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# Global Energy: Agenda, Challenges, Policies

Christoph Frei, Secretary General

 [Date]

Promoting sustainable energy for the greatest benefit of all

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# What Maslow would say post-COP15 and in the context of high global energy insecurity

> We shall strive for global policies that reconcile environmental sustainability and economic growth; for energy policies that deliver on the four A's: accessibility, availability, affordability, acceptability. Such statements come with a sound of a scratched vinyl disk. Yet, it is still part of a broad perception that delivering solutions to fighting energy poverty or mitigating climate change are noble objectives for idealists.
> The point I am about to make in the following lines is that energy poverty is not a noble secondary objective but that there will be no energy security unless we have real progress on this issue.
> When debating energy security we like to refer to oil price volatility and the role of speculation as a threat, shale gas as a game-changer, energy efficiency and renewables as an opportunity, nuclear, CCS or large hydro as opinion dividers, and the global financial and economic crisis as an investment killer.
> Looking at the broader picture the 2009 UN key priorities were a success at COP15, this year's are the progress report on MDGs. We came out of COP15 with little sentiment of success. The world still has no succession to the Kyoto protocol that ends in 2012 and there are no legally binding commitments that take us closer to mitigating the global climate threat. The MDGs were originally defined to be delivered by 2015 and the assessment is just as dire. What is the link to energy security?
> Without delivering on the MDGs and on solutions that bring energy to the 1.5 billion people without access to commercial forms of energy, which enables these MDGs, we will achieve no progress on energy security. Let me make four points to illustrate this:
> First, we can easily agree that investment uncertainties oppose energy security as they delay investments and/or lead to wrong choices, which directly affect the capital price of our energy infrastructure. Consumers eventually pay for it as a risk premium and producers generate overall fewer revenues.
> With WEC's global issues mapping process (with over 3000 organisations in over 90 countries we represent the world's deepest and most inclusive public private energy network) we identify critical uncertainties for the energy sector. The 2009 survey identifies the climate framework and lack thereof as the most critical long-term uncertainty (besides issues linked to the financial and economic crisis).
> Second, both, climate change and energy security are global problems that require global solutions that rely on international collaboration and frameworks. There are no effective solutions within national boundaries and there will be no effective framework without the involvement of all countries, including developing countries.
> However, and this is the third point, we can see from our activities in over 90 countries that priorities across countries are very different and cover the full range of energy policy domains: many of the Sub-Saharan African or South-Asian countries look at access and energy security as a first priority; South Africa or China are among the countries with a strong focus on security of supply; OPEC countries prioritize security of demand; the US economics; and some of the Northern European countries put environmental and social issues on the top of their agendas.
> The famous American psychologist Abraham Maslow argued in the 1940ies that needs can be structured in a pyramid in which higher order needs will only become a priority once more immediate "bottom-of-the-pyramid" needs have been satisfied. Poets do exists and Maslow is proven wrong. However, when looking at social pattern, the concept applies and we can easily transfer it to energy policy. There, we state that access to energy certainly is a more immediate need than access tomorrow – energy security; energy security in turn will outrank energy prices: we first want to have it and then would like to have it cheaply. Lastly, in the sometimes un-poetical real world the environmental and social issues are on the political agenda when affordable – *only*, when affordable. We may call it political realism, which is not about how we would like it to be, but how things turn out to be, after all. Including in COP15.
> This leads me to the fourth and last point. The energy Maslow hierarchy implies that we can not just aim at higher order policy priorities and think that we will have a solution that brings all countries to the table. Political realism affirms that viable solutions need advancing the various priorities (energy access, energy security, climate change) at least simultaneously. In other words: if we want a global solution on climate change, we need developing countries at the table, which will only happen if we co-deliver solutions to the MDGs and to energy poverty. And only a global collaboration on a climate framework will eventually reduce investment uncertainty and enable effective investment decisions.
> In conclusion: solutions to energy poverty are not a noble secondary objective to be left in the hand of idealists and poets, but the very basis to enhance global energy security. Delivering energy access has to become part of our bottom line if we want to drive long-term sustainable energy security.
This is not just about making energy yet another MDG and leave it for others to look after. This is about understanding that solutions for energy poverty are critical foundation for our future energy security and hence part of all our core agenda.

