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ENERGY TRANSITION DIALOGUES

INTELLIGENCE BRIEFING

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SCROLL DOWN!

PRIVATE SECTOR'S BURDEN? MIDDLE EAST'S JUGGLING ACT? SURVEY: HEED ALARM BELLS!

HYDROGEN

Investors Still Not Sold on Hydrogen...

Dr. Gökçe Mete, Head of Secretariat – Leadership Group for Industry Transition, SEI & Founding Member, Women in Green Hydrogen (WiGH)

The finance sector is not fully on board with hydrogen. We have yet to see organizations like the World Bank or the International Finance Corporation (IFC) financing hydrogen projects, like they do with batteries.

This could partly be tied to demand. The technology is there and we know that the costs will fall. But we must eliminate the demand uncertainties – they are making hydrogen a high-risk investment! We must keep building momentum in order to bring hydrogen markets to the top of the agenda for financial institutions and asset owners. The good news is that many parts of the private sector are engaged in pushing this agenda further, especially in the steel, construction, chemical, and transportation sectors.

2028 crossroads?

By 2028, green hydrogen could be cost-competitive – but only if we have a clear pathway to make it happen. Progress will differ worldwide, with countries benefitting from strong renewable energy sources having a head start. Plus, we need technologies to reach a tipping point in order to improve the cost curve, which requires an increase in public-private partnerships, and a greater commitment to research and development (R&D). Plus, scientific efforts must be put in place to push standardization, definitions, and harmonization across this emerging market. Remember, green hydrogen is not a silver bullet – it is one part of what needs to be a holistic decarbonization effort.



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TWO MINUTE WARNING

Energy Efficiency: Can't Expect Private Sector to Lead!

**Benoit Lebot, International Energy Efficiency Expert & Senior Policy Advisor,
Ministry of Ecological and Inclusive Transition – France**

What is still missing to create an enabling environment for energy efficiency? Political support.

Energy efficiency is complex. It is granular and it encompasses a combination of technologies, policies, and individual behavioral changes, to name a few. This multifaceted blend often does not play in its favor. We see different parts of the energy basket, from hydrogen to carbon capture and storage (CCS), renewable energy, nuclear, and others attracting governments and investors' support. But we know that much more attention should be given to improving energy efficiency. A stable regulatory framework with a proper set of tools and instruments is required to attract investors and the private sector. It is very much a top-down approach – we cannot expect the private sector to lead.

Be smart – use data

We know that there is great potential to boost energy efficiency in buildings, transport, agriculture, and the energy sector, for example. Yet, we are still lagging – it is time to make this a priority! As long as we do not have a basic level of data insights, we cannot expect individuals, communities, or businesses to pay attention and invest in energy efficiency. We must collect data and convert it into knowledge in order to incentivize change. The time has come to think big.

**“WE MUST COLLECT
AND COVERT DATA
INTO KNOWLEDGE
– THAT IS HOW
WE INCENTIVIZE
CHANGE!”**



FULL INTERVIEW HERE!

TOP 5 NEWS STORIES

[IEA: Green Recovery is Not on Track](#)

[Fossil Fuel Shares Drop in Value?](#)

[US to Cut Solar Costs by 60%](#)

[Race to Make the Biggest Steel Industry Green](#)

[Middle East Firms Delaying ET Plans?](#)

9% is the anticipated decline in investments
for energy efficiency in 2020.¹

50% or more of the CO₂ emissions
from the building sector
worldwide can still be reduced.²

Sources: 1 IEA 2 UNEP

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PODCAST

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THIS WEEK ENERGY SECURITY: MIDDLE EAST'S JUGGLING ACT?

There is still a question mark when it comes to the strength of the region's energy security. Despite being the historical epicenter of fossil fuels for decades, there are still regular blackouts in part of the region. Add to that, the region is one of the world's most vulnerable when it comes to climate threats and at great risk of having a rising number of climate refugees. The road to 2030 is an opportunity to shift to a sustainable energy economy: by no means a silver bullet, but certainly a major step in the right direction. And it is one that many with deep pockets, innovative mindsets, and competitive agendas in the region are taking. The Middle East is already home to some of the world's largest and lowest-priced solar projects – a major trend that is set to grow and grow. Solar PV alone is expected to generate \$182bn investment in the renewables market in the region by 2025, according to Frost & Sullivan. This represents a staggering 18-fold growth in current capacity. So, what can we expect going forward?



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

FULL PODCAST HERE!

We must caution against getting stuck in a transition phase with natural gas. A phase where instead of investing automatically in clean technologies that are readily available, we place so much focus on yet another form of fossil fuels.

We see countries in the Middle East ramping up their natural gas production, while Arab Gulf countries are going to be the last producers of the global oil and gas industry. So, I fear that the region is not investing enough in low carbon technologies and are betting too much on natural gas.

Follow the money!

Investors want more sustainable and long-term returns on their investments, which renewable energy and solar provide. If we follow the money trail, it will lead us to low carbon technologies. To attract investments, we must have a one-stop-shop for licensing and documentation. We must have consistent policy and long-term planning. Changing policies scares off investors! Lastly, putting a price on carbon in the next few years is very realistic, so the region better be prepared for it.

