

Bird & Bird & WFES 2012 - Key message briefing note

The fifth World Future Energy Summit (WFES) 2012 was hosted by Masdar in Abu Dhabi, United Arab Emirates.

The event ran from Monday 16 January to Thursday 19 January and was attended by over 25,000 participants, including delegates from 148 countries and more than 60 ministers from 50 countries. Keynote addresses included speeches from HE Wen Jiabao, Premier, People's Republic of China, HE Kim Hwang-sik, Prime Minister, South Korea, HE Mr Nassir Abdulaziz-Al-Nasser, President, United Nations and HE Ban-ki Moon, Secretary-General, United Nations.

The following is a selection of some of the key industry and country messages, developments and notes that were relayed at the summit.

Key policy messages from...

China:

- Efforts are being made to restructure the Chinese economy having regard to sustainability, renewable energy and reducing the carbon footprint.
- China was praised as a growing business partner, innovator, and manufacturer in the renewables sector and has in part demonstrated its commitment to reducing reliance on fossil fuel by shutting down a number of coal fired power plants.
- China and the UAE have signed an energy cooperation agreement to promote cooperation between the two countries on the production and storage of oil, as well as issues pertaining to training and research. A Memorandum of Understanding (MOU) was also signed focusing on new renewable energy sources and paving the way for joint projects and research in the development of clean energy technologies.

Costa Rica

- José Maria Figueres, former president (Costa Rica), stated that governments should take the lead by harvesting “low hanging fruit” such as demand side management, reversing bad policies and sending the right signals to the industry by reducing taxes on green technology.

Germany

- Germany aims to reduce its greenhouse gas emissions by 80-90% from 1990 levels by 2050, while simultaneously transforming its energy supply system to increase renewable energy generation by 80% by 2050: the objective is to be the first modern advanced economy to reinvent itself as a green society.

Mexico

- Jordy Herrera, Minister of Energy, described a government programme aimed at reducing domestic energy consumption by replacing old and inefficient home appliances with new energy-efficient ones. Energy efficiencies have the added benefit of saving the government money in subsidies.

Republic of Korea:

- The Republic of Korea has a low carbon, green growth strategy investing 2% of its GDP annually in green technologies and aims to become the world's fifth largest producer of green energy by 2030, generating 11% of energy from renewables.
- The UAE and the Republic of Korea continue to develop their relationship in a number of sectors including renewable energy.

Singapore

- Singapore has taken a number of steps and initiatives to achieve its energy goals and emphasised the importance of balancing and integrating public policy, government research, and private sector initiatives.

Switzerland

- Clear, ambitious targets, compromise and consultation are all important in accelerating the transition to a global clean energy economy. Progress at every level is encouraged in Switzerland and one of the slogans driving change is “you have to do more every year”.

UAE:

- Abu Dhabi is taking steps to position itself for transitions in the global energy system with its focus on renewables and sustainable cities.
- Masdar (the Government of Abu Dhabi's multi-faceted renewable energy company) and Scotland (Scottish Enterprise) signed a clean-energy innovation agreement to collaborate on renewable power projects.

UK

- Lord Howell of Guilford, Minister of State, UK, commented that "low carbon investment will provide the foundation for our energy security" and governments have a responsibility to provide the environment that encourages such investment.
- The UK has invested £2.5 billion in renewable energy research, incentivises efficient home energy consumption and development, and plans an additional 16GW of nuclear capacity by 2025 that will provide 30,000 jobs.

US

- David Sandalow, Assistant Secretary for Policy and International Affairs, reinforced the importance of standard-setting and government regulation.

United Nations

- UN Secretary-General Ban Ki-moon stressed the need to end energy poverty and for there to be universal energy access to ensure equal opportunities. The importance of reducing greenhouse gas emissions and improving energy efficiency was also emphasised as well as a new energy future that 'harnesses the power of technology and innovation in the service of people and the planet'.
- Nassir Abdulaziz Al-Nasser, President, UN General Assembly described low-cost energy as a way to tackle poverty, increase welfare, improve quality of life and achieve sustainable development.

