



The high price Of cheap Energy

As long as oil and gas are available and remain subsidized, the hope of deploying renewable energy in the region seems faint.

Leading academics and environmentalists gathered in Dubai to discuss alternatives.

BY HEBA HASHEM

The UAE has one of the highest per capita carbon footprints in the world – triggered by energy – intensive industries such as aviation, public transport and fuel consumption. But things may change soon – since oil reserves are finite.

An alarming need to power energy-intensive desalination has prompted GCC governments to look at alternative sources. But when will renewable energy truly take off in the GCC? And how is the region preparing for the post-oil era?

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Speaking via skype during a debate on the future of energy in the region in Dubai’s Knowledge Village, Dr Bjorn Lomborg the internationally-acclaimed environmentalist and best-selling book author, recognized for challenging Al Gore’s positions on global warming said the current energy approach being followed worldwide was not working.

“We’re so focused on getting a few solar panels on our rooftops - it makes us feel good - but because they’re still vastly more expensive, they’re not actually going to solve anything. They’re just going to be niche products that make western governments feel better;

they won't really cut into the emissions of carbon dioxide."

Instead of focusing on subsidizing "inefficient technologies like solar panels, which has been the policy of the last 20 years and failed", Dr. Lomborg's proposition is to dramatically ramp up investment into research and development to make renewable energy technologies much cheaper. "Imagine if over the next 20-40 years we could make renewable energy and solar panels cheaper than fossil fuels - we would have solved the problem. Everyone would move; the Chinese and Indians and everyone else", Dr. Lomborg said.

However, Michael Peel, Middle East Correspondent for the Financial Times disagreed on the dismissal of solar power, saying, "This is a region where indeed it can be something more substantial." He referred to the recent visit made by Alex Salmond to Dubai, the First Minister of Scotland, where he pitched to Emirati authorities on the potential of renewable energy, inviting them to consider an exchange of indigenous energy sources.

With the UAE's sunshine and capital, and with Scotland's wind energy, technical expertise, universities and research facilities, the two nations could develop new techniques - especially as renewable energy is transferable across different industries. "It sounded like a very interesting idea, obviously at an early stage. But it gives a sense of how people in the Gulf and outside are thinking of these things right now and moving beyond fossil fuels," Peel pointed out.

Sharing the outlook was Kate Dourian, Middle East editor for Platts, a

global provider of energy and metals information. "I think we're seeing a change. I don't see any reason why we shouldn't have an oil-based economy as long as it is developed in a sustainable way. At the end of the day this is what we have; 60% of the world's oil reserves are in this part of the world."

Renewable energy: much ado about nothing?

Amongst the 'debate' panel was Robin Mills, Dubai-based energy economist and the author of 'The Myth of the Oil Crisis' and 'Capturing Carbon'. As an oil expert, his opinion on solar power came as a surprise. "Solar power looks

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very attractive and economically competitive (for the Middle East) and it looks better than oil," Mills admitted.

The UAE had completed a study on solar power a few years ago and found it expensive, but they're reconsidering it. "The mindset has always been that solar is expensive," says Mills. "If it's in Germany - not the sunniest place in the world - and you need electricity in the middle of winter at night, solar in that kind of climate makes less sense.

But in a climate like this, solar makes great sense; it's very sunny, you need air conditioning in the middle of the day in summer and you have the sun shining."

"Just look at the numbers," Peels echoed. Electricity generating capacity in the UAE currently stands at around 18GW and demand is forecasted to reach 40GW by 2020.

Even if the nuclear energy programme starts on time, it would provide a little over 5GW - about quarter of the extra capacity expected. It shows something big will have to fill this gap. Gas would be an expensive and insecure solution, and therefore, solar seems like a logical energy source to consider.

In conclusion, hard choices must be made, because there will always be some environmental impact from whichever energy source we choose. Mills laid all cards on the table: "We don't want oil, gas or coal because they're dirty and cause climate change; we don't want nuclear because it's dangerous; we don't want wind because it's noisy and it affects the whales. When you press the switch you want the lights to come on somehow. Unfortunately, all these energy sources have their weaknesses and strengths."

Dubai Debates was launched in February this year, primarily offering an online platform for opinion leaders, pundits, academics, journalists, politicians, activists and interested users, to exchange ideas through videos. In addition, regular debates are held to bring together experts for panel discussions.



Mishaal Al Gergawi



Michael Peel



Robin Mills



Kate Dourian