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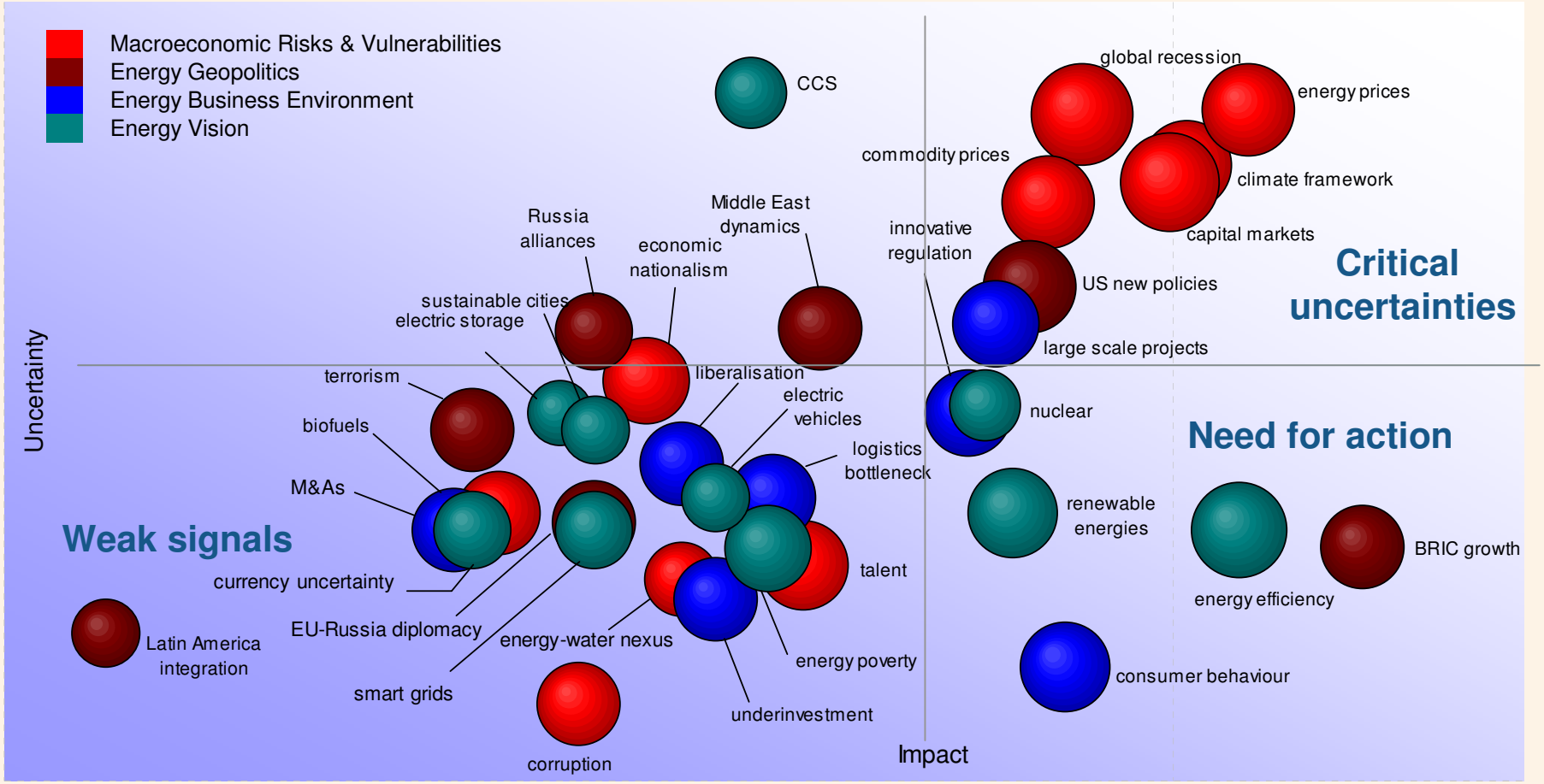
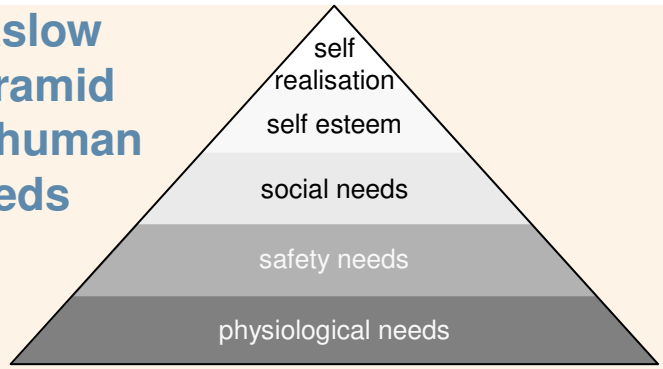
# WEC Issues Surveys 2009 – the global energy agenda



