

JOINT STATEMENT BY THE ELECTRICITY INDUSTRY ON SUSTAINABLE DEVELOPMENT

Union of the Electricity Industry–EURELECTRIC (Europe)
Federation of Electric Power Companies (Japan)
Edison Electric Institute (United States of America)

People:
the electricity industry
committed to social
responsibility

Planet:
electricity as
a clean and efficient
supply of energy

Prosperity:
making markets
work and grow

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Union of the Electricity Industry – EURELECTRIC (Europe)

www.eurelectric.org

The **Union of the Electricity Industry** - EURELECTRIC, formed as a result of a merger in December 1999 of the twin electricity industry associations, UNIPEDA and EURELECTRIC, is the sector association representing the common interests of the European electricity industry and its worldwide affiliates and associates. Its mission is to contribute to the development and competitiveness of the electricity industry and to promote the role of electricity in the advancement of society.

For more information on sustainable development activities by the European electricity industry please contact:

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Federation of Electric Power Companies (Japan)

www.fepec.or.jp

The **Federation of Electric Power Companies – FEPC** was established in 1952 by nine major electric power companies to promote smooth operations within the industry. Since then, the FEPC has played an important role as a base for communication between the power companies and as a forum for exchanging ideas on the evolution of the electricity industry. When the Okinawa Electric Power Company joined in March 2000, FEPC had a full membership of ten power companies. Moreover, two wholesale electric utility companies, the Electric Power Development Co. and Japan Atomic Power Co., participate in FEPC's activities.

For more information on sustainable development activities by the Japanese electricity industry please contact:

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Edison Electric Institute (United States of America)

www.eei.org

The **Edison Electric Institute - EEI**, organized in 1933, is the association of United States shareholder-owned electric companies, international affiliates and industry associates worldwide. In 2000, our U.S. members served more than 90 percent of the ultimate customers in the shareholder-owned segment of the industry, and nearly 70 percent of all electric utility ultimate customers in the nation. They generated almost 70 percent of the electricity generated by U.S. electric utilities. In addition to its 200 domestic members, EEI has 45 international affiliates in 19 countries. EEI's mission is to ensure members' success in a new competitive environment by advocating public policy, expanding market opportunities and providing strategic business information.

For more information on sustainable development activities by the American electricity industry please contact:

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**World Summit on Sustainable Development
Johannesburg, August 2002**

The electricity industry supports the aim of the World Summit on Sustainable Development 2002 to reinvigorate at the highest political levels the global commitment to sustainable development agreed upon ten years ago at the Rio Earth Summit.

The electricity industry affirms a common goal of providing a reliable, affordable and environmentally responsible supply of electricity to meet the quality of life aspirations of every nation's citizens. Electricity is uniquely qualified in meeting the goals of sustainable development: social responsibility, environmental stewardship and economic development for a growing world population. Achieving sustainable development is an enormous challenge and the electricity industry is committed to helping to meet this challenge.

The electricity industry recognises that it cannot achieve sustainable development working in isolation and wishes to engage in an open dialogue and develop partnerships with a broad range of other stakeholders. Individual electricity companies have already undertaken much work in developing such partnerships (e.g. see the Electricity Sector Report prepared by E7 and its partners for UNEP).

Electricity, which is the lifeblood of modern societies, provides a wide range of services essential to everyday life. Some of these include:

- Running hospitals, schools and businesses
- Heating, cooling and lighting in homes and in work
- Preserving food commercially and at home
- Pumping fresh water supplies and sewage
- Maintaining the flow of road, rail and air traffic
- Lighting in public places
- Operating global communications systems
- Access to internet and to the information society
- Power for a wide range of appliances

KEY PRINCIPLES FOR THE ELECTRICITY INDUSTRY

People

Electricity is a key element to the achievement of the social dimension of sustainable development. The electricity industry respects the needs of its own employees and of the wider society. In developing countries, access to electricity is vital for economic growth and to raise living standards. More than 2 billion people still do not yet enjoy the most basic benefits of electricity, which are a decisive factor for the eradication of poverty and social exclusion.

Planet

The electricity industry's activities have a significant impact on the environment. However the electricity industry has been utilising diverse technologies and strategies, both on supply and demand sides, which are substantially reducing this impact. Electricity can power both technologies which are clean at the point of use, and clean-up techniques delivering environmental improvements. Therefore, electricity is also an important part of the solution to achieving sustainable development.

Prosperity

The electricity industry's business is to produce and deliver electricity to its customers. To achieve this end, it invests massively in infrastructure, technology, research and development and in human resources, contributing to the economic development, increased productivity and prosperity of the communities and countries where it operates. Therefore, policies and measures should be developed to create a clear framework and incentives within which the electricity industry can operate.

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The organisations jointly agree on a set of key principles that should be recognised by the industry, policy makers, regulators and society to ensure that these common goals can be achieved.