The future of energy

Energy generation mix

- Renewables already contribute 20-30% of electricity in production in some countries.
- There has been a dramatic growth in wind energy in emerging markets but more overall growth in OECD member countries than elsewhere.
- Gas is to play an important role in a faster transition to renewables - global energy demand will grow by 30% over the next 30 years and gas will grow by 60%, with much of this coming from unconventional supplies.

- Solar technologies currently attracting the highest level of investment are concentrated solar power (CSP), copper indium gallium (di), selenide (GIGS) and concentrated photovoltaics (CPV).
- Bioenergy supplies about 10% of the world's primary energy demand, but it is generally used inefficiently. Biomass would potentially play a large part in curbing future greenhouse gas emissions in ambitious mitigation scenarios.

Sustainability

- UN Secretary-General Ban Ki-moon launched his new "Sustainable Energy for All Initiative" during the summit. The three objectives for the initiative are: i) providing universal access to energy; ii) doubling the rate of improvement in energy efficiency and iii) 30% energy from renewable sources. The aim is to achieve these objectives by 2030.
- The success of the Initiative requires firm commitments from businesses, the financial sector, governments and civil society in the run up to the Rio+20 Conference on Sustainable Development.
- According to the United Nations, more than 1.4 billion people worldwide do not have access to electricity, approximately 3 billion people rely on traditional biomass for cooking and heating and up to a billion more have access only to unreliable electricity networks.
- Funding and political will are crucial for removing barriers to universal energy access.

Carbon reduction

- Bader Al Lakmi, Director, Masdar Carbon noted the potential of Carbon Capture and Storage (CCS) to qualify for funding under the Clean Development Mechanism as an incentive to continue pursuing CCS technologies as a mechanism for carbon reduction.
- Carbon capture will remain an available, feasible and viable option for decades to come.
- Biomass is an ideal CO2 reduction strategy as many coal-fired power stations can be modified to use woodchips in addition to coal.

Innovation

- Siemens predicts a future urban energy system resembling the internet, connecting smart energy-producing and energy-consuming devices.
- Siemens Energy and Masdar Institute of Science and Technology signed an agreement on solar technology development in the Middle East to enhance the use of photovoltaic panels in the region.

- Tom Joseph, President, Epiphany Solar Water Systems described the company's use of CSP to power seawater desalination and purification through flash distillation. Target markets include: governments, municipal plants and NGOs and local micro-entrepreneurs in the developing world.
- Williams F1 is developing flywheels for hybrid racing cars that will be adapted to improve energy efficiency in public buses, sports cars and metro trains
- East Africa has a Pay-As-You-Go Solar Initiative, which merges mobile phone and solar technology to create low cost energy solutions for the population.
- Financiers need to see consistent renewable energy policies rather than fluctuating government attitudes and inconsistency.
- In addition to traditional financing vehicles and equity models innovative partnerships and carbon investors are moving into the renewable energy sector.
- Large investors seek opportunities with low risks and "decent" returns so it is very important to inject public money strategically and into projects to attract larger private investment.

Funding

- Governments should create an environment that encourages private sector investment in renewables - investment trends follow signals from government policy.
- Businesses are not doing enough to contribute to sustainability. There is a need for strong incentives for innovation and risk-taking and changes in investment mentality. Collaboration among academia, business and non-governmental organisations is key.

Useful links

- <http://www.worldfutureenergysummit.com/>
- <http://www.un.org/en/>
- <http://www.sustainableenergyforall.org/>

If you have any queries regarding the above or would like some additional information about the WEFS 2012 please do not hesitate to contact a member of our team.

Contact details

Mark Pinder

D: +971 2 6565 804
mark.pinder@twobirds.com

Michael Rudd

D: +44 (0)20 7415 6174
michael.rudd@twobirds.com

Christine Rae

D: +971 2 6565 803
christine.rae@twobirds.com

Nadia Barazi

D: +971 2 6565 804
nadia.barazi@twobirds.com

Eman Abuzeid

D: +971 2 6565 819
Eman.abuzeid@twobirds.com

twobirds.com

Abu Dhabi & Beijing & Bratislava & Brussels & Budapest & Düsseldorf & Frankfurt & The Hague & Hamburg & Helsinki & Hong Kong & London & Lyon & Madrid & Milan & Munich & Paris & Prague & Rome & Shanghai & Singapore & Stockholm & Warsaw

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