# If Maslow Were in Energy Politics

**Maslow pyramid of human needs**



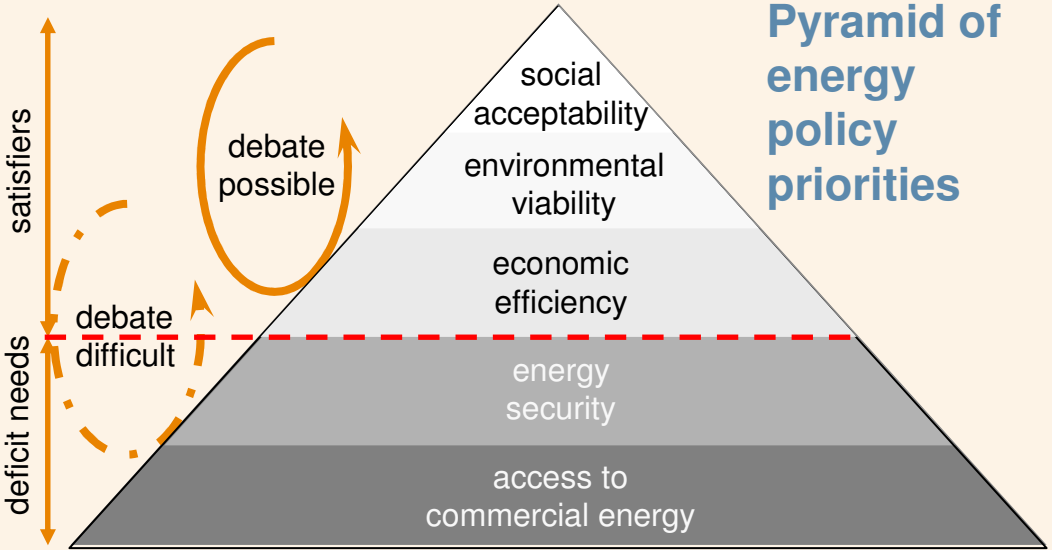

*"A person who is lacking food, safety, love and esteem would most probably hunger for food more strongly than for anything else," stated the American psychologist Abraham Maslow in 1943 while formulating a theory to explain the motivational structure of a healthy person.*

## If Maslow were in Energy Politics…

Abraham Maslow

*… he would argue that access to energy, supply security, energy costs, environmental issues and social acceptance are not subject to trade-off, but to a hierarchy: we cannot successfully address higher order issues before proposing and implementing solutions for more direct needs.*

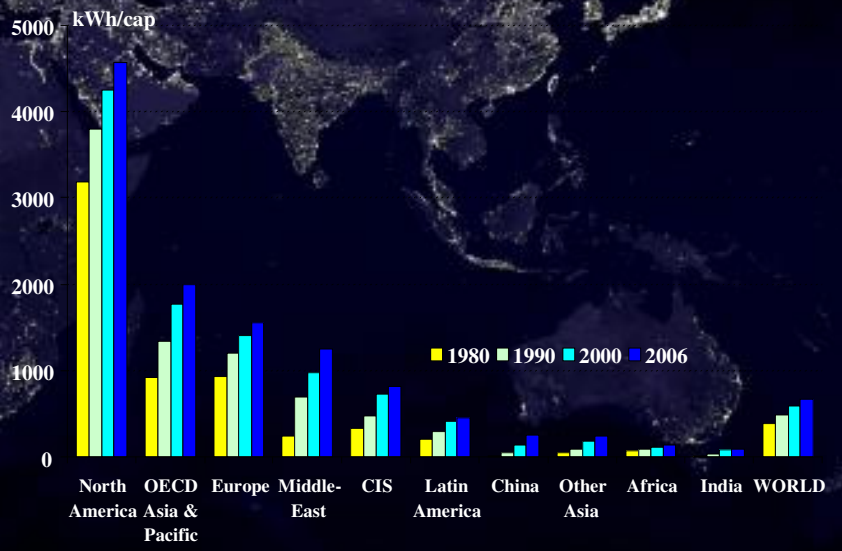
**Pyramid of energy policy priorities**



# Energy Poverty – Stagnation

- electricity is a **key-enabler for most MDGs**
- 1.5 billion people still without access to commercial energy
- **85% is rural** poverty - Example Africa: 40% of population has access, in rural areas (590 million) only 23% (sub-sah. 12%); **stagnation** over past 10 years population growth matches grid extension
- key hurdles: specific "meso"-financing mechanisms, local skills for project initiation, sustainable local ownership models
- carbon price is not on the top of the agenda of developing countries
- key requirements include: financing vehicle for clean rural infrastructure development and skills development for project initiation