50% is the percentage of energy that Saudi Arabia – the world's biggest oil exporter – intends to fulfill via renewable energy alone by 2030.

SPA

FULL PODCAST HERE!

**Anita Nouri, CEO,
Green Energy Solutions & Sustainability**



We do not need pilot projects for clean technology; we need actual projects. To enable those projects to succeed, we need the right legislations.

This is where the government must step in at 1,000 miles per hour and help us reach these goals. The first step? Eliminate fossil fuel subsidies and redirect them to renewables and low carbon technologies.

A sleeping giant

Saudi Arabia has been a sleeping giant since 2015 at a time when the rest of the world was ramping up climate efforts. But the past year has seen a major shift in the Kingdom, with it taking all the global best practices and devising a new and competitive strategy. Significantly, Saudi Arabia has opened

the doors to allow the development of clean energy projects and in turn, to push the broader agenda of decarbonization forward. Recent climate announcements and initiatives are just the tip of the iceberg when it comes to Saudi's journey. It is an exciting time; watch this space.

\$182BN is the amount of investments that solar PV is expected to generate in the renewables energy market in the Middle East by 2025.

Frost & Sullivan

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PODCAST



Dr. Aisha Al-Sarihi, Research Associate-Climate Policy and Politics, KAPSARC

From pilot projects to commercial scale projects – this has been a relatively quick and recent transition for the hydrogen market in the Middle East.

Regional governments are eyeing hydrogen from an economic point of view, rather than just for promotional purposes. Can the region establish a roadmap for a sustainable hydrogen ecosystem in 2021? That is ambitious. A roadmap means a timeline with clear targets, regulations, and policies to achieve said targets. We must be realistic in thinking how long it will take to make these hydrogen projects fully operational.

A sign of hope?

The Middle East Green Initiative, which was announced along with the Saudi Arabia Green Initiative, illustrates the political goodwill when it comes to addressing climate change. This shows progress at both a local and regional level, which is key. Saudi Arabia’s initiative to push for a regional approach towards climate change is welcomed as a sign of hope - one that can lead to tangible targets this year.

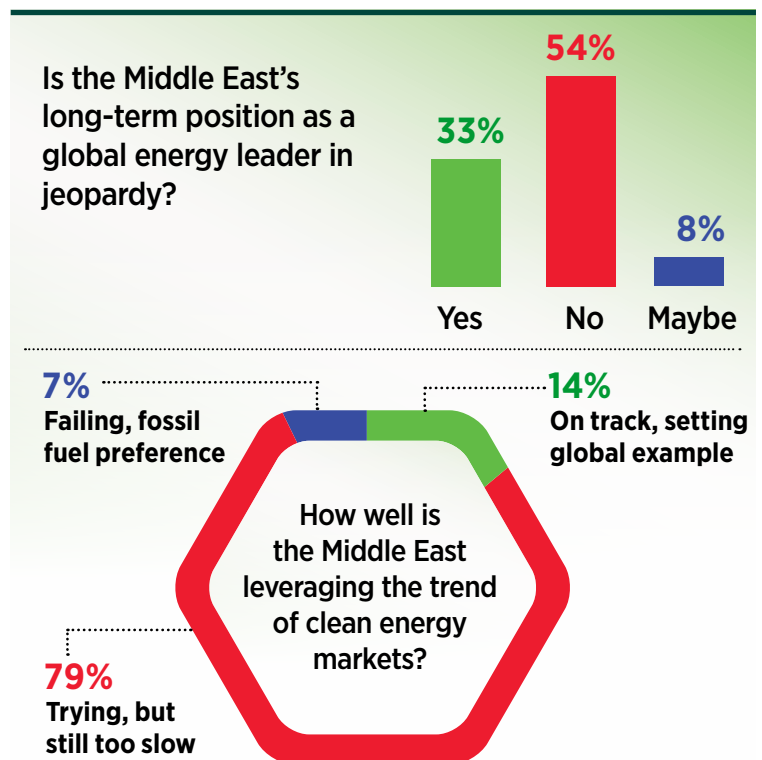
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SURVEY ANALYSIS

Middle East a Future Energy Influencer? 50% Aren't Sure!

Eyebrows should be raised. Nearly half of the respondents voted ‘No’ or ‘Maybe – totalling 41% – to the Middle East being a long-term influencer in global energy markets.

Why is this surprising? Partly because the region – via news headlines and projects on the ground – has pivoted so sharply towards a diversified energy basket in the last five to seven years. And regional governments have been very vocal about proactively and increasingly transitioning away from a black gold-dominated future. But perhaps the nerves of the 41% lie in the fact that regional countries have yet to join the chorus of net zero pledges emerging worldwide, including from the world’s biggest economies. Or that the region will still account for 37%-45% of global oil production up to 2050, according to BP Outlook, fearing that using fossil fuels as a temporary economic crutch is too risky (others argue it’s pivotal for sustaining energy security). Whatever the reason, the region must dramatically up its speed-o-meter of positive disruption in order to strengthen confidence. That a staggering 86% of respondents do not believe the Middle East is leveraging the clean energy markets trend well enough speaks volumes.



Survey source – ETD

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