

ENERGY TRANSITION DIALOGUES

INTELLIGENCE BRIEFING

ISSUE 17, MONDAY, JULY 26th

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SCROLL DOWN!

LEGALITIES GAIN PAGE

CIRCULAR PRIORITIES

BIG OIL'S GAMBLE

NEXT WEEK'S EVENTS

NET ZERO PARALLEL EFFORTS PAY OFF

Allyson Anderson Book, Vice President of Energy Transition, Baker Hughes

Sustainability is moving faster than we have ever seen, so running parallel efforts makes sense. We think about people, planet, and principles; having all three lined up gets you to profitability in a sustainable way.

The journey within that framework is just starting for a lot of companies, so we must give it a little bit of time to ensure people are truly on track. If you do undertake this framework, you have an opportunity to use sustainability as a way to buffer against risk; that is what many are focusing on today. We were one of the first net zero operations, going into it thinking: yes, we can do this. But a lot of companies may not have done enough of the work in the background. You have got to be very nimble. There is the temptation for some to think that the deadlines of climate-related goals are decades away and that they have time. I am a geologist and 25 years, for example, is a blink of an eye. We must think about what we can commit to right now and start taking even the smallest of actions – no move is too small. Also, get your employees to really think about how they can be empowered to make changes on your journey and measure your progress so you can reassess annually.



FULL INTERVIEW HERE

TOP TAKEAWAYS

- Pursuing sustainability need not be risky. Instead, it can be a buffer against risk.
- Start sustainability now; don't wait for grand gestures. Every action, even if small, counts.
- People, planet, and principles: line up all three to achieve profitability in a sustainable way.

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NEW LEGAL PARAMETERS FAST EMERGING

HYDROGEN

Richard Power, Partner, Clyde & Co

The energy transition has moved from a “nice to do” to something that must be done – and now poses legal challenges. We are seeing these changes directly impact our clients in different ways, raising new questions.

What are the obligations to make climate-related disclosures and financial statements? What are the liabilities on directors for making inaccurate climate-related statements? And what next for greenwashing claims? Clients are looking at contractual changes and at what can be inserted into contracts, including those along the supply chain, to ensure everyone is aligned on sustainability and net zero goals. We are also seeing a rise in claims for damage from climate change, such as pollution.

Fuel for hydrogen?

These changes will become a huge incentive for energy players to embrace hydrogen and other new forms of green energy. Technology for green hydrogen is quite advanced, so now it is largely a question of honing the process to generate larger volumes. And when investors get past the initial fear of stepping into the unknown and break down what moves they must take, they will see that it is not so risky. It is always a question of risk and reward. Possibly, the reward of green hydrogen is understated – and the risk overstated.



[FULL INTERVIEW HERE](#)

HYDROGEN SNAPSHOT: EU'S FIT FOR 55

The recently released Fit for 55 package significantly boosts Europe's hydrogen industry via:

- 50% target on the share of renewable hydrogen consumption in industry.
- concrete and ambitious targets for hydrogen and hydrogen derivatives in the Fuel EU maritime proposal.
- one hydrogen refuelling station available every 150km along the TEN-T core network, enabling synergies between the TEN-T and TEN-E corridors.
- 2.6% target for renewable fuels of non-biological origin.

“BY PUTTING TARGETS ON THE USE OF HYDROGEN IN INDUSTRY AND TRANSPORT, THE EU STANDS A REAL CHANCE TO ACHIEVE CLIMATE OBJECTIVES, CREATE THOUSANDS OF JOBS, AND PROTECT ITS INDUSTRY. THERE IS NO TIME TO LOSE – DELIVERING ON THE FIT FOR 55 MUST START TODAY!”

**Jorgo Chatzimarkakis,
Secretary General of Hydrogen Europe**

[FULL REPORT HERE](#)

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THIS WEEK REALITIES OF A CIRCULAR ECONOMY?



Peter Godfrey
Managing Director – Asia Pacific, Energy Institute

[FULL PODCAST HERE](#)

61.1bn tons: that is the total weight of the metal and fossil fuels extracted from the earth per year. And that is not counting biomass, deforestation, and agricultural produce. When you take the global population of 7.9bn people into consideration, that means we are extracting approximately 7.7mn tons of resources per person each year.

