UNEP Executive Secretary

Public Resource



\$ Trillions

Leveraging Markets



Innovation

Learning

Scale/Confidence

Prizes

CTF

Risk Insurance

Protection

FiT

RES

**Advance Market
Commitments**

Inspiration. AMC for Vaccines



The Vaccine Program



Why An AMC?

Proven Technology
Potential Scale
Investor Uncertainty

Keys to Success

- Capable Producer
- Market Guarantee
- Tail Price

Possible Low Carbon AMCs

Potential Benefits

Development

Business Growth

Cost Saving

Health

(Reducing Indoor
Air Pollution)

Climate

Clean Energy

Forest-Saving



Rwanda
School Biogas



South Africa

AMC?

Proven Technology

- Local Experience

Potential Scale

- Production, Market

Investor Uncertainty

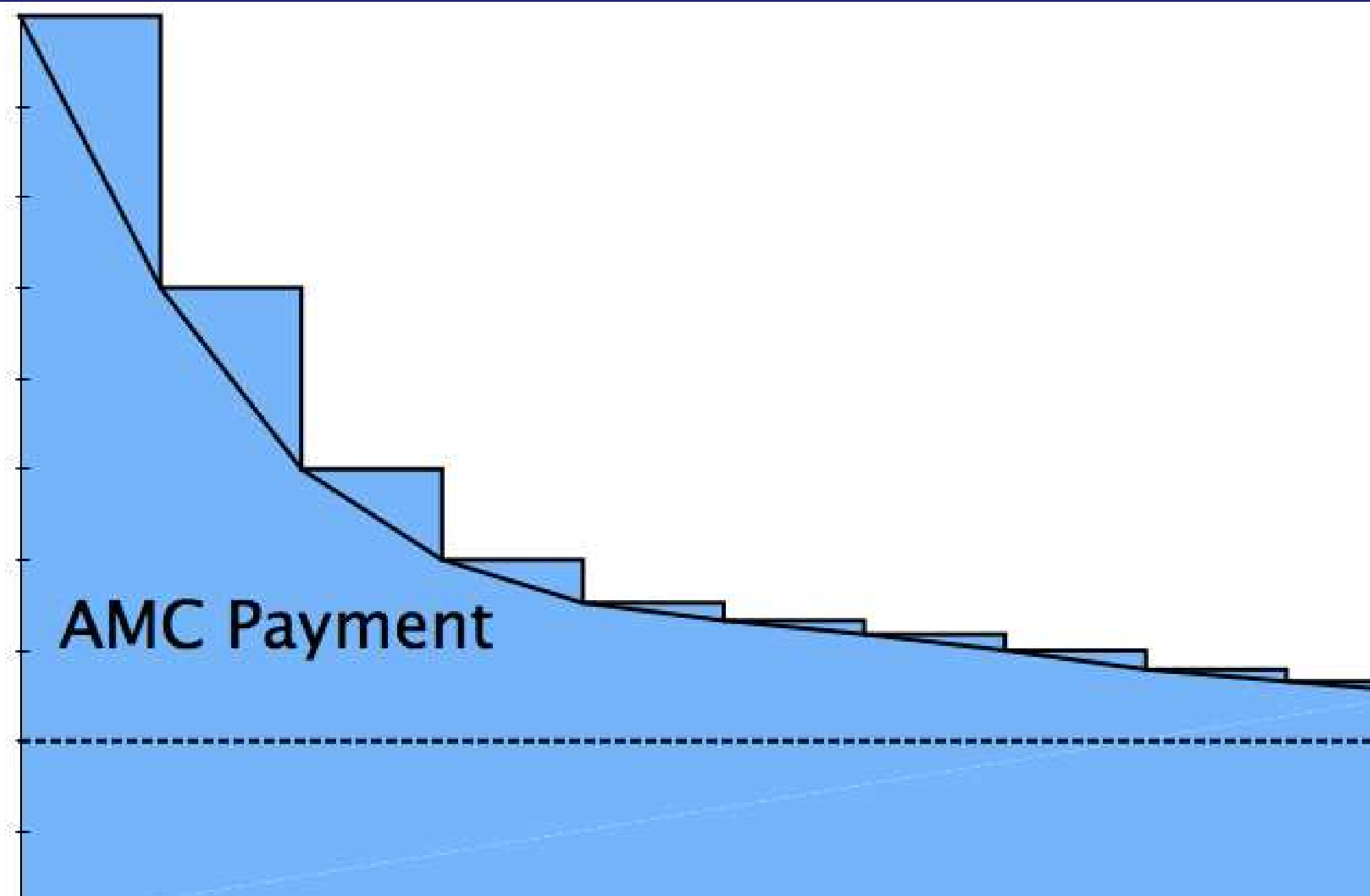
- Perceived Risk



Keys to Success

- Business Conditions
- Rate of Return
- Guaranteed Payment
- Time-VARIABLE Offer





AMC Payment

AMC

Advantages



Market Competition Reduces Moral Hazard

Payment for Performance

Risks Are Borne by Firms

Reflect Consumer Preferences

Promote Private Investment

Work

Remember the Rationale:

Counteract Uncertain

Recovery of Sunk Costs

Target Market Identification

Assessment of Local Constraints

Attracting Appropriate Entrepreneurs

Local Business Environment

Corruption-Fighting



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