*per capita household electricity consumption*




*Extract from: Energy Efficiency Policies around the World, WEC 2007 (Source: Enerdata)*

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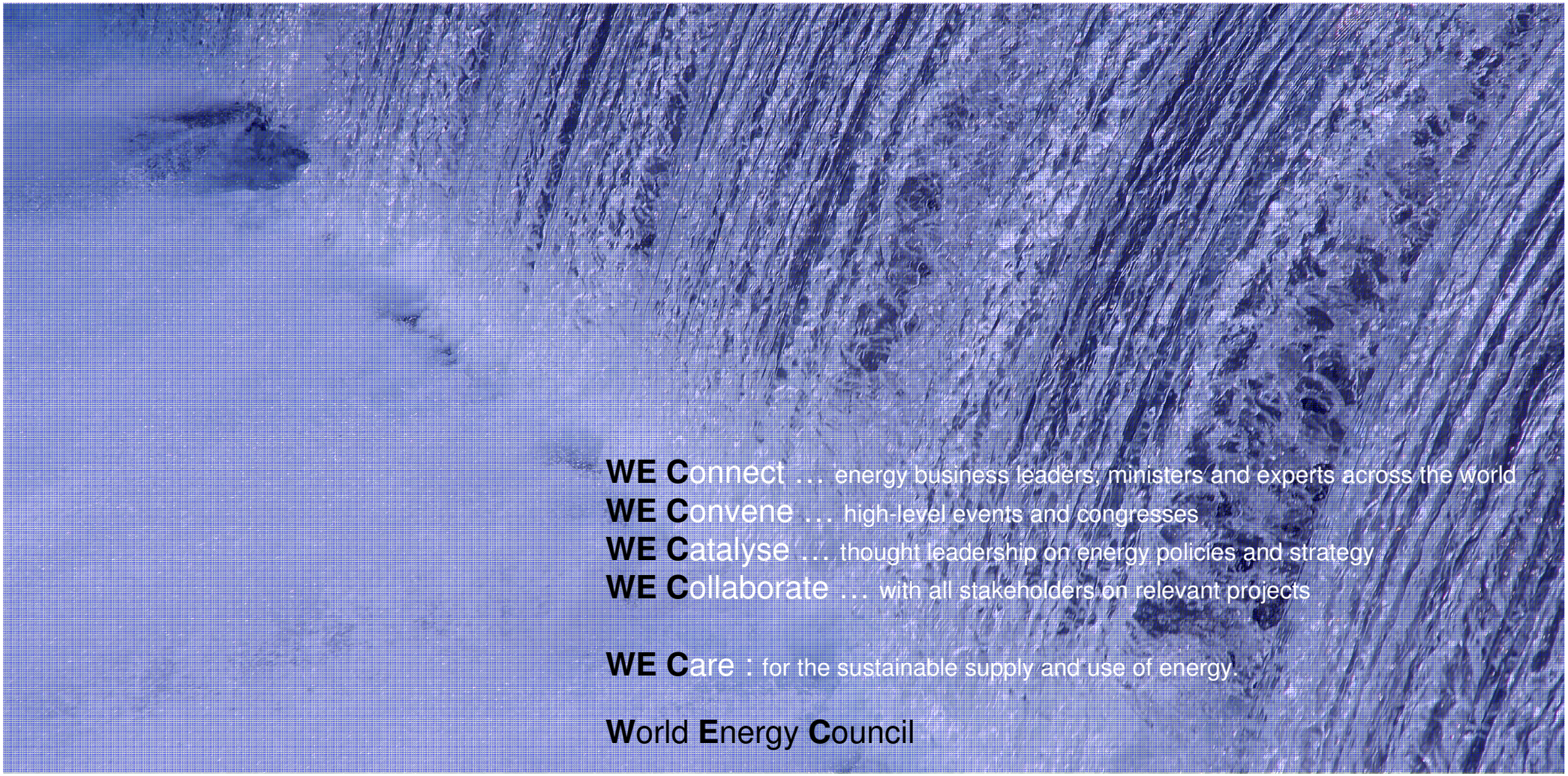


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