



GLOBAL ENERGY TRANSITION: AN ENHANCED ROLE FOR THE DIALOGUE

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Global energy security is a phrase we hear often, but what do we mean by it and why is it more relevant now than ever? In the past, the meaning centered around access to energy and fossil fuels. Today, energy security is more about adaptation. It is no secret that we currently find ourselves at a critical energy juncture. From challenging oil prices to the rise of renewable technology, global energy security has taken on a new meaning.

The comparative energy advantage between producer and consumer is becoming less relevant. Those states that adapt and transition to new energy realities are the ones most likely to succeed in the new energy era. Such adaptation can only occur through sustained global energy dialogue.

The need for this dialogue underscores the importance of the 16th International Energy Forum Ministerial (IEF16) that India will host under the theme “The Future of Global Energy Security: Transition, Technology, Trade and Investment,” in New Delhi on 10-12 April 2018.

IEF16 will focus on how global shifts, energy transition policies and new technologies can influence market stability and future investment in the energy sector. Dialogue on how energy security has evolved will help producers and consumers navigate the energy

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Electric armoured police bus and 8-seater electric car Hainan, China.

landscape together. Such dialogue also helps secure an energy future that remains affordable, productive, sustainable and fair to all.

The new energy realities

Change and dynamism are at the heart of global energy trends, and the pace of change has become much more pronounced in the last decade. Energy disruption, geopolitical change and new market realities are transforming energy systems and the economics of energy on a global scale. Structural sectoral changes are shifting the energy mix towards lower carbon resources, driven by advancements in technology and accompanied by energy-saving measures and policies. An oversupplied oil market combined with burgeoning renewable technology and greater awareness of climate change are factors that continue to influence the global energy landscape.

Energy transition and energy efficiency are not new phenomena, but rather, a culmination of years of progress in renewable technology that has made alternatives to fossil fuels a viable option. The exponential growth of renewables is a reality. According to the International Energy Agency, global renewable electricity capacity will rise by 43 per cent by 2022, and the growth of renewable energy power is estimated to be twice the aggregated growth of gas and coal over the next five years.



Future electrical production in Shanghai, China

Not surprisingly, China, India and the United States are expected to account for two-thirds of global renewable additions by 2022. Electric vehicles (EVs) are making in-roads, not just in OECD countries but in non-OECD countries as well, such as China. Renewables account for 30 per cent of electricity consumption of EVs by 2022, up from 26 per cent today.

The United Nations “Paris Agreement” was a major turning point that saw the entire world sign onto a climate change agreement. For the first time in 20 years, the world agreed to a binding, universal agreement on climate – a landmark statement on the issue of climate change. Such factors are adding momentum to the conversation around orderly energy transitions. Since then, international governments have taken steps to promote sustainability through carbon taxes, reducing coal use and decreasing methane emissions. Yet, a secure and orderly transition builds on sustained and substantial investment in all energy sources, including fossil fuel production, to promote economic development and meet the steadily rising global demand for energy.

Why is dialogue important?

These developments will undoubtedly impact how we approach energy diplomacy and how we define energy security in the coming years. They also raise questions about how we, as a global community, approach

investment in a climate of uncertainty and volatility. Energy market stability will continue to depend on building trust among producing and consuming countries, whether it includes a role for certain countries to provide strategic spare capacity or facilitate pathways that ensure sustainable development and inclusive growth for all. This is only possible through sustained engagement in an ongoing dialogue to better inform policy and investment decisions in producing and consuming countries alike.

Strong, robust energy dialogue is a pillar of the IEF, and we continue to strengthen engagement with our international partners. We intend to continue this tradition at IEF16 with timely, relevant and engaging plenary sessions and roundtables. Based on the importance of these discussions and the delegations attending, I have no doubt that the IEF will become the platform of choice for the inclusive promotion of global energy interests and orderly energy transitions now and into the future.

In conclusion, I express my gratitude to the host country, India, and co-hosts China and Korea and all the IEF Ministers, captains of industry, government and industry representatives who have enabled this Ministerial to become a reality. It is your ongoing support and dedication that enhances the dialogue and helps broaden the IEF platform.

Welcome to IEF16. ■