THE SOCIAL PILLAR

1. *People: The electricity industry committed to social responsibility*

- Electricity is a key element to the achievement of the social dimension of sustainable development. The electricity industry considers that access to an adequate supply of electrical energy is a basic requirement for the elimination of poverty.
- The electricity industry promotes the transfer of knowledge to developing countries. It adapts to the social fabric where it operates by respecting cultural aspects, recruiting locally and by being sensitive to the needs of its employees and society.
- The electricity industry respects and applies the principles laid down in international conventions on human and labour rights and refuses to resort to forced labour, or to employ children of an age at which education is still compulsory in the country concerned.
- The electricity industry invests in continuous education, training and development of its employees as an integral part of its business planning processes.
- All preventive action in the area of health and safety at work is a core value for the electricity industry. To protect the health and safety of its employees and of the public, companies adopt guidelines based on existing legislation, on the most up-to-date scientific understanding, and on their experience and know-how, taking into account the highest applicable standards.
- The electricity industry seeks to adopt best employment practices and acts in a socially responsible manner when faced with major organisational changes.

THE ENVIRONMENTAL PILLAR

2. *Planet: Electricity as a clean and efficient supply of energy*

- The electricity industry's activities have a significant impact on the environment, such as: use of natural resources - coal, natural gas, oil, uranium, biomass, water, land; air pollution and waste materials. However, at the point of use, electricity provides a clean and efficient supply of energy in a cost-effective manner.
- Over several decades, the electricity industry has achieved significant reductions in emissions including SO₂, NO_x, dust/particulates, and persistent chemicals such as PCBs, thereby helping to protect nature. The electricity sector also has an important role to play in management of natural resources. It recognises the value of water as a human and industrial resource and as a major landholder will continue to manage these assets with sensitivity and regard for biodiversity.
- The electricity industry cares about the environment. It encourages a culture of environmental awareness and good practices in the workplace. On the supply and demand sides, diverse technologies and strategies are being utilised to reduce environmental impacts and achieve sustainable development.
- On the supply side, whilst it is important to maintain a wide range of fuels in a balanced supply portfolio, electricity companies are limiting the environmental impacts from electricity generation by improving efficiency and by increasing the use of non- or low-emitting supply technologies, such as: renewable energy sources (hydro, wind, solar, geothermal and biomass energy); nuclear power; combined heat and power; high

efficiency natural gas and advanced clean coal technologies. All energy and technology options should be open and available to meet the varying needs of individual countries or marketplaces.

- On the demand side, the electricity industry supports the goal of promoting the efficient use of energy and stresses the positive role that electricity can play in reducing energy use and adverse environmental effects through a wider application of electric technologies. Greater use of energy-efficient electric technologies is a significant means of supporting economic growth, improving energy efficiency, reducing primary energy use and atmospheric emissions.
- The electricity industry believes that addressing climate change is imperative for sustainable development. In developed countries, the electricity industry considers that it has a responsibility to reduce greenhouse gas emissions both at the generation stage (in particular by an appropriate primary energies mix of renewable energy sources, nuclear power and efficiently used fossil fuels) and at the consumption stage (in particular by promoting more efficient end-use technologies). In addition to that, it is recognised that developing countries require faster growth in electricity production in order to meet their economic development aspirations. This makes it imperative that further electrification is based on an appropriate mix of primary energy and technologies, which are an essential part of a global strategy to reduce greenhouse gas emissions. The electricity industry is in a position to introduce such efficient technologies and supports an increase in research and development efforts, and consequent technological innovation, as an important vector to achieve these objectives. It regards the Framework Convention on Climate Change (activities implemented jointly) and the Kyoto Protocol market mechanisms (international emissions trading, clean development mechanism and joint implementation) as important tools for promoting transfer of technologies to developing countries and the economies in transition.

THE ECONOMIC PILLAR

3. Prosperity: Making markets work and grow

- The electricity industry's business is to produce and deliver electricity to its customers. To achieve this end, it invests massively in infrastructure, technology, research and development and in human resources, contributing to the economic development which is necessary to all nations. It also brings competitive solutions to industries and customers in all fields, increasing the productivity and prosperity of the communities and countries where it operates.
- Diverse and sustainable supplies of energy are required now, and in the future, in order to sustain growth and competitive economies. Policymakers have responsibilities to develop policies and measures, and an adequate framework in a consistent and coherent way that creates the stability necessary to support the electricity industry's operations.
- The electricity industry believes that policies and measures which are consistent with liberalised and competitive markets will, in the long term, have a great chance of successfully delivering the economic, social and environmental objectives of nations. However it is important to recognise that, in introducing such policies and measures, policymakers and the electricity industry should take into account the need to ensure both security and stability of supply and protection of the environment.
- The electricity industry is committed to complying with legislation, supports the integration of sustainable development into all policy areas, and considers that, under appropriate conditions, this will lead to new business opportunities and to the economic development which can help to fulfil the environmental and social dimensions of sustainable development.
- The electricity industry believes that there are fundamental drivers, in particular for developing countries, that lead to investment, economic growth and prosperity. These are: the rule of law and respect for property rights, democracy, political stability, respect for minorities, adequate organisation of the market so as to offer fair conditions to all economic actors, transparency and access to information, so that customers are able to choose the most efficient solution, and consultation/partnership with stakeholders/business.



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