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# A Reality Check on New Energy Abu Dhabi's MASDAR takes the lead

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## The Green Bubble Machine

In the 17<sup>th</sup> Century in what is now called Netherlands, one of the first big speculative bubbles burst on or about 1637. It was the great “Tulip Bulb” fiasco, fueled by utter foolishness, made possible by the relatively sudden creation of a monied middle class in Holland due to its (at that time) leading position as a center of world trade and finance.

We are right at this very moment in the early to middle stages of a global world wide bubble, a sort of “fools-gold” rush revolving around what can best be summed up simply as “new energy” madness.

By “New Energy” we mean anything and everything that has to do with: Alternative; Renewables; Sustainables; Environmental Solutions; anywhere on the planet.

## The Suits Sign UP

It wasn't long ago when a serious “save the world” gathering focusing on environmental solutions would be attended only by pony-tails and back-packers. Today, conferences and seminars are packed with serious looking “suits” from pin striped lawyers and bankers to newly converted smoke-stackers and pipe-liners, all jumping on the big green band-wagon.

Like the recently popped “Dot.com” bubble, this stampede will most surely continue to thunder toward the cliffs until the bursting point occurs at which time most of the bio-mass, photo voltaic, wind power, solar power, wave power, fuel cells, waste to energy power, hamsters-in-rolling-cage-power will lemming-like go down the proverbial drain. Our guess that the “tipping point” will be when really clean (and cheap) coal really kicks in, which it will as surely as humans finally got to the moon, a historical fact not accepted

by many “world-is-flatters” who still say the moon landings were actually faked in a film studio. The smart money and assorted think-tanks guesstimate that the big conversion to clean coal will take place anywhere from 2010 to 2020. So you guys with a new green mouse trap still have a few years to play the market.

### **Energy Security Anyone?**

The driving imperative behind the eventual bursting of the green bubble is a very simple equation. 70% of world coal is underground in civil societies and democracies. The U.S.A. is the Saudi Arabia of Coal with 27% of global coal reserves. This is followed by 17% in Russia which means the Putin gang can simply switch platinum rice bowls from oil to coal. Of course, Russia can hardly be described as a “social democracy” and is most certainly back-pedaling to a PRC model of a one-party “harmonious society” regime, while focusing on economic growth.

China’s got 12% of the world’s coal reserves. Remove China and Russia, and the rest are almost all civil societies. After the USA is India (10%), Australia (9%), South Africa (5.5%), Ukraine (4%), Poland (2%), etc. For these social democracies, it’s not the two-word cliché phrases of “Global Warming”, “Climate-Change”, etc. that’s pushing their collective drive to free themselves from the petro-habit.....its “Energy Security”.

The technology to accomplish the trick of replacing oil with coal as the global fuel for transportation and power is in sight. However, for the main oil producing / exporting countries that light at the end of the tunnel is a train coming right at them.

It’s an amazing phenomena that the “Woodstock” of “new energy” events should be sponsored, organized and held in the world’s 5<sup>th</sup> largest hydro-carbon (oil producers) economy .....Abu Dhabi.

Abu Dhabi is the capital of the United Arab Emirates and they have definitely seen the “handwriting on the wall”. They are not going to be hit by that train that will run over all those other oil and gas producing places that think that the joy-ride will go on forever. A former senior vice-president of Shell Gas and power has personally predicted to us that oil could eventually drop to below US\$30.00 a barrel after cheap clean coal technologies combined with economy of scale kicks in. Of course this won’t happen suddenly. It will be a relatively gradual process.

Meanwhile, the democratization ( balkanization might be a better word) of the energy picture continues. When, business cards are exchanged, the volume of people otherwise engaged in real estate, dentistry or used cars now handing out a 2<sup>nd</sup> card flogging anything from ethanol to fuel cells is amazing.

OK, we have been a bit too cynical. So what if the Alternative, Renewable, Sustainable stampede is beginning to resemble the dot.com boom. Let's encourage everyone tinkering in their garage or attic on what they hope will be the next big green idea. Didn't Steve Jobs start out like that? Given the almost infinite amount of monkeying around in labs and think tanks, there will be breakthroughs supported by the massive computing power needed to solve such riddles. Craig Venter used it to crack the Genome challenge. Now, it's being brought to bear on coal with better CO<sub>2</sub> collection and profitable application solutions.

### **The Road to Abu Dhabi**

This is the good news, and no where was it celebrated more dramatically than in Abu Dhabi at Masdar's "World Future Energy Summit".

The world's 5<sup>th</sup> largest oil producer, Abu Dhabi, has taken the lead in addressing the need for developing intelligent alternatives for cleaner and safer sources of energy by hosting the recent inaugural World Future Energy Summit (WFES) on 21-23 January 2008. Since the dramatic UN conference on climate change in Bali, this was the first major summit, where serious Government, Business and NGOs gathered in Abu Dhabi in January to address energy alternatives and drive the progress for global co-operation on future energy.

Sustainable Architecture and Green Buildings, Future Energy Policy and Strategy, Finance and Investment, Research and Education, was covered in Plenary sessions over the 3 days. Day 2 focused on Carbon Management, Waste to Energy, Solar Energy, Clean Transportation, Geo-thermal, Fuel Cells, Ocean Power, Biofuels, Wind Energy.

Lord Norman Foster closed the summit on Jan 23. Day 3 included carbon neutral buildings, urban density and design, financing sustainable development and sustainable cities.

Michael Philipp, Chairman and CEO of Credit Suisse Europe Middle East and Africa, stated “We are pleased to be involved in this important event. The conference will provide a unique opportunity to explore the future of the energy industry, including alternative energy”.

Carbon emission capturing technology (CSS), electric and hydrogen cars and the latest technological advancements across all industry sectors were on display during the 3 day exhibition. Austria, Canada, China, Germany, Holland, Italy, Japan and the UK all hosted pavilions with leading technology from each country.

Ms. Lindsey Bredin, PR Chief for WFES summed it up with this comment. “The World Future Energy Summit challenged the international community to protect the stability of global energy markets, reaffirm the need to use energy for sustainable development and emphasise the importance of protecting the environment for future generations.”

WFES was a watershed event separating the men from the boys. It raised the bar with a reality check on what will work and what won't in the green universe.

### **IPPF Profile**

**The IPPF is a non-profit industry support organization mandated by its members to work toward best practices in the Power Generation industry. Our geographic focus includes all developing nations across the Asia / Pacific region. Website: [www.ippfpowerasia.com](http://www.ippfpowerasia.com)**

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