The wrong track

This volume of resources is all based on a linear, energy and commodity-based economy. And those businesses have all been created on the basis that they create value out of discontinuities in that linear value chain. Addressing this is the heart of what

circularity is all about. It is about creating ecosystems that are no longer based on long and global value chains. It is about creating more localized, centralized, and circular economic systems – systems that make a difference.

Local value

The time to break down the fundamental way we do business is now. The oil and gas business is based on rich countries developing long supply chains across the globe. Today's world has more technologies that allow us to be more regionalized and centralized, which is the fundamental basis upon which a circular economy must be formed.

[FULL PODCAST HERE](#)

Dr. Aisha Al-Sarihi
Research Associate – Climate and Environment Program, Kapsarc



What are the next steps to overcome barriers to a circular economy in the region? For one, there needs to be a broader realization of the economic advantages of a circular economy.

There must also be political will and the right legislation in place to encourage the public and private sector to bolster their efforts. We must also create a market and demand for recycled material because, without it, there are no incentives for investments. Today in the Middle East, just 10% of waste is recycled.

Overcoming complexities

Whenever we propose a solution to a problem, we must think about the consequences. And most importantly, the unintended consequences. Take the example of converting waste to energy. One of the solutions is to capture the emissions that come from the incineration of the waste. If we use carbon capture and storage (CCS) technology, you probably think that you are going to capture the emissions that come with it. But you also need to think about the leakage of the carbon and the solutions for that. We must map the ecosystem and different actors to see how each can play a role in closing the loop.



Mustafa Ansari
Economic Affairs Officer – Sustainable Energy Section, UN ESCWA

[FULL PODCAST HERE](#)

The Middle East must adopt the principles of a circular economy; for one, it is one of the world's most water scarce regions. Seeing big players, like Saudi Aramco and Sabic, taking concrete steps to adopt a circular economy shows the direct impact it is having on 'business as usual' in the region's economy.

A circular economy goes beyond waste management. It is about energy efficiency, green technologies, and new fuels like green hydrogen. It touches on tackling energy access and security globally, on increasing the share of renewable energy to remote areas that are off the grid, and ultimately, greater

energy efficiency. The principles of a circular economy have so much potential, but they are not being fully capitalized. Small and medium-sized enterprises (SMEs) play a pivotal role in this equation. With an enabling environment, supported by the right policies and regulations, SMEs can be an avenue of innovation.

Think differently

Education is an integral element of long-term sustainability goals. We cannot have future generations think like us today, because we cannot fathom the complications and challenges of tomorrow. Hence, we must prepare and educate them in a way that they can address any of the challenges that will inevitably arise.

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THIS WEEK BIG OIL: GREEN PRIORITIES BY 2022?

**Mariana Liakopoulou**
Research Fellow in Energy Security, NATO Association of Canada**FULL PODCAST HERE**

International oil companies (IOCs) will keep ring fencing renewable energy investments, while also doing more ESG spending and more projects for carbon efficiency. Two factors are driving this. One is the environmental momentum being spurred by the Paris Agreement and the G20 support, national carbon pricing mechanisms and carbon taxes, and so on. The other factor relates to the concerns over peak oil that emerged

from last year's unprecedented and Covid-19 induced demand destruction, which could put the cyclicity of oil consumption and production at risk. However, I do not see IOCs becoming fully-fledged ESG investors any time soon. But they will keep trying to expand their renewable electricity portfolio, which is a very big part of renewable resource production.

FULL PODCAST HERE**Robin Mills**
CEO, Qamar Energy

We are not moving towards a low carbon energy ecosystem fast enough if we want to hit net zero carbon goals by 2050 or the targets in the Paris Agreement, as highlighted in a recent report by the International Energy Agency (IEA). That obviously means a lot more oil, gas, and coal will be used than if we were on the correct trajectory for a low carbon future. At the same time, big oil

companies are cutting their spending. So, the concern is that the supply side [of traditional energy] is pulling back, yet there is very strong demand coming out of the Covid-19 pandemic recovery as momentum in industries like transport, for example, returns. We also need to consider that the push for low carbon energy will not have a major effect on the traditional energy market for a few years at least.

