

A green example to the world

The business of clean energy is here to stay. That was the unequivocal message of the second World Future Energy Summit in Abu Dhabi that is fast becoming the “Davos” of the energy industry. In the following pages our correspondents Alex Forbes and Stefan Nicola talk to some of the global leaders in the energy revolution sweeping the world.

| by Alex Forbes

The second World Future Energy Summit confirmed Abu Dhabi not just as a leader in renewable energy initiatives but also as a focus for executives and policy-makers who want to learn about and discuss the fast-growing business of clean energy. Is this annual summit on its way to becoming the “Davos” of the energy industry, as several speakers suggested? And how is it that arguably the biggest conference and exhibition on renewable energy has found a home in this oil-and-gas-rich emirate?

It has become fashionable for conference organisers to dub their events ‘summits’ as a way of suggesting gravitas and

as a commercial, profit-making event, and inevitably a showcase for the emirate’s clean-energy initiatives.

Certainly the list of dramatis personae suggested that anyone who was anyone in the climate change and clean energy businesses had been invited.

And most had indeed bothered to show up: from Dr Rajendra Pachauri, head of the Nobel Peace Prize-winning Intergovernmental Panel on Climate Change, to Professor Nicholas Stern, author of the influential UK government report of the economics of climate change, to Vivienne Cox, chief executive of BP Alternative Energy and

As well as such household names, the summit featured executives who, while less famous, are at the forefront of making a business out of the energy imperatives of climate change: people such as Vinod Khosla, founder of and partner in Khosla Ventures, Marcel Brenninkmeijer, founder and chairman of Good Energies, and Ditlev Engel, CEO of wind power company Vestas. And then, of course, in a sign of the confidence that is building in the commercial viability of clean energy, there were the banks – such as Credit Suisse, Standard Chartered and Deutsche Bank. However, given the banking crisis of the past year, some who had attended last year were notable by their absence.

‘Well done, Masdar, on what you have done and what you will now do’

authority. While not all such events live up to this grandiose label – once reserved for meetings of heads of government – the recent World Future Energy Summit in Abu Dhabi felt like a significant meeting of minds. This was despite it being organised

widely regarded as one of the most powerful women in the energy business (see interview on page 12). Even former UK prime minister Tony Blair attended – to give the closing address to the conference. ‘Where is Al Gore?’ some wondered aloud...

So what were the key messages to emanate from this increasingly influential event? To my mind, there were three. Firstly, that despite a general feeling of disappointment with what was achieved at December’s climate talks in Poznan, there was a surprisingly high level of optimism that a meaningful deal on a post-Kyoto climate change regime would be reached at the next climate change talks, in Copenhagen at the end of this year.



Photo: World Future Energy Summit

Secondly, that despite the worsening global economic recession, the business of clean energy will continue to attract investment. This is partly because it is one of the cures for the economic malaise (as the new Obama administration has recognised), partly because of the imperatives imposed by what according to Dr. Pachauri is 'unequivocal climate change', and partly because it can contribute to energy supply security at a time when future supplies of oil and gas are looking increasingly uncertain.

Thirdly, that the business of clean energy could grow a lot quicker than even the impressive growth rates of recent years, if only governments would put in place policy frameworks that provide appropriate frameworks for investment. Top of the clean energy industry's wish-list is a long-term price for carbon emissions, without which some clean-energy technologies – notably carbon capture and storage (CCS) – stand no chance of achieving commercial viability.

In short, businessmen and businesswomen who would prefer to be rolling up their sleeves and getting their hands dirty

implementing projects are getting increasingly impatient at what seems to be never-ending discussion and prevarication.

Not surprisingly, there was some tough-talking. Dr Pachauri, for example, hit out at what he described as "deliberate ignorance" on the part of some large energy companies – mentioning no names – when it comes to accepting the reality of climate change and the need to take urgent action.

Professor Stern called for an end to all energy subsidies, everywhere, because of the distortions they cause in energy use, and because social help can always be better targeted using more appropriate policy instruments.

Tony Blair, for his part, called for a global accord to harness 'the creativity, ingenuity and innovation of humanity . . . to solve humanity's self-made problem'.

Part of that accord, he urged, should be 'not just a 2050 target but an interim target to get there, for example a target for 2020 that shows seriousness of intent and gives business a clear unequivocal signal to invest in a low-carbon future'.

Blair also paid tribute to the role that Abu

Dhabi is playing in providing a forum for discussion and with its various, multi-faceted renewable energy initiatives, led by the state-owned Masdar organisation. 'The climate does not distinguish between the different places of origin of [carbon dioxide] emissions', said Blair. 'That is why action – even according to differentiated obligations – has to be action done in common, on a global basis, if it is to be effective. And it must involve those who produce the oil and coal as well as those who consume them. That is why it is so extraordinary and inspiring that this conference takes place in Abu Dhabi. Those who know the history of this nation know that Sheikh Zayed [the founding president of the United Arab Emirates who died in 2004] was a conservationist and environmentalist long before it was fashionable. Today Masdar continues his legacy and in the pioneering new city now taking shape [see article on p. 22] is sending out a clarion call of progress. Well done, Masdar, on what you have done and what you will now do. You are an example to the world.' It remains to be seen, of course, whether that example will be followed. ■