

## DEBATE CONTINUES OVER RENEWABLE ENERGY COSTS AND SUBSIDIES

UK holds first auction for renewable energy project contracts; Wind and solar may be more expensive than commonly thought

The cost of renewable energy projects—solar and wind power—has fallen significantly in the last few years. For example, the cost of capital of a solar-power plant has fallen by 22 percent since 2010. Recently, however, economists have been taking into account “[levelized costs](#)” in order to calculate the true costs, including the capital and operating costs over the lifecycle of the project. For example, since wind power is not generated on a calm day, nor solar power at night, conventional power always needs to be available. This is not typically included in the cost of renewables.

Meanwhile, The UK has announced that [renewable-power projects](#) will compete for ‘contracts-for-difference’ which the government hopes will spur low-carbon electricity generation. The auction will take place in October. This comes at a time when a recent poll of [UK voters across all parties](#) finds almost half of respondents say investing in green energy is a ‘top priority’. Support for renewables was more than three times greater than nuclear energy, the next most popular option.

Ceres, a non-profit that seeks to mobilize leadership around sustainability, recently [released a report](#) revealing which utility companies are best positioned to embrace renewable energy and adapt to changes in state laws.

## WATER TRADING GAINS TRACTION IN CHINA

In the face of a growing water crisis, China has selected seven provinces to host pilot markets to trade water rights. China hopes that market-based mechanisms may ease the country’s water distribution problems and environmental concerns. The local governments will be allowed to issue water rights that recipients can use or sell. “China’s water is owned by the state, and only the central government can decide how much water is allocated to regions,” said Song Guojun, Dean of the Environmental Policy and Planning Research Institute at Renmin University in the capital.

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## GOOD WEEK FOR: EFFICIENT VEHICLE BUYERS

Japan to offer significant subsidies for hydrogen-powered cars; China urges government officials to buy green cars

China is aiming to boost the efficient car market with subsidies for government officials and agencies that purchase [energy-efficient vehicles](#). Hybrid and other low and no-pollution vehicles must account for at least 30 percent of new cars purchased for officials. Subsidies will be offered and buyers will be exempt from a 10 percent

vehicle tax. Not to be outdone, Japan may exceed the level of incentives China has offered. The Japanese government announced that it will [subsidize](#) zero-emission cars with incentives that may exceed USD 30,000 per vehicle for Toyota Motor Corp.’s first hydrogen-powered sedan. The incentives are expected to cut the sticker price by about 40 percent. The government also unveiled a plan in June that will support the growth of fuel-cell vehicles in Japan.

## IS FOOD WASTE THE NEW RENEWABLE ENERGY?

Several American organizations are looking at this issue

Food waste is a growing problem. The EPA estimates that food waste has increased 50 percent since the 1970s. The National Resources Defense Council (NRDC) calculated that food waste costs American business and society more than USD 165 billion per year. So what are [companies, organizations, and consumers](#) doing about it? A lot, it turns out. Anaerobic digestion

and composting technologies are allowing companies to monetize food waste by converting it into renewable energy. Food service companies are encouraging less waste by introducing “trayless” cafeterias.

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### STAT OF THE WEEK

Beef pollutes more than pork. Beef produces five times more heat-trapping gases per calorie, puts out six times as much water-polluting nitrogen, and uses 11 times more water and 28 times more land, according to the study published Monday in the journal Proceedings of the National Academy of Sciences.

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### BELIEVE IT OR NOT

Summer BBQs attacked again! To cope with its pollution problems, authorities in the Tongzhou district of Beijing recently banned open-air barbecues.

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