



## Comment

# When in Rome...

## a view from the World Energy Congress

**H**ow did we arrive at a state of affairs in which the balance of supply and demand is so fragile that weather, not to mention individual acts of sabotage or local insurrection, could have a significant impact on world energy supplies and hence on world economic expansion? – *Alan Greenspan, The Age of Turbulence.*

While the Olympics and football World Cup are held at four-year intervals, the World Energy Congress (the global energy conference equivalent) is held once every three years, the most recent being this November in Rome. The theme of the Congress was appropriately 'the energy future in an interdependent world.' WADE was on hand in Rome, presenting at the Congress on the role that decentralized energy can have in linking the world to a sustainable energy future.

Unfortunately, as cogently observed by Alan Greenspan in the above quote, world events seem to be bringing us closer to the brink and further from sustainability – leaving our energy and economic future in a perilous state. As of the writing of this article, oil is poised to hit triple digits in dollars per barrel after some sabre rattling in Turkey and unrest in Pakistan; gold is at price levels not seen since the 1980s while the dollar plumbs new lows in currency markets; PetroChina has the largest market capitalization in the world of over a trillion dollars; and the war in Iraq is estimated to cost the taxpayers of the US over a trillion dollars before it is brought to some form of conclusion.

While there is no single answer to Greenspan's question, certainly a collection of misguided energy policies that reward inefficiency has hastened our economic demise, our physical demise (as a result of pollution and climate change) and, perhaps most disturbingly, the demise of any semblance of post-Cold War geopolitical stability and security. We are 'addicted to oil' and, like any addict, we will continue to self-destruct until we reach the point of demanding change.

The current path is unsustainable for a number of political and commercial reasons, and will end either by our action or inaction. Decentralized energy systems offer a clean and efficient alternative that can bring energy prosperity to developing countries and energy security to developed ones.

While the notion that a decentralized system can connect the world may seem counter-intuitive, it is through this suite of technologies that the world of the future will be linked. The power tools that build, shape and drive the global economy, such as computers and peripherals, require electricity to operate. If developing countries (especially net energy importers) are to prosper, it will be through deployment of these modern power tools.

The link between poverty, conflict and terrorism has been documented with, interestingly, the risk of conflict falling as incomes rise. Thus, bridging the digital divide with clean and efficient power supplies is not only good for the global economy and environment, but also part of the solution for energy security and global stability.

While it is easy to dismiss the meeting in Rome as just another energy talkfest, the calibre of the people, companies and institutions that gathered for the Congress has the power to influence and change the current path. It is said that, for policy change to take hold, there must be either a crisis or consensus. The dialogue in Rome will hopefully create some degree of consensus – and help us avert the crisis.

**David Sweet**

Director of WADE and Consulting Editor of *COSPP*