**Jean Paul Sacy**
Middle East Regional Director, BakerHughesC3.ai**FULL PODCAST HERE**

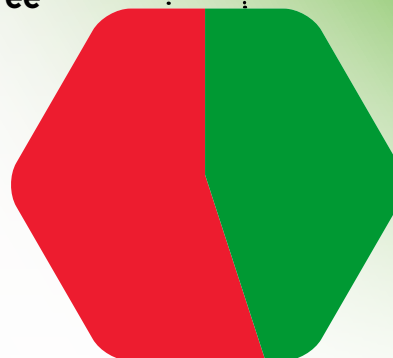
If we look at today's net zero commitments across the major corporations globally, they only represent 12% of the global economy. There are two ways of looking at this. One way is that 12% is good progress. The other way, and how I see it, is that this number means there are still 88% of major corporations worldwide

who must progress if we are all to have any chance of inverting the current weather trajectory. Still there is good news when it comes to digital tools and how they can accelerate the execution of carbon reduction plans; there are a lot of low hanging fruits that do not require major organizational changes.

The recent rebound in oil prices to multi-year highs will slow oil majors' transition to a lower carbon future.

55% Disagree

45% Agree



EXCLUSIVE SURVEY

The result of this Survey Question by the Energy Transition Dialogues (ETD) team was harvested during a podcast in mid-July.

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OMAN RAMPS UP HYDROGEN AMBITIONS

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MAIN TAKEAWAYS:

- Oman's strategic green hydrogen project HYPOR[®] Duqm has signed a cooperation agreement with Uniper, which will be joining the project team to provide engineering services. Uniper will also negotiate an exclusive offtake agreement of green ammonia.
- Another strong move forward for HYPOR[®] Duqm, having secured its 150 km² renewable generation site in the Special Economic Zone earlier this year. The site in Duqm is being prepared for the deployment of a series of meteorological masts to confirm local solar and wind conditions, which form the basis of a successful green hydrogen to green ammonia project.
- HYPOR[®] Duqm's shareholders are DEMA Concessions and OQ Alternative Energy.

250-500MW

green hydrogen facility in the Special Economic Zone at Duqm will be developed by HYPOR[®] Duqm in the first phase of the project.

2026

is when the first phase of the project is expected to come online; well-timed to respond to the global demand for green hydrogen and its derivatives.

RAPID FIRE VIEWS:

“This project will not only contribute to the challenging European ambitions to reduce CO₂ and GHG emissions (as expressed in the Green Deal and Fit for 55 objectives), but it will also strengthen Oman and the sultanate's visionary future.”

Luc Vandenbulcke, CEO DEMA Group

“We need to get hydrogen out of the laboratory and start using it in large-scale applications and marketable industrial solutions — we should turn it into a market and exploit its wide variety of uses.”

Niek den Hollander, Uniper CCO

“Engagements like this one in the Middle East offer Uniper the opportunity to enter into green hydrogen projects that can potentially take advantage of some of the world's lowest LCOEs, thereby delivering cost competitive hydrogen or its derivatives, such as green ammonia, to Germany and Europe.”

John Roper, Uniper CEO, Middle East

“This brings us a step closer to delivering a world scale green Hydrogen facility in the Special Economic Zone at Duqm and showcases the true potential of Oman's renewable capabilities as well as the critical role that the country can play as a net energy exporter.”

Dr. Salim Al Huthaili, CEO OQ Alternative Energy

Source: Uniper

LONG TERM GOALS?

The Oman 2040 Vision sets out a goal of more than 90% non-oil share in GDP by 2040. Not only does green hydrogen contribute to diversifying economic activity beyond oil-related sectors, it also majorly boosts the sultanate's environmental and innovative performance profile while building on established existing supply chains and infrastructure.

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THIS WEEK'S EVENTS

ENERGY TRANSITION DIALOGUES Consultancy Intelligence Publishing

TWO MINUTE WARNING INTERVIEW SERIES

Tuesday /// July 27th /// 12:00 (UAE)

Karl W. Feilder
CEO & Chairman
Neutral Fuels Holdings



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HYDROGEN FULL COURT PRESS

Alicia Eastman
Co-Founder & President
InterContinental Energy

Wednesday /// July 28th /// 11:00 (UAE)

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ENERGY TRANSITION DIALOGUES Consultancy Intelligence Publishing

PODCAST WEDNESDAY /// JULY 28th /// 13:00 (UAE)

NOCs' Road to Net Zero?



Faris Al Kharusi
Principle Business Transformation Lead
PDO



Jessica Obeid
Academy Associate, Chatham House &
Senior Global Advisor, Azure Strategy



Trung Ghi
Head of Energy and Utilities Practice in Asia Pacific
Arthur D. Little



Michelle Meineke
Director
Energy Transition Dialogues

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