

## SUSTAINABLE DEVELOPMENT

As part of the global effort to reduce greenhouse gas emissions, the promotion of renewable energy has become a critical international strategy. In Taiwan, 98% of the energy supply is imported. Therefore, the development of renewable energy will diversify the energy supply, increasing the proportion of domestic sources in the energy mix. It will also open new business opportunities for local industry. This goal of simultaneously achieving three “wins” – energy security, environmental protection, and economic development – deserves broad support.

As Taiwan has highly favorable conditions for its development, wind power has been designated for priority attention in the renewable energy field. Onshore projects currently under construction, approval, or planning amount to 467.8 MW in installed capacity (equivalent to 230 sets of wind turbines), and future offshore development offers even more potential. This Committee joins the Infrastructure Committee in urging the new administration to streamline the application and approval process for wind-power projects to encourage prospective developers to enter this market and to increase the willingness of financial institutions to provide support.

Another of our suggestions is for the government to provide more incentives for the use of recycled building materials as a way to achieve environmental benefits.

In addition, the Committee notes that since 2010 it has continuously raised the issue of forest conservation and urged the EPA to expand its Green Mark guidelines to recognize virgin-fiber tissue/paper products with global sustainable forest management certifications. The progress has been truly disappointing, however, even as the environmental problem has intensified due to the severe haze-producing forest fires in Southeast Asia. We strongly urge the Environmental Protection Administration (EPA) to speed up adoption of a dual-track forestry approach in its Green Mark system, equally recognizing both virgin-fiber products and recycled-fiber products that are certified by globally accepted standards for responsible forest management, such as that of the Forest Stewardship Council. Such an approach has been widely accepted by developed countries around the world. Taiwan should do the same to disassociate from environmentally harmful deforestation practices and enable its consumers to identify which products are derived from sustainably managed forests.

### **Suggestion 1: Scale up and accelerate development of renewable energy in general and offshore wind power in particular.**

As there are few suitable onshore sites available, Taiwan has set an ambitious target for offshore wind development of installation of 4GW in generating capacity by 2030, and it is providing incentives for that development through government grants. Various demonstration projects are currently underway, and their successful execution can be expected to increase interest in the Taiwan market from prospective developers around the world. Other Asian countries also have major plans for offshore wind power, which means that Taiwan will be competing with other markets for support.

The grant scheme involves a subsidy equivalent to US\$8 million and interest-free loans covering 50% of the development cost. From the developers’ point of view, however, those conditions are not considered especially attractive compared to other markets. More important for the grant recipients is simply obtaining the right to build the offshore wind farm.

On the financing side, the government needs to provide more direct support from government-owned banks and other financial institutions and foundations. Once the Taiwanese government has taken a greater stake in these projects, international banks will be more willing to participate as well, helping to ensure the viability of the projects.

### **Suggestion 2: Encourage greater use of recycled building materials.**

We urge the government to find ways to encourage the increased use of recycled building materials in construction. For public projects, more attractive incentives could be provided than those currently available under the government’s procurement regulations. The current price differential of up to 10% allowed for recycled building materials versus conventional materials, after the passing all the environmental-related tests, has not been effective in increasing the usage of recycled materials. In addition, for public and private construction, the government could consider setting a minimum standard for the percentage of the total building materials that recycled materials are required to meet.

The promotion of a “circular-economy” based on recycling materials is not limited to the United States, Japan, and European countries, but is now spreading to emerging countries such as China. In fact, China has been actively wooing Taiwanese environmental and recycling companies to set up operations across the Strait to assist in addressing their environmental issues. Taiwan should not be left behind in this development of a circular economy, and using more recycled building materials where matured technologies exist in Taiwan would be a good start.