

RECENT DEVELOPMENTS: FEBRUARY 2005

ENERGY IDOLS AND DEMONS:

A RETROSPECTIVE VIEW OF THE 19TH WORLD ENERGY CONGRESS, SYDNEY, 5-9 SEPTEMBER 2004

The theme of the 2004 Congress was “**Delivering Sustainability: Opportunities and Challenges for the Energy Industry**”. Over 200 papers were presented under three strands: economic, social and environmental.

The Peak Oil Debate

This turned out to be a non-issue; no paper established that global oil production had peaked or was about to peak, although security of supply is of concern to oil importing countries.

Global Warming

Many papers singled out greenhouse gas (GHG) emissions reduction as the main contemporary concern of the energy industry. It was accepted that, if GHG emissions were a possible cause of global warming, the energy industry had to do everything it could to reduce them.

Mechanisms for Emissions Reduction

Many delegates lamented that the “new renewables” of solar and wind power were inadequate mechanisms for GHG emissions reduction. It was broadly accepted that, despite double-digit growth rates and government subsidies for renewable energy production, the surge in global demand for all forms of energy would easily outstrip any reduction in emissions that might result from greater use of renewables.

No-one seemed to have a solution for the continuing surge in global energy demand.

Many delegates doubted whether Kyoto Protocol reductions would have a material effect on global warming. Many thought that the world might have to wait for “the hydrogen economy” to emerge, which could be 50 years away.

Future Industry and Government Initiatives

Congress papers indicated that the following concurrent initiatives were likely to be taken:

- ∨ the use of nuclear and hydropower for electricity generation would be increased
- ∨ GHG abatement technology in fossil fuel production and utilisation would be mandated by many governments
- ∨ some of the GHG emissions generated by fossil fuel use would be reinjected into the earth by geo-sequestration
- ∨ consumption of natural gas, both as a fuel in its own right and for power generation, would continue to increase, with much greater volumes entering into cross-border trade and
- ∨ most governments would intensify their efforts to utilise solar and wind power, energy efficiency measures and demand side management and many would subsidise R & D of new energy technologies.

Official Conclusions of the Congress

The World Energy Council issued its official conclusions and recommendations. The first recommendation was memorable:

“All energy options must be kept open and no technology should be idolised or demonised. These include the conventional options of coal, oil, gas, nuclear and hydro (whether large or small), and the new renewable energy sources, combined of course with increased energy efficiency. Each is subject to uncertainties, we cannot afford to jettison any one of them. Energy source diversity is the bedrock of a robust system, even if the optimum mix will vary according to local circumstances.”

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